Maj. Gen. William Everett Potter, O17098, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Ralph Robert Mace, O17578, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Derrill McCollough Daniel, O29500, Army of the United States (brigadier general, U.S. Army).

To be major general, Medical Corps

Maj. Gen. Jack William Schwartz, O17823, Medical Corps (brigadier general, Medical Corps, U.S. Army).

To be brigadier general

Col. Raymond Russell Ramsey, O29470, U.S. Army.

To be brigadier generals, Medical Corps

Brig. Gen. Francis Willard Pruitt, O17812, Medical Corps (colonel, Medical Corps, U.S. Army).

Brig. Gen. Carl Willard Tempel, O18284, Medical Corps (colonel, Medical Corps, U.S. Army).

Maj. Gen. Thomas James Hartford, O18330, Medical Corps (colonel, Medical Corps, U.S. Army).

IN THE NAVY

The following-named officers of the line and staff corps of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

LINE

Samuel B. Frankel	Joseph A. Jaap
William T. Nelson	Louis A. Bryan
Edward A. Wright	Allen M. Shinn
Edwin B. Hooper	Alfred R. Matter
Henry A. Renken	Richard S. Craighill
Morris A. Hirsch	Daniel F. Smith, Jr.
Charles B. Brooks, Jr.	Thomas F. Connolly
William B. Sieglaff	Waldemar F. A. Wendt
Joseph W. Leverton, Jr.	Edwin S. Miller
	Bernard M. Strean
James C. Dempsey	Francis J. Blouin
John W. Byng	Arthur R. Gralla
Joseph D. Black	John J. Hyland
Andrew J. Hill, Jr.	Henry L. Miller
Frederick J. Becton	John M. Lee
Francis T. Williamson	Robert E. McC. Ward
Frederick J. Brush	Rhodam Y. McElroy, Jr.
Floyd B. Schultz	

MEDICAL CORPS

James L. Holland
Cecil L. Andrews
Cecil D. Riggs

SUPPLY CORPS

James S. Dietz
Herschel J. Goldberg

CIVIL ENGINEER CORPS

Norman J. Drustrup
James R. Davis

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 10, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 16: 7–8: *I will bless the Lord who hath given me counsel; He is at my right hand, I shall not be moved.*

O Thou Supreme Lord of our lives, Thou knowest the difficult tasks and heavy responsibilities which, during these days, lie before our President, our Speaker, and the Members of Congress.

May they be conscious of the sacred trust, which Thy divine providence has committed unto them, to establish and maintain the spirit of unity and concord among all the citizens of our beloved country.

Inspire their minds and hearts with special gifts of wisdom and understanding, of counsel and impartial judgment, that they may uphold courageously that which is right and fair and follow faithfully whatever is honest and true.

We pray that Thou wilt abate and abolish every selfish ambition and unworthy motive and all feelings of envy and ill will among the various classes in our social order, healing the divisions and discord, and strengthening the desires for mutual benefit.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, August 6, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 3682. An act to permit the processing of certain applications under the Small Tracts Act for lands included in the Caribou and Targhee National Forests by the act of August 14, 1958;

H.R. 4243. An act for the relief of Peter Sergeevich Deryabin, also known as Theodore Stanley Orel;

H.R. 4405. An act to authorize and direct the Secretary of the Interior to conduct studies and render a report on the feasibility of developing the water resources of the Salt Fork and the Prairie Dog Town Fork of the Red River in the State of Texas;

H.R. 4644. An act to credit to postal revenues certain amounts in connection with postal activities, and for other purposes;

H.R. 5138. An act to extend the grounds of the Custis-Lee Mansion in Arlington National Cemetery; and

H.R. 5849. An act to amend the act of July 7, 1958, providing for the admission of the State of Alaska into the Union, relating to selection by the State of Alaska of certain lands made subject to lease, permit, license, or contract.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H.R. 3335. An act to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes;

H.R. 4002. An act to authorize the use of Great Lakes vessels on the oceans;

H.R. 4120. An act for the relief of Dr. Raymond A. Vonderlehr and certain other officers of the Public Health Service;

H.R. 4242. An act for the relief of certain aliens;

H.R. 6939. An act to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes; and

H.J. Res. 405. Joint resolution for the relief of certain aliens.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 258. An act to provide for certain reductions in the reimbursable construction cost of the Kittitas division of the Yakima reclamation project, Washington;

S. 713. An act to revise the boundaries of the Zion National Park in the State of Utah, and for other purposes;

S. 1071. An act for the relief of Nettie Korn and Manfred Korn;

S. 1081. An act for the relief of Arshalouis Simeonian;

S. 1152. An act for the relief of Alicja Zofja Batukiewicz;

S. 1429. An act for the relief of Magdaleno V. del Rosario;

S. 1448. An act to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln Birthplace National Historic Site;

S. 1557. An act for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim;

S. 1702. An act for the relief of Franciszek Roszkowski;

S. 1731. An act for the relief of Pacifico A. Tenorio;

S. 2021. An act for the relief of Irene Milios;

S. 2238. An act for the relief of Kenzo Hachtmann, a minor;

S. 2471. An act to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes;

S. Con. Res. 38. Concurrent resolution to print for the use of the Committee on the Judiciary additional parts of certain hearings on administered prices;

S. Con. Res. 39. Concurrent resolution to print for the use of the Committee on the Judiciary additional copies of certain reports submitted by it and the Subcommittee on Antitrust and Monopoly;

S. Con. Res. 41. Concurrent resolution to accept the statue of the late Senator Patrick A. McCarran for placement in Statuary Hall;

S. Con. Res. 42. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of the late Senator Patrick A. McCarran;

S. Con. Res. 43. Concurrent resolution to print proceedings of the presentation and acceptance of the statue of the late Senator Patrick A. McCarran for placement in Statuary Hall;

S. Con. Res. 48. Concurrent resolution to promote peace through the reduction in armaments;

S. Con. Res. 55. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Esther Morris, of Wyoming, and authorizing ceremonies on such occasion;

S. Con. Res. 56. Concurrent resolution accepting the statue of Esther Morris, of Wyoming, for placement in the Statuary Hall collection;

S. Con. Res. 57. Concurrent resolution to print as a House document the proceedings incident to the acceptance of the statue of Esther Morris, presented by the State of Wyoming; and

S. Con. Res. 59. Concurrent resolution amending S. Con. Res. 2, continuing the existence of the Joint Committee on Washington Metropolitan Problems.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1289. An act to increase and extend the special milk program for children;

S. 1455. An act to authorize the rental of cotton acreage allotments; and

S. 1512. An act to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing

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votes of the two Houses on the amendments of the Senate to the bill (H.R. 8283) entitled "An act making appropriations for the Atomic Energy Commission for the fiscal year ending June 30, 1960, and for other purposes."

TENNESSEE VALLEY SELF-FINANCING

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2471) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes.

The Clerk read the title of the bill.

Mr. HALLECK. Mr. Speaker, reserving the right to object—and as far as I am concerned, I shall not—I think the RECORD should be very clear as to what we are doing here today. The President has been recommending self-financing legislation for TVA since 1954. H.R. 3460 substantially complied with the recommendations which the President had made on numerous occasions. The President was deeply concerned, however, about one section of the bill which not only had confusing language, but which additionally established a mechanism for the approval of new power producing projects which would allow the Congress to act directly on recommendations of the TVA, a subordinate agency to the President, regardless of Presidential desires and without opportunity for Presidential review of such congressional action.

S. 2471 eliminates this language. Its main substantive effect is to prohibit the TVA from dealing directly with the Congress concerning new power producing projects. It does not and could not change the relationship between the President and the members of the Tennessee Valley Authority who are his appointees and who are subject to his general directions. It is the opinion of the President, as well as of all his legal advisers, as well as of the Board of the Tennessee Valley Authority, that TVA still is subject to the budgetary sections of the Government Corporation Control Act, and as such will be required to submit to the President for his review and modification their annual financial program for the use of bond revenues and power proceeds. The President will submit his revised program to the Congress as part of his regular budgetary submission. It will be up to the Congress to determine whether any action is to be taken upon the President's recommendations for the ensuing fiscal year.

While H.R. 3460 gives directly to the Tennessee Valley Authority certain authority with reference to the use of revenue bond proceeds, it does not and cannot change the relationship of the TVA Board to the President and their basic responsibility to him as the Chief Executive of this country.

Mr. Speaker, I would also like to read from a letter addressed to the President of the United States by the Tennessee Valley Authority Board.

DEAR MR. PRESIDENT: We greatly appreciated the opportunity to meet with you on July 29 and present to you our views concerning the pending TVA financing bill, H.R. 3460, and the urgent need for its enactment.

Following our meeting with you, we had a further discussion with members of your staff. At this subsequent meeting we presented a one-page memorandum, representing the opinion of our general counsel relative to the meaning of H.R. 3460. The first paragraph of that memorandum is as follows:

"H.R. 3460 does not exempt TVA from the budgetary provisions of the Government Corporation Control Act. TVA will continue to submit its budget program to the President; and the President will continue to submit such program, as modified, amended, or revised, to the Congress as part of his annual budget. H.R. 3460 provides that the issuance and sale of bonds and the expenditure of bond proceeds shall not be subject to the requirements or limitations of any other law, but the budgetary provisions of the control act do not relate to the issuance and sale of bonds or the expenditure of bond proceeds and are therefore not affected by this provision."

Mr. FENTON. Mr. Speaker, reserving the right to object, may I ask the author of the bill just what is meant by the bill that was introduced in the Senate, and I would ask for a detailed explanation if the gentleman will give it.

Mr. DAVIS of Tennessee. Mr. Speaker, I think a reading of the exact language will answer the gentleman's question. The President found objection to this language in H.R. 3460. The distinguished minority leader has made a very excellent statement.

When the President objected to the language, assurance was given the White House by the representatives of both Houses that this language to which he objected would be deleted. On last Thursday the other body unanimously removed this language.

The bill today would keep the promise of this House to the President of the United States and remove that language. This is the language to which he found objection:

Provided, That with the budget estimates transmitted by the President to the Congress, the President shall transmit the power construction program of the Corporation as presented to him and recommended by the Corporation, together with any recommendation he may deem appropriate.

Neither bond proceeds nor power revenues received by the Corporation shall be used to initiate the construction of new power producing projects (except for replacement purposes and except the first such project begun after the effective date of this section) until the construction program of the Corporation shall have been before Congress in session for ninety calendar days. In the absence of any modifying action by a concurrent resolution of the Congress within the ninety days, such projects will be deemed to have congressional approval.

The President thought that that removed some Executive power to which he was entitled. Acting on the assurances given him by the leadership in both Houses, I am asking that this bill S. 2471 be approved by the House.

Mr. FENTON. Mr. Speaker, I appreciate very much the statement given by my distinguished colleague from Tennessee [Mr. DAVIS]; but in view of the fact the hearings before our Subcommittee on Appropriations for the TVA discloses an entirely different viewpoint, in my opinion, from what the General Counsel of TVA thinks, I am forced to object at this time.

Mr. RAYBURN. Mr. Speaker, will the gentleman withhold that for a moment?

Mr. FENTON. I withhold it for the time being.

Mr. RAYBURN. Mr. Speaker, I was called to the White House last week to discuss this very matter with the President of the United States, and he said that he objected to this provision of the bill because he thought it was an invasion of his executive authority. I agreed with this before I met the President. He said if we would agree—I told him I would insofar as I could speak for the House of Representatives—that if he signed the bill we would immediately pass a bill repealing that section of the bill that he signed into law. The Senate has already acted.

The President has kept his word with me, and I want to keep mine with the President of the United States, and I do trust that nobody will object to this proposition that the President so urgently requests the Congress of the United States to do.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

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

Mr. HALLECK. I realize the concern that many Members of the Congress have had in respect to continuing control of the Congress of the TVA and its operations. Of course it will continue to be a Government corporation. By what I read into the RECORD I tried to make it clear that congressional control will remain if this legislation is adopted.

The SPEAKER pro tempore (Mr. WALTER). Is there objection to the request of the gentleman from Tennessee?

Mr. FENTON. Mr. Speaker, further reserving the right to object, this is a very, very serious matter to my people. We have gone through this problem for a number of years in connection with the TVA. While I appreciate the wonderful work they have done for the people of that area, I think the time has long since passed since they have arrived at a point which was the intent of the Congress back in 1933 to help rehabilitate the TVA area. The Congress has done its duty. The people of the country have cooperated to the fullest extent, and I object to certain literature being put out by the TVA people asking industry to go to the TVA area for the purpose of getting cheap electric power and interfering with the establishment of industry in Pennsylvania, particularly. I regret very much that the Senate has seen fit, in the matter of a few minutes in debate—and I read the debate very carefully—to pass a bill such as has been offered to placate even the President of the United States. I appreciate the Speaker's interest in the matter. He has kept his word.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

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

Mr. RAYBURN. This proposition did not originate in the House. The bill went over to the Senate and this language was inserted, and the members of

the conference, the gentleman from Tennessee [Mr. DAVIS] and the gentleman from Alabama [Mr. JONES] were very much opposed to this provision ever being inserted in the bill, because they felt it was outside of what they should do. Now they are convinced that this provision should come out of the law. The President has agreed, and he thought that it encroached upon the prerogatives of the Executive. This does not change the action of the TVA Board. Further, every one of them has been appointed by President Eisenhower, every one of them, all three of them, since he came in. And, it would appear to me that if anybody could have any influence with that Board, it would be the President of the United States. I think under the law that we are passing here it stops the TVA from expanding beyond certain limits. The President felt that the language which had been inserted invaded the jurisdiction of the Executive and should come out, and we ought to do it now.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman from Pennsylvania addresses his remarks to the TVA bill itself, which is law. The President has signed the bill. And, I understand and respect thoroughly the views of my friend from Pennsylvania on TVA legislation in general, but that is really not the question that confronts us today. The question is a limited amendment. If this is not acted upon today, the TVA bill signed by the President is law. This amendment would carry out an understanding and agreement made by the Speaker, by Senator JOHNSON—and I do not know how many others were present. Certainly any agreement made by the Speaker would be binding upon me, and certainly the minority leader has also expressed his position. My friend, the gentleman from Pennsylvania, has expressed his views not only today but in the past on TVA legislation in general, and while I disagree with my friend, I profoundly respect his views. But, that is not the question today. This is a very limited question. The President feels that certain language of the bill invades the jurisdiction of the Executive. I might have my own opinions on that, but I am not expressing them or exercising them today. I think we should act in accordance with the agreement made, and I hope my friend from Pennsylvania, recognizing that this is a limited matter, not a general matter, in relation to TVA, will not object to the consideration of the bill.

Mr. FENTON. Mr. Speaker, inasmuch as the Speaker has spoken the way he has, and has cooperated with the President; inasmuch as the minority leader, the gentleman from Indiana [Mr. HALLECK], has made his statement; and inasmuch as the distinguished majority leader has explained the position on his side, I am going to accept the views of these gentlemen in the House as to the validity of this particular piece of legislation that is before us. However, I am doubtful, because there are other provisions in that legislation beyond the scope of this particular bill that is being brought up today, that I think will come back to haunt us.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BALDWIN. Mr. Speaker, reserving the right to object, several Members who are not on the floor at this moment asked me, if this matter were called up and they were not present, they being members of the Committee on Public Works, to register an objection until there could be a clearance of it on our side of the Committee on Public Works. This matter was called up immediately. I have checked this with one of the Members. I have not yet been able to check with one or two of the others. I am faced with the problem that, unless I can clear with those other Members, I shall have to register an objection to protect them, since they are not here.

Mr. Speaker, would it be possible for the gentleman to defer this matter until we have gotten clearance from our side of the Committee on Public Works?

Mr. DAVIS of Tennessee. Mr. Speaker, if the gentleman will yield to me, I most respectfully suggest that this matter was unanimously passed by the other body last Thursday. Certainly ample time has been accorded everybody. Notice has been given. We have heard from the distinguished minority leader on the gentleman's side. The Speaker has made a very firm statement concerning his commitment to the President of the United States. I cannot see how anybody could say that this matter is being rushed.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman.

Mr. HALLECK. I think probably at this juncture I should make it very clear that I was not present when these negotiations were started. However, that does not affect their validity in any way. Inasmuch as the gentleman from California [Mr. BALDWIN] has made certain commitments, which everybody can understand, may I suggest to the gentleman from Tennessee [Mr. DAVIS] that even if objection were now made to his unanimous-consent request, it could be renewed later in the day at which time I should hope that no objection would be made to the request.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BALDWIN. Mr. Speaker, I shall have to object.

The SPEAKER. Objection is heard.

PRESIDENT EISENHOWER URGED TO VISIT WEST BERLIN BEFORE EXCHANGING VISITS WITH KHRUSHCHEV

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. STRATTON. Mr. Speaker, I was very pleased to read in the paper this morning that President Eisenhower has altered his itinerary in visiting NATO leaders later this month, prior to making an exchange of visits with Soviet Premier Khrushchev, to include the capital of the West German Republic. Last Friday I urged the President, as a part of his itinerary, to include a visit to the city of Berlin, so that, prior to the Khrushchev visit we could make clear in a dramatic way the fact that our visit to Khrushchev does not represent any slackening in our determination to stand firm in Berlin. If my suggestion to the President played a part in his decision to include the city of Bonn in his visit, I am happy indeed, because I believe that many of our people are concerned that the forthcoming Khrushchev visit may involve some slackening in our determination to hold the line against the Communist aggression. I am delighted that the President has decided personally to visit the West German capital, but I would again urge him, in connection with this visit, also to make a personal appearance in the city of West Berlin to show the Soviet Government in clear and unmistakable terms that our position there has not changed in spite of all the pressures, threats, or ultimatums that might be directed against us.

INTEREST CEILING ON THE NATIONAL DEBT

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. REUSS. Mr. Speaker, a month ago the House Committee on Ways and Means reported favorably on the so-called sense resolution, in connection with the interest ceiling on the national debt, whereby the Federal Reserve is given the recommendation of the Congress that when it is increasing the money supply, it do so by purchasing U.S. securities.

There has been much misunderstanding of this sense resolution. Since I believe deeply that it is a sensible resolution, I have just secured time later on this afternoon for a special order, when I hope to explain it fully and to answer any questions from any Members who may be present and who have any questions to ask about it. May I say, if Members are not able to be present and would write out interrogatories which they would like to submit to me, if they will just call my office, I will see that we get those questions and I will attempt to answer them. That will take place later on this afternoon.

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, Gov. Fritz Hollings, of South Carolina, was the only southern Governor who opposed Khrushchev's visit to the United States. Governor Hollings' dissenting vote at the southern Governors' conference thrilled many patriotic Americans everywhere. Governor Hollings is a man of courage. He will not compromise a basic fundamental principle. He does not believe appeasement is the road to peace.

Mr. Speaker, I am shocked and depressed over the coming visit of the Russian Communist antichrist dictators and bullies.

It is a terrible thing to invite Khrushchev to the United States. He has been desperately seeking this invitation for years. He needs this trip to show the world he is accepted by Christian America. He hopes by such love feasts and pow-wows with our leaders to make the world forget Hungary, Tibet, East Germany, and Korea. He is the gangster seeking decent recognition. This will give him the dignity and prestige he can get in no other way. Khrushchev was Stalin's hatchetman in Moscow and the Ukraine. His hands literally drip with the innocent blood of thousands. He believes in the liquidation of all who do not agree with him.

Our President, Governors, and mayors do not seek summit conferences with bank robbers. They do not seek peaceful coexistence with murderers. Yet on the international level we are doing just that.

What will the neutral peoples of the world think? What will our friends think? Those to whom we give foreign aid to fight communism. One day we give a people arms and bullets to stand up to Russian aggression—the next day these same people see Khrushchev holding hands with the President of the United States, feasting and drinking toasts. You know and I know these neutrals and friends will put our money in their pockets, sell our equipment on the black market and forget the fight against communism.

We should not forget that Chamberlain had a summit conference with Hitler and Mussolini. The Japanese were conferring with Secretary Hull when Japan attacked Pearl Harbor. We had conferences at Yalta and Potsdam. I am afraid history will prove such conferences make war more likely. The bloody dictator always becomes bolder and more aggressive believing the hospitality of free peoples indicates fear and weakness.

We are not going to impress Khrushchev with cars, corn, and luxury. He knows much more about America than most of us. He has studied us from every angle. He knows what we are going to do before we do it. He has a powerful underground in the United States who keep him constantly informed. An American Communist Party of many thousands.

The only decent policy for the United States is to refuse to see these bloody dictators until they withdraw from Hungary, Poland, Czechoslovakia, East Germany, North Korea and many other nations. We should put them on the defensive daily by demanding that they live up to sacred treaties and give captive nations the right to vote and determine their own destiny.

BENSON TO BUY LARD

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, it has been called to my attention that the Secretary of Agriculture now proposes to spend money to buy lard to boost sagging hog prices instead of buying meat products. This is another example of spending money in such a way that we receive the least possible benefit for money spent. The Secretary of Agriculture proposes to buy lard instead of meat products. The farmers are being told to be more efficient, to produce meat-type hogs and sell them at light weights. Now the Secretary of Agricultrue wants to reward those who feed heavier hogs and make them fat. At a time when many Americans are in need of meat products, the Secretary buys lard for oversea shipment. I refuse to believe that the Republican Party is so bankrupt of brains that they must continue to keep Ezra Taft Benson in office any longer.

STIMULUS TO REHABILITATION AND SELF-SUPPORT FOR OUR BLIND CITIZENS

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr CURTIS of Missouri. Mr. Speaker, on June 26 I introduced H.R. 7984, a bill to amend title X of the Social Security Act to provide that, without an increase in the Federal participating funds, a State plan for aid to the blind may utilize a more liberal needs test than that presently specified in such title. This bill is consonant with the spirit and avowed purposes of title X wherein enabling legislation was enacted to encourage each State to furnish financial assistance as far as practicable under the conditions of such State, to needy individuals who are blind and of encouraging each State, as far as practicable under such conditions, to help such individuals attain self-support or self-care.

Title X of the Social Security Act provides grants to States for aid to the blind. The grants cover four-fifths of the blind-aid payments up to $30 per month and from 50 percent to 65 percent above $30 not to exceed $65 per month. Accordingly, under a State plan for aid to the blind that qualifies for a title X grant, the Federal Government pays out $41.50 to $46.75 out of a $65 per month blind-aid payment.

Title X has been in effect since 1935. Since 1950, all 48 States have had plans which qualify for Federal reimbursement. Prior to 1950, however, Missouri and Pennsylvania had in effect plans for the blind which failed to conform to the Federal interpretation of the so-called needs test amendment of 1939.

That amendment provided "a State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the blind"—section 1002(a)(8). From 1937 to 1950 the blind people of Missouri and Pennsylvania and their State legislatures consistently refused to accept Federal matching funds if it meant scrapping their more liberal State blind pension and enacting in lieu thereof a more restrictive law which would conform to Federal requirements.

In 1950 Congress approved special legislation which permitted Missouri and Pennsylvania to retain their more liberal aid to the blind programs and still receive Federal participating funds. Under this special provision, the Federal Government provides participating funds only for those individuals who meet the strict requirements of the Federal law. The remaining eligible blind people of Missouri and Pennsylvania are paid entirely from State money. The exact language of the amendment reads:

> In the case of any State * * * which did not have on January 1, 1949, a State plan for aid to the blind approved under title X * * * the Secretary shall approve a plan of such State for aid to the blind for the purposes of this title X, even though it does not meet the requirements of clause (8) of section 1002(a) of the Social Security Act, if it meets all other requirements of title X for an approved plan for aid to the blind; but payments under section 1003 of the Social Security Act shall be made, in the case of any such plan, only with respect to expenditures thereunder which would be included as expenditures for the purposes of such section under a plan approved under title X without regard to the provisions of this section.

The amendment to the Social Security Act was originally enacted to terminate on June 30, 1955. Its life has since been thrice extended, first to June 30, 1957, then to June 30, 1959, and now to June 30, 1961. The bill which I have introduced proposes a solution that will put to rest, once and for all, the issues presented by the Missouri and Pennsylvania plans. Accordingly, this bill is proposed to take effect on July 1, 1961.

The Missouri and Pennsylvania programs are primarily more liberal than Federal requirements in the following regards:

First. Missouri has two separate plans, one plan which is supported entirely by State funds, provides for those blind persons who meet the eligibility requirements of the State law, but do not meet the more restrictive requirements of the Federal law. The other plan is supported by Federal and State participating funds

and provides only for those persons who meet the more strict Federal definition of need. Pennsylvania has only one plan but the federally eligible and ineligible recipients are separated as a bookkeeping transaction.

Second. In Missouri a flat fixed amount of $65 is paid to each recipient each month while in Pennsylvania the payment is $60 per month. This is in contrast to the variable individual payments of the Federal law.

Third. In Missouri a blind person is allowed to earn $175 a month and still qualify for the full amount of the pension while under present Federal law only $50 per month is allowed as exempt earnings. In Pennsylvania a blind person is allowed to earn $148.33 and still qualify for the full amount of the grant.

Fourth. In Missouri and Pennsylvania the amount of cash and property that a blind person may have and still qualify for the full pension is more liberal than under the Federal provisions.

A study of the Missouri and Pennsylvania plans discloses, I think, quite well how far these two States have gone in their efforts to encourage the rehabilitation of their nonsighted citizens. They have enlarged their economic opportunities to the end that they may render themselves independent of public assistance and become entirely self-supporting. These programs have proved highly successful and have paved the way for more enlightened socioeconomic legislation in the other 47 States. I have long been impressed with the wisdom of the words of Justice Brandeis who said, "It is one of the happy incidents of the Federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel and economic experiments without risk to the rest of the country." The value of this thesis is demonstrated by the Missouri and Pennsylvania plans. Our aid-to-the-blind program should be directed to the ends of rehabilitation and helping our nonsighted people to become useful and productive citizens. The above described needs test tends to hurt our efforts at rehabilitation. Its effect is to destroy initiative and desire to make the most of the blind individual's productive years. The bill which I have introduced is intended to preserve the minimum standards of clause (8) but it still allows the States to develop their programs in accordance with modern thinking and to encourage more liberal provisions provided that the States are willing to finance their expanded programs out of State funds.

This bill, then, would resolve the following Federal-State issues which have been raised by the present title X of the Social Security Act, to wit:

First. It would preserve to the States their right to provide improved social-welfare programs for the blind wholly financed out of State funds.

Second. It makes it possible for Missouri and Pennsylvania to retain permanently, and for other States to adopt, if they wish to do so, any or all of the distinctive features of the Missouri-Pennsylvania plans of aid to the blind.

Third. The amount of each State's Federal grant would continue to be measured by the present standards and on like terms to all States. The definition of the means test that is contained in clause (8) of section 1002(a) would apply to all States for the purpose of determining the part of any State's expenditures that will be covered by the Federal grant.

Fourth. No limitation or requirement on the allowable exceptions from the means test in the direction of greater liberality would be imposed upon any State plan in order to retain a title X Federal grant for federally eligible cases. In order to prevent the States from circumventing the minimum standards of the Federal program by transferring recipients to a drastically less adequate State program, the States are permitted to increase, but not decrease the extent to which the recipients' earnings, or income, or other resources will be excepted from the means test.

Fifth. It would eliminate the forced conformity to the antiquated needs test and would certainly encourage the other 47 States to develop plans that are consonant with this desirable thesis of rehabilitation and self-help. It would further bring Federal public assistance policy into conformity with the new congressional and general emphasis on rehabilitation of the disabled. As one step in this direction, Congress required the States in 1950 to exempt $50 of earned income of blind-aid recipients from consideration in determining the amount of the grant. As a second step, Congress in 1956 proclaimed self-care and self-support to be one of the purposes of the public-assistance provisions of the Social Security Act.

Sixth. This bill, if enacted into law, would simply restore an important States right—the right to provide at State expense, a more liberal program of aid to the blind than the Federal Government chooses to allow. Since under the provisions of this legislation, the Federal Government would only provide participating funds for those individuals who would qualify under the present strict Federal definition of need, the plan could not possibly increase the cost to the Federal Government. It would in fact in time provide a real financial benefit to the Federal Government. Through more liberal State financed welfare programs geared to rehabilitation and self-support, more blind people will make their way off of the relief rolls and our nonsighted citizens will be encouraged to make the most of their productive years and become more useful citizens.

EXTENSION OF REMARKS

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the CONGRESSIONAL RECORD and to include a statement by his Excellency Bishop Griffiths on "Population and Future United States Policy." I am informed by the Public Printer that this extension of remarks exceeds the limit, and is estimated to cost $216. Because of the importance of this statement, Mr. Speaker, I ask unanimous consent, notwithstanding, that it may be printed.

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

There was no objection.

HIGHWAY SAFETY

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article.

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

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, so that no one may be shocked, may it be said that at the moment nothing will be said about labor legislation at this time.

In yesterday's Star there was quite a long article, which I will read.

ELEVEN KILLED THIS YEAR—RECKLESSNESS BLAMED FOR ROUTE 1 TRAFFIC TOLL

Disdain of the most elementary driving rules is converting a short strip of Route 1 into Virginia's most deadly roadway.

Already this year, 11 people have died as a result of crashes on the 12-mile section of the highway that traverses Prince William County south of Washington.

Another 113 have been injured in 182 wrecks. And the most perilous month, December, still waits to exact its toll.

Analyzing the most recent accidents, which have killed nine travelers in the last 2 months, State police identify flagrant recklessness as the primary cause of the mounting slaughter.

Tragically, they say, at least five of the recent victims, including a mother and father, were in cars which were being faultlessly driven.

They helplessly died when oncoming vehicles sped across the center of the four-lane highway and smashed headon into them.

Blood tests revealed that at least two drivers responsible for the deaths of others and themselves were highly intoxicated.

Asked why recklessness and its bloody results are so rampant in this particular stretch of Route 1, Sgt. T. A. S. Moody, who commands the troopers patrolling it, makes these comments:

The strip serves as a sort of funnel, receiving traffic streaming southward from both Route 1 and Shirley Highway. Farther to the south, the traffic dispenses somewhat. But during each 24 hours, the strip is crowded with an average of 16,000 cars.

Especially in the Woodbridge area, it is lined with service stations, trailer parks, shopping centers, and housing developments. Thus, the frequency of motorists stopping and trying one of the most dangerous of all maneuvers, a left turn across a high-speed thoroughfare, is high.

Tourists, unfamiliar with the highway, often travel it.

Therefore, drivers are more subject to penalties for errors in judgment along Route 1 in Prince William than elsewhere.

But Sergeant Moody stresses that these conditions do not fully explain the number of accidents.

"The highway is a good one. Its hills and curves are not excessively abrupt and it is well marked," he says. "It's not the highway, it's the people.

"The accidents are being caused by lane jumping, by failure to signal, following too

closely, by traveling too fast for road conditions, by drinking, and by just plain inattentiveness," he reports.

The police are intensifying their patrols and use of radar in the area. Arrests there are numerous.

Sergeant Moody is recommending that a new overhead reduce-speed warning sign be mounted south of Woodbridge.

He also may suggest a reevaluation of the speed limits all along the strip. The limits now range from 40 to 55 miles an hour in various sections.

But he says that law enforcement and safety efforts along it long have been intense.

And he warns, that it will become the deathbed of many more motorists and their families unless drivers decide to instigate safety measures of their own.

On April 26, 1957, I was driving through Woodbridge, Va., where there was a 25-mile-an-hour speed limit through the congested area, but going along ahead of me were three or four large trucks, two of them belonging to the same company, going at better than 50 miles an hour in a 25-mile-an-hour zone and driving within 50 feet of each other.

I had a personal interest in the matter because of the fact that my grandson in the Navy lived in Norfolk with his wife and child. I wanted to do something to make the highway safer for them as well as for others, possibly save them and others from injury or death. So I drove into the weighing station where these trucks had stopped, and the State police there at the weighing station had seen these trucks come through this side of the town there at 50 miles an hour. I asked him what I could do to get these drivers arrested. He was not interested. I asked him where I could get hold of a magistrate. Well, he did not know. I finally got hold of one at the weighing station and made a complaint. Hearing was set at Manassas, some 50-odd miles away, for the 2d day of May. I drove over there and testified. The driver was convicted. What penalty do you think the judge imposed on him by way of fine? Judge Compton fined him $5 and costs. Now, how are you going to get protection on the highways under such conditions?

At the same session the same judge fined the father of a boy who had skipped school $50 but did suspend the sentence.

The judge was certainly kind to the companies whose drivers continuously violate traffic laws.

Can officers whose duty it is to enforce the law escape all responsibility for the accidents and deaths which the Star yesterday pointed out? Why should a citizen be required to make complaints?

ANNOUNCEMENT

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked for this time for the purpose of advising my colleagues that at the conclusion of the regular order of business today I have a 1-hour special order. I intend during that time to present the detailed facts back of some newspaper articles that I have been discussing, dealing with the tendency of American capital and American jobs to go abroad.

I am going to give you the details on some 3,000 business concerns which have gone abroad and established factories, where they are located, and the number of jobs that should have gone to Americans but are now going to foreigners where those companies are operating.

It will be an interesting presentation and I will say to you that I will submit the supporting facts back of the statement. It will be well worth your while listening to some of these facts. They are startling.

AMENDING LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 451) to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable, with Senate amendments thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That section 33 of the Longshoremen's and Harbor Workers' Compensation Act is amended to read as follows:

"'COMPENSATION FOR INJURIES WHERE THIRD PERSONS ARE LIABLE

"'SEC. 33. (a) If on account of a disability or death for which compensation is payable under this Act the person entitled to such compensation determines that some person other than the employer or a person or persons in his employ is liable in damages, he need not elect whether to receive such compensation or to recover damages against such third person.

"'(b) Acceptance of such compensation under an award in a compensation order filed by the deputy commissioner shall operate as an assignment to the employer of all right of the person entitled to compensation to recover damages against such third person unless such person shall commence an action against such third person within six months after such award.

"'(c) The payment of such compensation into the fund estabilshed in section 44 shall operate as an assignment to the employer of all right of the legal representative of the deceased (hereinafter referred to as "representative") to recover damages against such third person.

"'(d) Such employer on account of such assignment may either institute proceedings for the recovery of such damages or may compromise with such third person either without or after instituting such proceeding.

"'(e) Any amount recovered by such employer on account of such assignment, whether or not as the result of a compromise, shall be distributed as follows:

"'(1) The employer shall retain an amount equal to—

"'(A) the expenses incurred by him in respect to such proceedings or compromise (including a reasonable attorney's fee as determined by the deputy commissioner);

"'(B) the cost of all benefits actually furnished by him to the employee under section 7;

"'(C) all amounts paid as compensation;

"'(D) the present value of all amounts thereafter payable as compensation, such present value to be computed in accordance with a schedule prepared by the Secretary, and the present value of the cost of all benefits thereafter to be furnished under section 7, to be estimated by the deputy commissioner, and the amounts so computed and estimated to be retained by the employer as a trust fund to pay such compensation and the cost of such benefits as they become due, and to pay any sum finally remaining in excess thereof to the person entitled to compensation or to the representative; and

"'(2) The employer shall pay any excess to the person entitled to compensation or to the representative, less one-fifth of such excess which shall belong to the employer.

"'(f) If the person entitled to compensation institutes proceedings within the period prescribed in section 33(b) the employer shall be required to pay as compensation under this Act a sum equal to the excess of the amount which the Secretary determines is payable on account of such injury or death over the amount recovered against such third person.

"'(g) If compromise with such third person is made by the person entitled to compensation or such representative of an amount less than the compensation to which such person or representative would be entitled to under this Act, the employer shall be liable for compensation as determined in subdivision (f) only if such compromise is made with his written approval.

"'(h) Where the employer is insured and the insurance carrier has assumed the payment of the compensation, the insurance carrier shall be subrogated to all the rights of the employer under this section.

"'(i) The right to compensation or benefits under this Act shall be the exclusive remedy to an employee when he is injured, or to his eligible survivors or legal representatives if he is killed, by the negligence or wrong of any other person or persons in the same employ: *Provided*, That this provision shall not affect the liability of a person other than an officer or employee of the employer.'"

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ESTABLISHMENT OF BUREAU OF NAVAL WEAPONS

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7508) to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 7, after "Navy" insert "or the Marine Corps".

Page 2, line 10, after "Navy" insert "or the Marine Corps".

Page 3, line 3, strike out all after "is" down to and including line 8 and insert "amended

by striking out in the second sentence of subsection (a) the words 'Bureau of Aeronautics' and inserting in lieu thereof the words 'Bureau of Naval Weapons'."

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman take time briefly to explain the amendments?

Mr. VINSON. This bill is for the purpose of establishing a new bureau in the Navy, known as the Bureau of Naval Weapons.

It is brought about by the consolidation of the Bureau of Ordnance and the Bureau of Aeronautics.

When the bill passed the House, the Chief of this new Bureau, and the Deputy Chief, would be appointed from the active list of the Navy.

The Senate amended the bill by providing that the Chief of the Bureau or the Deputy Chief could be appointed from the active list of the Navy or the Marine Corps.

In the House bill, as I have just stated, the Chief of the Bureau and the Deputy Chief would have to be naval officers.

Due to the fact that under existing law, officers of the Marine Corps are eligible to be appointed as Chief or Deputy Chief of the Bureau of Aeronautics, the Senate amendment was intended to continue the eligibility of officers of the Marine Corps to be appointed as Chief or Deputy Chief of the new Bureau of Naval Weapons.

In view of the fact, notwithstanding the eligibility of a marine officer to be made Chief or Deputy Chief, it is very doubtful if it will ever take place due to the reason that the major portion of the work of the new Bureau will relate to ordnance.

Mr. GROSS. Mr. Speaker, I opposed this bill when it was before the House initially. I do not believe it will accomplish any of the purposes the House desires. I am still opposed to the bill even after the Senate amendments.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PROVIDING ADDITIONAL TIME WITHIN WHICH CERTAIN STATE AGREEMENTS UNDER SECTION 218 OF THE SOCIAL SECURITY ACT MAY BE MODIFIED

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, with Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MILLS, FORAND, KING of California, SIMPSON of Pennsylvania, and MASON.

ESTATE TAX DEDUCTION FOR CHARITABLE TRANSFERS SUBJECTED TO FOREIGN DEATH RATES

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 137) to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 5, line 12, strike out "after the date of the enactment of this Act" and insert "on or after July 1, 1955".

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. MILLS. Mr. Speaker, H.R. 137 as it passed the House would have allowed a deduction for estate tax purposes for foreign death taxes imposed—and paid—on charitable bequests if, first, the property on which the tax is imposed is situated in the foreign country and included in the gross estate of a citizen or resident of the United States, and second, if the decrease in tax resulting from the deduction is to go to charities—or the entire Federal estate tax is to be equitably apportioned among all of the transferees of the estate. Where this deduction is allowed, no credit against the estate tax is to be available for the foreign taxes which are deducted.

Under the House bill, this provision would have been effective with respect to estates of decedents dying after the date of enactment.

The Senate made one amendment. It changed the effective date provision so as to apply to the estates of decedents dying on or after July 1, 1955.

AMENDING THE UNIFORM NARCOTIC DRUG ACT OF THE DISTRICT OF COLUMBIA

Mr. MATTHEWS. Mr. Speaker, by direction of the House Committee on the District of Columbia, I call up the bill (H.R. 8225) to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription, and I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

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

Mr. O'HARA of Illinois. Mr. Speaker, reserving the right to object, and I shall not object, I would like to ask the distinguished gentleman if the bill passed by the other body granting a tax exemption to the United Spanish War Veterans will be acted on by the full committee during this session of the Congress? The chairman of the full committee is present, and I would appreciate his answer, because we all know what a great legionnaire he is and that among veterans of all this Republic's wars no one is held in higher respect and affection than the distinguished gentleman from South Carolina.

The average age of the United Spanish War Veterans today is 82. Our commander in chief, as the chairman knows, is a veteran of the fighting campaigns both in the Philippines and Cuba, and we would like very much to get this tax exemption bill through during this session and while this outstanding soldier hero of these campaigns of 6 decades ago is the commander in chief of the oldest functioning organization of war veterans in our country.

Mr. McMILLAN. I am pleased to advise the gentleman that I have requested my committee to hold hearings immediately on the bill he mentioned. The Spanish American veterans are one of the most highly respected groups of veterans in the United States. They are fortunate to have an outstanding leader in Congress such as Congressman O'HARA to take care of their interests, and we will do our best to get the bill through in the next 2 or 3 weeks.

Mr. O'HARA of Illinois. The other veterans organizations already have this exemption.

Mr. McMILLAN. Yes; we have exempted property owned by the American Legion and VFW.

Mr. O'HARA of Illinois. I thank the gentleman. He will appreciate the deep personal interest of the gentleman from Illinois as the last Spanish war veteran in this body. The years are running out on us, and this tax exemption, small as is the amount involved, some $600 or $700, at this time means a great deal to what in its prime was the largest veterans organization in our country, and when the average age of its members is 82, still is carrying on, cooperating in the labor of patriotism with the American Legion, the Veterans of Foreign Wars, and the other organizations composed of younger veterans. Mr. Speaker, I withdraw my reservation.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10 of the Uniform Narcotic Drug Act of the District of Columbia, as amended (52 Stat. 790; sec. 33-410, D.C. Code, 1951 edition), is

amended by striking out in the third sentence of the last paragraph thereof "without a written prescription" and inserting in lieu thereof "without a written or oral prescription".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. MATTHEWS. Mr. Speaker, the purpose of this legislation is to permit doctors in the District of Columbia to order on oral as well as written prescription paregoric for use in the District of Columbia.

In Virginia there is no restriction on the obtaining of paregoric and any one can obtain it by merely signing his name in the book. I believe there is a limitation of 2 ounces.

A public hearing was held by your subcommittee on August 4 and witnesses appeared representing the Pharmaceutical Association of the District of Columbia, the Pharmacy Board of the District of Columbia, the Commissioner of the District of Columbia and the head of the narcotics squad of the Police Department in the District of Columbia.

No one appeared in opposition to this legislation. At the end of the meeting the subcommittee approved the bill unanimously.

EXEMPTING CERTAIN PENSION AND OTHER EMPLOYEE TRUSTS FROM THE LAWS OF THE DISTRICT OF COLUMBIA

Mr. MATTHEWS. Mr. Speaker, by direction of the House Committee on the District of Columbia, I call up the bill (H.R. 8527) to exempt certain pension and other trusts established in the District of Columbia from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any pension, profit-sharing, stock bonus, annuity, disability, death benefit, or other employee trusts heretofore or hereafter established in the District of Columbia by employers for the purpose of distributing the income or the principal thereof, or the principal and income thereof to some or all of their employees, or the beneficiaries of such employees, shall not be invalid as violating any laws of the District of Columbia against perpetuities, against restraints on the power of alienation of title to property, or against accumulation of income, but such trusts may continue for such period of time as may be required by the provisions thereof to accomplish the purposes for which they are established.

With the following committee amendment:

On page 1, line 5, after the word "established" strike out the words "in the District of Columbia".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows: "A bill to exempt certain pension and other employee trusts from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income."

A motion to reconsider was laid on the table.

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. MATTHEWS. Mr. Speaker, the purpose of this legislation is to exempt certain pension and other trusts established in the District of Columbia from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income.

Under the common law, trusts for the accumulation of income are held, by some authorities, to be limited by the rule against perpetuities even in the absence of statutory restrictions. Many of the States which have enacted statutes to take the place of the common law rule against perpetuities have also enacted special statutes restricting the accumulation of income. Consequently, such States, when exempting pension trusts and the like from the rule against perpetuities, must also exempt them from any special statutes which place limitations on the accumulation of income. Most of the statutory exemptions refer specifically to the accumulation of income as well as to the rule against perpetuities while the others, though making no special reference to accumulations, appear to be broad enough to exempt them also from any existing limitations against such accumulations.

This bill deals not only with the rule against perpetuities but also with the rules against the accumulation of income and restraints on alienation. The draft of this bill is substantially the same as the statutes that have been enacted in many of the States. According to information presented to the subcommittee at a hearing on August 4, there are 38 States which have passed these exemption statutes. These States are: Alabama, California Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Kansas, Kentucky, Indiana, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, and Wisconsin.

This legislation has the approval of the Commissioners of the District of Columbia and no one appeared in opposition at the time the hearing was held.

RELATING TO FEES FOR TRANSCRIPTS IN DISTRICT OF COLUMBIA

Mr. MATTHEWS. Mr. Speaker, by direction of the House Committee on the District of Columbia, I call up the bill (S. 1371) to repeal the act approved March 3, 1897, and to amend the act approved December 20, 1944, relating to fees for transcripts of certain records in the District of Columbia, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act authorizing the Commissioners of the District of Columbia to charge a fee for the issuance of transcripts from the records of the health department", approved March 3, 1897 (29 Stat. 695, ch. 693; sec. 6–103, D.C. Code, 1951 edition), is hereby repealed.

SEC. 2. Paragraph (g) of the first section of the Act entitled "An Act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes", approved December 20, 1944 (58 Stat. 819; sec. 1–244, D.C. Code, 1951 edition), is amended by striking out "such fees to be paid to the Collector of Taxes and" and inserting in lieu thereof the following: "including, but not limited to transcripts of records of births and deaths. No one transcript shall be made so as to apply to more than one birth or death. No fee shall be charged for certificates, copies or transcripts furnished the various departments of the United States Government for official purposes. Such fees shall not exceed the reasonably estimated cost of providing such copies, certificates, and transcripts, and shall be".

SEC. 3. This Act shall take effect sixty days after approval.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. MATTHEWS. Mr. Speaker, the purpose of this legislation is to repeal the act approved March 3, 1897, and to amend the act approved December 20, 1944, relating to fees for transcripts of certain records in the District of Columbia.

Under existing law, the Commissioners of the District of Columbia are only allowed to collect a fee of 50 cents for reproducing certain records such as birth and death certificates and in the fiscal year 1958, the cost of reproducing such records amounted to $3,450 more than the Commissioners were able to collect from such sources.

This legislation would give the Commissioners authority to establish fees to be charged for the reproduction of certificates, copies, and transcripts of official records so as to be sure that the cost would be covered.

No one appeared in opposition to the legislation.

REGULATE PLACING OF CHILDREN IN FAMILY HOMES

Mr. MATTHEWS. Mr. Speaker, by direction of the House Committee on the District of Columbia, I call up the bill (S. 746) to amend the act entitled "An act to regulate the placing of children in family homes, and for other purposes," approved April 22, 1944, as amended, and for other purposes, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 6 of the Act entitled "An Act to regulate the placing of children in family homes, and for other purposes", approved April 22, 1944, as amended (sec. 32-786(a), D.C. Code, 1951 edition), is amended to read as follows:

"SEC. 6. (a) Whenever a licensed child-placing agency shall have been given the permanent care and guardianship of any child and the rights of the parent or parents of such child shall have been terminated by order of a court of competent jurisdiction or by a legally executed relinquishment of parental rights, the agency is vested with parental rights and may consent to the adoption of the child pursuant to the statutes regulating adoption procedure. Minority of a natural parent shall not be a bar to such parent's relinquishment to a licensed agency. Any relinquishment of parental rights other than by court order as provided in this subsection may be revoked upon the written consent of all the parties to said relinquishment and any such relinquishment may be transferred from one licensed child-placing agency to another licensed child-placing agency, in which case the second agency shall assume all the rights and duties of the first agency. For the purposes of this section, 'licensed child-placing agency' shall mean any child-placing agency licensed pursuant to this Act or any child-placing agency licensed or authorized by any State, Territory, or possession of the United States, by the Commonwealth of Puerto Rico, or by any foreign country or any state, province, or other governmental division of any foreign country for the care and placement of minors. Such transfer or relinquishment shall be filed in the domestic relations branch of the municipal court for the District of Columbia, as hereinafter provided in this section. Except in proceedings for adoption, no parent may voluntarily assign or otherwise transfer to another his rights and duties with respect to the permanent care and control of a child under sixteen years of age unless such relinquishment of parental rights is made to a licensed child-placing agency. Such relinquishment of parental rights shall be a statement in writing signed by the person relinquishing such parental rights who shall subscribe his name thereto and acknowledge the same before a representative of the licensed child-placing agency in the presence of at least one witness, or before a person authorized by law to administer an oath. Said relinquishment of parental rights shall be recorded and filed in a properly sealed file in the domestic relations branch of the municipal court for the District of Columbia. The seal of said file shall not be broken except for good cause shown and upon the written order of a judge of said court."

SEC. 2. Such Act, as amended, is amended by adding at the end thereof the following new section:

"SEC. 13. As used in this Act, the term 'Commissioners' means the Board of Commissioners of the District of Columbia or their designated agents. The performance of any function vested by this Act in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners may be delegated by said Board of Commissioners in accordance with section 3 of Reorganization Plan Numbered 5 of 1952 (66 Stat. 824)."

With the following committee amendment:

Page 3, line 11, strike out ", or before a person authorized by law to administer an oath."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. MATTHEWS. Mr. Speaker, the purpose of this bill is to amend the act regulating the placing of children in family homes—approved April 22, 1944.

This bill would permit the Commissioners of the District to delegate their authority contained in existing law to execute agreements with any person, firm, corporation, association, or public agency authorized by a State or country for the care and placement of minors to allow the person, agency, and so forth, to place nonresident children in foster or adoption homes in the District.

The subcommittee held a hearing on the legislation on Wednesday, July 22, and it has the approval of the Commissioners of the District of Columbia, the Corporation Counsel of the District of Columbia, and the Department of Public Welfare of the District of Columbia, also Mr. Richard Barker, founder of a private adoption agency, the Barker Foundation in the District of Columbia. No one appeared in opposition to the legislation.

OPERATION OF HELIPORTS WITHIN THE DISTRICT OF COLUMBIA

Mr. MATTHEWS. Mr. Speaker, by direction of the House Committee on the District of Columbia, I call up the resolution (S.J. Res. 52) directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the establishment, construction, and operation of heliports within the District of Columbia, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

Mr. GROSS. I object, Mr. Speaker.

AMENDING THE DISTRICT OF COLUMBIA TEACHERS' SALARY ACT OF 1955

Mr. MATTHEWS. Mr. Speaker, by direction of the House Committee on the District of Columbia, I call up the bill (H.R. 6585) to amend the District of Columbia Teachers' Salary Act of 1955, as amended, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the District of Columbia Teachers' Salary Act of 1955 (69 Stat. 521; D. C. Code, sec. 31-659a-1 and the following), as amended, is amended as follows:

(1) Section 1, as amended, is amended by adding "(a)" immediately after "SECTION 1." and by adding at the end thereof the following new subsection:

"(b) The Board of Education is hereby authorized to pay additional compensation, over and above the salaries in the salary schedules in section 1(a) of this Act, in the amounts specified in this subsection, to classroom teachers, class 18, at the indicated school levels, who are assigned to perform the following extra duties, on a continuing basis, during hours beyond the regular school day: *Provided,* That a teacher, to be eligible for such additional compensation, must also be assigned the standard load for a regular day school teacher at his respective school level, as defined by such Board:

"Activities:	Annual compensation per teacher for each activity
Head coach: football, basketball, baseball, or track (senior or vocational high school)	$600
Assistant coach: football, basketball, baseball, or track (senior or vocational high school)	400
Junior varsity coach: football, basketball, or baseball (senior or vocational high school)	400
Intramural or extramural supervisor (senior, vocational, or junior high school)	400
Coach: swimming, golf, or tennis (senior high school)	150
Music director: vocal or instrumental (senior, vocational, or junior high school)	400
Newspaper faculty adviser (senior, vocational, or junior high school)	400
Yearbook sponsor (senior or vocational high school)	400
Dramatics director (senior, vocational, or junior high school)	200
Forensics director (senior or vocational high school)	200
Cadet activities sponsor (senior or vocational high school)	200

Payment of such additional compensation shall be made in a lump sum at the end of the school year or upon termination of service for that portion of services rendered. Such additional compensation shall not be subject to deduction or withholding for retirement or insurance, and such additional

compensation shall not be considered as salary (1) for the purpose of computing annuities pursuant to the Act entitled 'An Act for the retirement of public schoolteachers in the District of Columbia' approved August 7, 1946 (60 Stat. 875, ch. 779), as amended, or (2) for the purpose of computing insurance coverage under the Act entitled 'An Act to authorize the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service, and for other purposes', approved August 17, 1954 (68 Stat. 736), as amended."

(2) Subsection (a) of section 2 is amended by inserting immediately before the period at the end of the fourth sentence the following: ", and except that a person not possessing a master's degree who was appointed on probationary or permanent status before July 1, 1959, to a position as a nonshop teacher in the vocational education program may continue to be employed in such a position, and except that a person not possessing a master's degree who was on the list of eligible candidates for any such position before July 1, 1959, may continue to be eligible for such position until the expiration of such eligible list."

SEC. 2. This Act shall take effect July 1, 1959.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Act entitled 'An Act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes', approved August 5, 1955 (69 Stat. 521, ch. 569), as amended, is amended as follows:

"(1) Subsection (a) of section 2 is amended by inserting immediately before the period at the end of the fourth sentence the following: ', and except that a person not possessing a master's degree who was appointed on probationary or permanent status before July 1, 1959, to a position as a nonshop teacher in the vocational education program may continue to be employed in such a position, and except that a person not possessing a master's degree who was on the list of eligible candidates for any such position before July 1, 1959, may continue to be eligible for such position until the expiration of such eligible list'.

"(2) Section 13, as amended, is amended by adding thereto the following subsection:

"'(d) The Board, with the approval of the Board of Commissioners of the District of Columbia, is hereby authorized to pay additional compensation, over and above the salaries in the salary schedule in section 1 of this Act, in amounts not to exceed in the aggregate 15 per centum of the salary received as prescribed in section 1 to elementary and secondary school classroom teachers in salary class 18 who are assigned by the Superintendent of Schools or his designated agent or agents to perform extra duties, on a continuing basis, during hours beyond the regular schoolday: *Provided*, That a teacher, to be eligible for such additional compensation, must also be assigned the standard load for a regular day school teacher at his respective school level, as designated by such Board. The Board is further authorized, with the approval of the Board of Commissioners of the District of Columbia, on the written recommendation of the Superintendent of Schools, to fix or prescribe the amount of additional compensation for teachers who perform such extra duty. Payment of such additional compensation shall be made in a lump sum at the end of the school year or upon termination of service for that portion of services rendered. Such additional compensation shall not be subject to deduction or withholding for retirement or insurance, and such additional compensation shall not be considered as salary (1) for the purpose of computing annuities pursuant to the Act entitled "An Act for the retirement of public school teachers in the District of Columbia", approved August 7, 1946 (60 Stat. 875, ch. 779), as amended, or (2) for the purpose of computing insurance coverage under the Act entitled "An Act to authorize the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service, and for other purposes", approved August 17, 1954 (68 Stat. 736), as amended.'

"SEC. 2. The Board of Education of the District of Columbia, with the approval of the Board of Commissioners of the District of Columbia, is hereby authorized to make such regulations as may be necessary to carry out the purposes of this Act.

"SEC. 3. This Act shall take effect July 1, 1959."

Mrs. GREEN of Oregon. Mr. Speaker, I move to strike out the last word, and I ask unanimous consent to proceed for 3 additional minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, this bill is designed primarily for the athletic coaches in the District of Columbia. At the present time the coaches in the various schools receive compensatory time. If the person is a coach and stays after school until, say, 6 o'clock in the evening, then he may not have to come to the school building until 11 o'clock in the morning. If this bill passes with or without the committee amendments—and the amendments I certainly think do improve the bill—the athletic coaches and a few others, about one-tenth of the teaching force in the District, will receive what they have asked for. The ordinary classroom teachers, upon whose shoulders rests the apparently very minor job of teaching our children to read and write and to understand the intricacies of mathematics and science and the history of our country and foreign languages, will have to console themselves with the thought that they are only to be repaid in the satisfaction and the knowledge that their students are better prepared for the trying times in which we live.

Mr. Speaker, last year this House, after much debate and careful consideration, enacted a National Defense Education Act. This act was passed primarily on the assumption that our educational system was badly in need of strengthening in the fields of science, mathematics, foreign languages, and the other hard-core subjects. Throughout the continuing debate that took place last year and this year on the needs of our school system, there has emerged a general consensus that one basic weakness of the schools today has been the overemphasis on "frills," the placing of football above physics, of athletics above algebra, of driver training above defense skills. We have done these things in the past because we could afford, or we thought we could afford, to be wasteful with our educational resources. But, the events of the past months have brought home to us in a vivid way the fact that we cannot continue to be wasteful with those most valuable of all our national resources, our children's minds.

Mr. Speaker, I do not question the value of school athletic programs. They form a needed part of the training of the whole student. But, it seems to me that they ought not to be overemphasized to the point envisaged in this bill, where coaches and a few others, the ones who put out the school annual and the school newspaper, are paid added salaries for a few hours' work in a few weeks of the year, while classroom teachers continue to spend their nights and weekends grading papers and preparing lectures for the next day and the next week at the same salary they are now receiving.

Perhaps you can measure the worth of a football coach by the number of games he has won. Some of our colleges quite frankly hire and pay their coaches on precisely this basis.

But what parent, and what school board, can really measure the value of that teacher who has inspired a student to delve into the cool, quiet beauty of a quadratic equation or who has shown to a young man the challenge of the atom? We cannot pay our teachers in terms of the number of scientists they produce, or the number of mathematicians, or poets, or great authors, because it is not always possible to tell precisely which teacher inspired them.

There was a country schoolteacher in the Illinois area a century and a half ago who spent extra time without extra compensation, to encourage and to challenge a gangling young farm boy who attended his classes. That teacher's name is remembered by a few scholars, but his student's name, Abraham Lincoln, is remembered by mankind. His teacher helped substantially to create the greatest man this Republic has ever known. And there is no record of his having asked for compensatory time off, or a nondeductible salary increase.

Who was the high school teacher who inspired Albert Einstein to interest himself in mathematics? And who was the schoolteacher who encouraged a young Texan named SAM RAYBURN to interest himself in the Government of his country? I do not know. Perhaps those men knew. But whoever it was, that teacher is owed a debt of gratitude by the people of this Nation. I suspect those teachers received no extra compensation for their devotion to their students and for their ability to make sure that great men and great women were produced out of the boys and girls in their classrooms.

Our classroom teachers, our math teachers, our history teachers, our language teachers, our science teachers, perform hundreds of duties outside of their classrooms. They must continue to undertake additional studies to keep them up to date in their changing specialties. They must give freely of their time to their students who may have difficulty in keeping up with the work. They must also give freely of their time to those gifted students who require additional challenge if they are not to lose interest in the work which they grasp so easily.

Certainly the classroom teacher's job does not begin when the first bell rings, and it most certainly does not end when the last student departs for home. It is a never-ending chore, made sustainable only by its essential value to the community. The classroom teacher, Mr. Speaker, does not ask for overtime for these extra chores, such as correcting papers until midnight. He feels he is a professional and that these are part of his professional duties. The math teacher no more would think of asking to be compensated for the time spent in reading a math journal than a doctor would demand overtime for reading a new medical book; or a lawyer would expect overtime because his checking of citations kept him in the office past 5 o'clock.

The professional teacher, Mr. Speaker, is no more a creature of the timeclock than are the Members of this House.

Finally, Mr. Speaker, it seems to me that the District schools are already taking ample care of the coaches in terms of special consideration for their allegedly "extra" duties. I have checked with the District school system, and I find that in almost every case, athletic coaches are given compensatory time off, without reduction in their salaries under the existing pay schedules. In a few cases, limited to golf and tennis, no such time is given. In almost all other cases, such time is given, under the present rules.

As long as this Congress exercises a basic authority over the educational practices of the District of Columbia, it would seem to me most inadvisable for us to deliberately tell the teachers of English, of math, of science, and of foreign languages, that their duties are less valuable to the community in terms of salary than are the valiant efforts of a football or baseball coach to develop another winning team.

It has been suggested that if athletic coaches do not receive higher salaries they will leave the District schools and go elsewhere. This may be true. I do not know. But may I suggest, Mr. Speaker, that it is a well-known fact that industry is taking away from the teaching profession outstanding mathematicians, scientists, physicists, and so forth. If there be any justification for a salary increase for any special group of teachers, then in my opinion the latter deserve that increase.

The classroom teachers of this country have recognized their never-ending obligation to their profession. Every summer, within days, sometimes within hours of the sound of the last bell of their school year, a large portion of the teachers of the Nation and of the District of Columbia are on college campuses, taking additional courses in their specialties, trying to keep themselves equipped to cope with the demands of their profession. For this they ask no overtime. For this they ask no special praise. They do it in the true spirit of professionals.

Mr. Speaker, let me raise one further point. It has been suggested during the last several weeks and at the time of the hearings, that if we do not pass this bill and give to the football and baseball coaches extra pay for putting in something like the hours of overtime which the English and math teachers, the science and history teachers, put in for nothing, they will engage in a kind of genteel strike and we will have no interschool athletics next year.

Mr. Speaker, I appreciate the value of such athletic contests, but it seems to me that for 1 year we might get along without them.

I, for one, feel the salaries of teachers are below what they should be. I would support any legislation to increase the salaries of teachers, but I implore the Members of the House not to pick out athletic coaches or certain groups to receive additional pay.

Mr. MATTHEWS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I congratulate the distinguished gentlewoman who just preceded me for making the magnificent talk that she did make about the teaching profession. I want to say too that I agree with her 100 percent. But, Mr. Speaker, the bill does not do, I believe, what the gentlewoman thinks it does. All this bill does is to say to the Board of Education and to the School Superintendent and to the District Commissioners that all of them have to agree. We say to them, "All of you have to agree. If you think any teacher deserves extra pay for extra work over and above the regularly assigned duties, you have that right provided all of you agree to raise that salary, and not to exceed 15 percent."

Mr. Speaker, is that an illogical proposition? I want to say to the House, I was an English teacher for some years. While I tried to teach Chaucer's "Canterbury Tales" and Shakespeare's "Macbeth"—and I do not know whether I did a very good job, but I tried to do a good job—I did not particularly object to other teachers in the system who were getting a little bit more money. The teachers' salary schedules were arranged by the Board of Education. What we are asking for here today is that the Board of Education in the District of Columbia, again with the permission of the District Commissioners, if they want to do anything about raising salaries for extra duty over and above the classroom load, they have the right to do it. I pause here, Mr. Speaker, to permit anyone to ask me questions, if they so desire.

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

Mr. MATTHEWS. I yield.

Mr. GROSS. I am concerned about the language to be found at the bottom of page 4 of the bill, beginning at line 16, which reads as follows. I will cut out some of the language that is not material:

> The Board, with the approval of the Board of Commissioners of the District of Columbia, is hereby authorized to pay additional compensation, * * * to teachers who are assigned by the Superintendent of Schools or his designated agent or agents to perform extra duties, on a continuing basis, during hours beyond the regular schoolday.

What is the limitation there? They can pay the teacher for anything under the terms of that language.

Mr. MATTHEWS. The gentleman is partially correct. The committee discussed that very carefully. The Board of Commissioners will have to agree, and it was the feeling that by providing for such agreement, you would have a proper control on the financial costs involved. We figure that the costs and actual disbursements here might be as much as $150,000 annually, but with the District Commissioners saying "Whatever you do here, you must come to us and find out where the money is coming from." We feel that our professional boards and the professional groups are the proper groups who are to make that determination.

Mr. GROSS. You refer on line 19, page 4, to section 1 of this act. Where is section 1? What constitutes section 1 of this act?

Mr. MATTHEWS. Will the gentleman repeat his question, please?

Mr. GROSS. On line 19, page 4, you refer to the salary schedule in section 1 of this act. Where is section 1 of this act?

Mr. MATTHEWS. I can say to the gentleman that what that refers to is not a part of our bill, but refers to the salary schedule in the present law.

Mr. GROSS. But you do not have any section 1 in this act. It refers to a title that has been stricken from the bill; is that not correct? Perhaps I should make a point of order against this bill that I made originally when it came up.

Mr. MATTHEWS. In the original bill discussed by our committee may I point out to the gentleman language specified what the gentlewoman from Oregon said. There were listed some 10 or 15 types of jobs for which teachers are given compensatory time. School authorities said, "You do these extra jobs, and you get a little more time off." We said that we thought this was an improper way to handle this thing. Why set up a table where the Congress should try to specify whether a coach or the yearbook sponsor or someone else deserves extra money. Why not strike that table out and say that anybody the Board of Education wants to give extra money to, provided the District Commissioners agree to it, will be able to receive the extra compensation within a certain maximum amount, not to exceed 15 percent.

Mr. GROSS. That is the very point I make. You are referring to a table that has been stricken in your own bill.

Mr. MATTHEWS. The table the gentleman is referring to, I assume, is the table that was in the original bill.

Mr. GROSS. On page two, you refer to section one of the original bill, which comes to the floor stricken out of this bill. How can you refer in this bill to a portion of a bill that has been stricken?

Mr. MATTHEWS. I will be glad to eliminate any language which the gentleman would like eliminated.

Mr. GROSS. No, it is your baby and not mine.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to my colleague.

Mrs. GREEN of Oregon. I believe the gentleman just made the statement that

this bill would give the Board of Education the right to pay certain teachers extra money. Is it not true that the ones whom they want to pay this extra money are the athletic coaches and the football and baseball and basketball coaches and to the editors of the yearbook? Is it not true that in the salary schedule to which the gentleman just referred—and which has been stricken from the bill—there was no suggestion made by the District Board of Education that we should pay the English teachers or physics teachers or science teachers or teachers of mathematics or foreign languages any extra money when those teachers many, many times have to stay up until midnight correcting papers. Is it not a fact that there was no suggestion that these teachers be paid for the extra time that they spend in performing their duties; is that not true?

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes.

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

There was no objection.

Mr. MATTHEWS. I think the gentlewoman is perfectly correct. Make no mistake about it, my chief interest in getting this bill before us in the first place was to help our coaches, and I make no apologies for that.

May I remind the House that at one time I was a teacher and I made more money out of tutoring some private students than my roommate did who was a coach.

I appreciate the interest of the gentlewoman from Oregon but may I point out that there are literally dozens and dozens and dozens of wonderful teachers in the District of Columbia who make extra pay by tutoring and doing other jobs. The coaches who ought to have extra money are unable to take on extra jobs because of the time they have to devote to participation in these other activities.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman yield further?

Mr. MATTHEWS. I yield.

Mrs. GREEN of Oregon. Is it not also true that in the hearings which you held, the Education Association, the professional association of teachers of the District of Columbia, appeared before your committee in opposition to this bill?

Mr. MATTHEWS. I might say to the gentlewoman that there were almost five times as many witnesses opposed to this legislation as were in favor of it, but there was not a single witness who effectively denied the educational correctness of this particular bill. I do not blame the teachers for the stand they take, and let me say again that I am on their side. I am never going on record as being against the teachers; I am 200 percent for the teachers. But I want to say to you that we have a bill that presents the views of the people charged with fixing teachers' salaries in the District of Columbia. The practice they recommend is followed by the overwhelming majority of the educators throughout the country. But even though there were a great many more people who were against it than were for it, I, for one, am not going to allow my decision to be based by who were the most vociferous; I am going to let it be based on what I think is right.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from North Carolina.

Mr JONAS. Do the provisions of this bill apply to the District of Columbia Teachers College?

Mr. MATTHEWS. I regret to say I do not believe they do. They do not.

Mr. JONAS. Is not that part of the educational system of the District?

Mr. MATTHEWS. I will say to the gentleman that the reason we did not include them is because the bill is limited to what we call class 18. When you get outside of class 18, you get into a maze of problems.

Mr. JONAS. But the subcommittee considered that question and decided it could not be done.

Mr. MATTHEWS. Yes, and I want to thank the gentleman for his interest in this problem. He will recall that he mentioned to me several times the problems involved, and I think the gentleman will recall that we concluded that to extend this beyond class 18 would be to open up a regular Pandora's box.

Mr. SPRINGER. Mr Speaker, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Illinois.

Mr. SPRINGER. I think we have lost sight of the real purpose of this bill. At the present time these teachers who perform extra duty are given time off, so that it equalizes out. Likewise, as testified by the superintendent of schools, there is the economic factor in this situation. They would like to have these coaches teaching full time, not taking time off. If these teachers go on a full-time basis they will be correcting papers up to midnight just like the other teachers. In addition they will be working extra time because of the extra work. All of this in addition to a full-time regular workload. The real effect of this bill would be to reimburse those who do actual mental and physical labor over and above the full-time teaching load. I think that is clear.

Also it will require fewer teachers because presently they have been getting time off for coaching, for being the director of a newspaper, or the advisor of the yearbook, or whatever it might be. Under the new plan they will teach a full load and on top of that they will do extra curricular activity such as coaching, or supervisor of drama, school paper, or yearbook.

I have been a schoolteacher and I can appreciate the problems involved. Under the present system more teachers are needed because of the teaching load. There will be some savings under this bill. I believe the statement was made that at the present time they have to have 15 extra teachers in the high school system in order to take up this slack caused by time off for coaches during the day. Full-time teaching for coaches will do away with those 15 teacher positions.

The SPEAKER. The time of the gentleman from Florida has again expired.

(By unanimous consent Mr. MATTHEWS was allowed to proceed for 5 additional minutes.)

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

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

Mr. WAMPLER. I appreciate this time very much, and also appreciate the statement made by the gentleman from Illinois [Mr. SPRINGER] regarding this coaching situation, because the fact is that we are definitely facing a deep problem of juvenile delinquency all over the country, as it has been classified.

The fact is these coaches are being paid extra money for extracurricular activities which they are putting in, and at the same time those men are expected to teach a full load in the high school. In addition to that, they have papers to grade. They are not necessarily physical specialists. Most of them are teaching academic subjects and instead of grading papers they are actually conducting classes after school with individuals. That is the thing they are actually doing, teaching these young people to become better citizens in the community. It is easy to say that they should not have extracurricular pay for these various categories. In many schools throughout the country they do have categories all standardized to where the math teacher is doing specialist work, along with the dramatics teacher, the debates teacher, and so forth, and they are placed in the same category as the coaches.

That enables them to get paid for time they are specializing with students on the outside. They are having a problem in the District of Columbia because of the fact that they are disrupting the teaching schedule. They have to make up the time individually. These men should be paid for the time they are spending on the outside. However, the classroom activities are being neglected. Other localities offer these inducements to people in the coaching profession. They can go elsewhere and receive these benefits. If the District does not cope with that situation, we are going to get inferior people in the school system in the District of Columbia.

In addition to that, we are going to come out with a problem that money cannot compensate for.

I urge adoption of this bill, and I want to back the fact that this is merely a steppingstone in the right direction to give the teachers that do work with students on the outside more compensation along the lines of coaches instead of defeating it because one particular category is being recognized at this time.

Mr. MATTHEWS. I thank the gentleman, and will say in conclusion that this bill is a sound one, it is based on sound educational procedures. It tells your educational authorities, your school board, your school superintendent; it tells the District Commissioners if all of you think that teachers who do extra work over and above their assigned duties are entitled to a little bit more money, give it to them. This extra income is not tax free. It is not, in my

opinion, as large as I would have liked to have had it. This is not an act that will hurt the schoolteaching profession. I pay tribute to the great schoolteaching profession. It recognizes the authority of your school boards in turn to give a little bit of extra pay for extra work. I certainly hope this bill will be passed.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING DISTRICT OF COLUMBIA STADIUM ACT WITH RESPECT TO MOTOR-VEHICLE PARKING AREAS

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 8392) to amend the District of Columbia Stadium Act of 1957 with respect to motor-vehicle parking areas, and move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill.

Mr. GROSS. Mr. Speaker, is this the stadium bill?

Mr. McMILLAN. It is for a parking area around the stadium.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McMILLAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 124]

Alford	Elliott	Minshall
Anfuso	Farbstein	Multer
Barrett	Flynn	Nix
Barry	Fulton	O'Brien, N.Y.
Bentley	Gallagher	O'Neill
Bosch	Giaimo	Oliver
Bowles	Granahan	Philbin
Brewster	Green, Pa.	Powell
Budge	Halpern	Reece, Tenn.
Cahill	Hargis	Riehlman
Canfield	Healey	Rivers, Alaska
Carnahan	Hogan	Rostenkowski
Celler	Holtzman	Spence
Coad	Jackson	Taber
Coffin	Judd	Taylor
Curtis, Mass.	Kasem	Teller
Daddario	Kilburn	Toll
Diggs	Landrum	Udall
Dorn, N.Y.	McDowell	Vanik
Dulski	Martin	Zelenko
Edmondson	Miller, N.Y.	

The SPEAKER. On this rollcall 366 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

AMENDING DISTRICT OF COLUMBIA STADIUM ACT WITH RESPECT TO MOTOR-VEHICLE PARKING AREAS

The SPEAKER. The gentleman from South Carolina moves that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8392) to amend the District of Columbia Stadium Act of 1957 with respect to motor-vehicle parking areas, and for other purposes.

Mr. McMILLAN. Mr. Speaker, pending that motion I ask unanimous consent that general debate be limited to 1 hour, to be equally divided and controlled by the gentleman from Pennsylvania [Mr. KEARNS] and myself.

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

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from South Carolina.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8392) with Mr. WATTS in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the consent agreement the gentleman from South Carolina will be recognized for 30 minutes and the gentleman from Pennsylvania for 30 minutes.

The Chair recognizes the gentleman from South Carolina.

Mr. McMILLAN. Mr. Chairman, I yield myself such time as I may desire to use.

Mr. Chairman, in 1957 Congress enacted the District of Columbia Stadium Act. At that time it did not seem to meet the approval of the Interior Department and the White House in certain respects, and we thought the bill was amended to meet their objections. It seems now that the various boards and commissions involved have at last gotten together on the question of costs that will be incurred in the building of roads and parking facilities around the stadium. I further understand they have gotten together on the question of using the funds which will be derived from parking cars at the stadium. However, both the Interior Department and General Accounting Office are of the opinion that the provision contained in this bill is necessary.

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

Mr. McMILLAN. I yield.

Mr. GROSS. Is there any agency of the Government, the Department of the Interior or any other, which is for this bill? If so, why are their reports in favor of the bill not included in the report brought to the floor of the House today by the committee?

Mr. McMILLAN. I would like to say to the gentleman that I am certain that none of them completely endorsed the stadium bill, but they have not objected to it very strenuously. However, they are always wanting to make some additional amendments to the act.

Mr. GROSS. I thank the gentleman for his response.

Mr. McMILLAN. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HARRIS] to explain the bill.

Mr. HARRIS. Mr. Chairman, if I may have the attention of the Committee for a few minutes, I think I can explain the problem we have before us today in connection with this proposed parking area around the authorized stadium to be constructed in the District of Columbia.

As the chairman of the Committee on the District of Columbia just stated, in 1957 the Congress authorized the construction of a stadium for the District of Columbia. Because of differences of opinion that have developed between the various commissions and agencies of the District which are necessary in considering such a project, it was not sufficient.

Subsequent thereto we came in with a stadium bill authorizing the construction of a stadium which would cost in the neighborhood of $7½ million. It was a private operation to be financed through the issuance of bonds.

The Congress had already authorized in a previous act the location of the stadium in the area out at the end of East Capital Street. That is the area beyond where the present armory is today.

This area is administered by the Department of the Interior. The Department of the Interior insists that they have continuing control of the entire area around the stadium and the stadium would be administered after its construction from the issuance of bonds by the Armory Board. So here we have not only the Department of the Interior involved, but the Armory Board, the District Commissioners, the National Capital Planning Commission, the Fine Arts Commission, and one or two or three other agencies of the Government. They all have to be satisfied in order for this project to get under way.

The Congress thought it had it worked out in the authorization of the last bill which was passed and that the matter would proceed; that is, bonds would be issued.

A survey had been made and reports issued. Then we find that under the arrangement made between these agencies the Department of the Interior insisted that it had certain control and authorization and responsibility in connection with the overall program. Therefore, the Department of the Interior contends that it has charge of landscaping, access roads, a freeway down the Anacostia River, and so forth. It wants to have the responsibility of these things surrounding it because one of these days it is going to have other facilities put around there which will be implementing the whole program that the stadium would provide.

So we had this dilemma. The Department of the Interior and the Armory Board then entered into a contract. None of us knew that this contract was going to contain all of the things that the Department of the Interior set forth.

It was during this year before we found out what all the contract called for.

When they went before the Appropriations Committee of the House, we found out they had entered into the contract which would require an appropriation by the Congress of between $5

million and $6 million for preparation around the stadium and the entire layout that was to be constructed. When that happened, we asked under what authority and why it was necessary. They included such things as the demolition of the old buildings back north of where the present armory is. It is not even a part of and never was to have been a part of this stadium construction program. It should be done away with, however, and some day it will be. We found out they had to have a freeway—to go from M Street NE., clear down the Anacostia River to Bennings Road. That involved another $1½ million or $2 million. It is a good thing and should be constructed, but it should be a part of the road program to meet transportation needs.

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

Mr. McMILLAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HARRIS. Mr. Chairman, consequently there was the highway construction, there was the demolition of all these buildings, and so forth, which ran the cost way up to this amount, over $5 million, charging all of it to stadium construction, which was never intended, and it was never a part of the stadium program. They included all of this as a part of this program.

The General Accounting Office, in answer to a request from the chairman of the Subcommittee on Interior Appropriations, our genial and distinguished friend, the gentleman from Ohio [Mr. KIRWAN], asking for an interpretation as to the authorization of the stadium bill, said that before the Interior Department could construct any of these things around the stadium, which is a part of it, and was so intended, at the outset, it would be necessary for the Congress to act. Consequently, they brought together again the District Commissioners, the Department of the Interior, the Armory Board, the Fine Arts Commission, and all these other commissions in an effort to try to settle where the area of responsibility was.

Now, in doing so, we said it was never intended for any $5 million to $6 million to be appropriated for this purpose. But, access roads are necessary as well as other accessories, and the construction of that part under the control of the Department of the Interior will be necessary, which I will include with this statement. The Armory Board will construct the stadium.

Now, that is simply the whole program. We whittled down the amount to be charged to the stadium, which amounts to approximately a little over $2,660,000, which is authorized by this bill, because the General Accounting Office said it was necessary if the stadium was to be put at this place. That is just how simple it is. You are not going out there and build what is now to be a $10 million stadium with revenue bonds and pay for it out of the revenues received, unless you have some way to get in there, some utilities that are necessary to any such kind of an operation, and other things which the Department of the Interior say they are going to insist on, which surround it and are to be used by it, such as parking areas and other facilities itemized and listed herein.

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

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

Mr. GROSS. Well, now, it may not have been the intention of the people building this stadium to take care of, for instance, the demolition of buildings on the grounds down there and the relocation of those people to other places. But, that will have to be provided for. Who in the world does the gentleman think ought to take care of the demolition of the buildings? Who does the gentleman think will take care of the relocation of the workers? Somebody is going to have to pay for it. Who?

Mr. HARRIS. That certainly is no part of this program.

Mr. GROSS. The buildings that are to be demolished are on the land in the immediate area.

Mr. HARRIS. No; that is not on the part where the stadium is to be built.

Mr. GROSS. Well, it is to be a part of the whole area.

Mr. HARRIS. No. That is not true. The stadium is to be east of there, and it is not in this area where the buildings are. As I say, the buildings ought to be demolished and will be someday. This should become a part of the overall project. I hope it will someday, but it should not be charged to the stadium.

Mr. GROSS. If you want to, limit it to the stadium itself, but let us go into the access roads, the ingress and the egress roads, the parking facilities, and so forth. Now, does not the gentleman agree that buildings will have to be demolished and people moved out of that area to do that?

Mr. HARRIS. I can show the gentleman a survey map that does not require any demolition of buildings as a necessary part of the project now. If the District of Columbia someday wants to demolish those buildings and use the area in connection with the facilities in and around the stadium and the stadium itself, it would be desirable, but it will be up to the District of Columbia. It has nothing whatsoever at this point to do with the stadium or any part of it.

Mr. Chairman, so there will be no misunderstanding, I include the original summary of requirements of the Department of the Interior and the itemized summary authorized in this bill, as follows:

Summary of estimated fund requirements as originally estimated and requested by Department of the Interior

Project	Planning and design	Construction [1] including supervision	Total
Utilities	$11,400	$212,100	$223,500
Area A. Area adjacent to stadium proper	43,300	822,400	865,700
Area B. Plaza and pedestrian underpass in East Capitol St.	26,300	499,300	525,600
Area C. Bus, taxi, and car parking, East Capitol St., 19th to 22d Sts.	14,500	275,200	289,700
Area D. Paved parking area	61,000	1,158,700	1,219,700
Area E. Stabilized soil parking area	16,500	313,200	329,700
Project F. Anacostia Dr., Benning Rd. to Pennsylvania Ave.	19,400	368,200	387,600
Total	192,400	3,649,100	3,841,500
Amount requested this estimate	192,400	212,100	404,500
Additional amount needed by February 1960		3,437,000	3,437,000
Requirements for project G	58,700	1,164,000	1,222,700
Grand total, all requirements	251,100	4,813,100	5,064,200

[1] These figures represent preliminary estimates based on exhibit II, scheme 1, of the stadium study. It must be recognized that these preliminary estimates are very general in scope and final estimates will be available when planning and design work is completed.

Itemized summary of fund requirements authorized by this bill, H.R. 8392

(Exclude utilities (bond issue))

Area A	$120,000
Area B	(1)
Area C	225,000
Area D	850,000
Area E	625,000
Total	(1)
Total	2,120,000
Planning and design	120,000
Engineering	120,000
Contingency	300,000
Grand total	2,660,000

[1] Out.

Mr. KEARNS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, as a member of the Stadium Commission since its inception, I feel that good judgment was shown in the authorization by the Congress of a bill to construct a stadium here. We all know the purposes and the objectives of this project, and the great need that we have for a stadium in the Nation's Capital. It is obvious that the Committee on Appropriations in considering the financial phase of this program did not understand the ramifications that were involved.

I would like to compliment my colleague, the gentleman from Arkansas [Mr. HARRIS], who just spoke, and tell this body that everything he told you is absolutely the truth. He explained the situation in great detail, so it is unnecessary for me to go over the same things he told you, because he has related the facts as they exist.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

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

Mr. TEAGUE of Texas. Mr. Chairman, I want to congratulate the gentleman from Arkansas [Mr. HARRIS] and the gentleman from Pennsylvania [Mr. KEARNS] on the work they have done and associate myself with their remarks.

Mr. KEARNS. I thank the gentleman.

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

Mr. KEARNS. I yield.

Mr. HARRIS. Mr. Chairman, I wanted to further explain to the membership of the House how I happened to get involved in this matter. I had the distinct privilege and honor of serving on the District Committee for 18 years, and during the time I was on the committee a good many years ago, at the request of others here in the District I joined in an effort to try to work out some kind of a stadium program. That began a good many years ago, and I have followed it through to some extent during the years and have done my best to do what I could to formalize it. And, we tried to do it in a way that was not an expense to the taxpayers, and this is not an expense to the taxpayers, in my opinion, notwithstanding how some others feel about it. It is 90 percent the responsibility of the District of Columbia.

Mr. KEARNS. The gentleman is correct.

Mr. Chairman, I now yield 10 minutes to the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, the advocates of the stadium know just as little about the ramifications of what they are getting into as they did when the original Stadium Act was passed. They still do not know what it is all about. In 1957, when we passed the original Stadium Act, if you will refer to the CONGRESSIONAL RECORD, you will find the question was asked at least six times of the advocates of this stadium, if the stadium was going to result in any cost to the taxpayers of the United States of America. And six times the answer came back from the advocates of the Stadium Act that if we gave them the land, there would not be one penny of cost to the taxpayers of the United States of America.

They did not know what they were getting into then. They still do not know what they are getting into. All of a sudden up comes a bill which, if it had not been taken out on a point of order, would have resulted in a cost of some $5,700,000 to the taxpayers. And that is just the beginning, make no mistake about it. Knowing that they would have a hard time getting $5,700,000 all in one lump sum from the Federal taxpayers, they whittled it down a little bit, to about a little less than half that amount, $2,600,000. So the project is going to be only half complete; that, in spite of the fact that since the Stadium Act has been law since 1957, the people charged with the responsibility of organizing this stadium, managing it, issuing the bonds, have not been able to give not a single iota of evidence that they are going to take in one penny of revenue after the stadium is built.

When they appeared before the committee I asked the officials of the Stadium Board, "Have you made any arrangements, have you approached the Washington Baseball Club and the Washington Football Club about using the stadium? Do you have any evidence or do you have any hope that they are going to use this stadium if it is built?" And their answer was, "We have made no arrangements with them. We are trying to get to talk to them but, for some reason or other, they do not even want to talk to us about it yet."

They do not even know if they are going to have a single user of the stadium. The only constructive suggestion that the chairman of the board made was when he said that the stadium might possibly be used for the inauguration of the President. He did not know that we are building a $14 million East Front on the Capitol just for that purpose. So they do not have one single prospect of an occupant or a user of that stadium, in spite of the fact that the Stadium Act was passed some 2 years ago.

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

Mr. O'KONSKI. I yield.

Mr. GROSS. As a matter of fact, Mr. Shea appeared before the District of Columbia Committee only a few days ago and said that "We are still desperately anxious to get some assurance" of contracts with the baseball and football teams.

Mr. O'KONSKI. That is right. And they do not know whether the annual cost of operating the stadium, after the issue of the bonds, is going to be $100,000 or what. We tried to pin him down on what the costs were going to be of operating the stadium, paying the interest on the bonds, paying off the bonds, and they did not have a single notion whether it was going to $1 or $1 million. And that after the act has been in operation for some 2 years.

Let us go a little bit further. We passed an Appropriation Act for the Department of the Interior some time ago. In that Department of the Interior Appropriation Act we have some $40 million for the national parks all over the United States of America. And that is for all of the 50 States of the Union—$40 million for the national parks of all the 50 States of the Union. In that same bill there is already appropriated for the District of Columbia, this little spot right here, out of the $40 million that we appropriated, $8,333,000. In other words, 20 percent of all the money that we appropriated for the national parks of the United States of America, for all the 50 States in the Union, goes to the District of Columbia and immediate vicinity. Now, add some $2,600,000 to that and you are going to have 25 percent of all the money allocated to the national parks of all the 50 States of the Union going to the District of Columbia.

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

Mr. O'KONSKI. Yes.

Mr. HARRIS. I am sure the gentleman does not want to leave an erroneous impression with the House. I am sure the gentleman, distinguished as he is and serving on this great committee, knows that the Department is requesting in their budget this year for this purpose only about $400,000 of the total of $2 million plus. That certainly does not come within the statement the gentleman just made. That is all that is necessary in order to get it started for these particular purposes. That was the budget; that would be the total for this fiscal year.

Mr. O'KONSKI. Let me read to you what is provided in the Department of Interior appropriation act for the District of Columbia and vicinity:

Major roads:	
George Washington Parkway	$2,614,000
Palisades Parkway	165,000
Minor roads:	
Baltimore-Washington Parkway	240,000
George Washington Parkway	46,000
Buildings and utilities:	
George Washington Parkway	153,000
Rock Creek Parkway	35,000
Roads and trails:	
National Capital Parks	191,000
Mall at 12th St	1,000,000
Buildings and utilities	1,306,000
Planning Commission and land acquisition, District of Columbia and vicinity	2,286,000

There you already have $8,333,000 for the National Parks right here in the District of Columbia, and when you consider there is only $40 million for all of the 50 States of our Union, you have 20 percent of the entire amount going to the District of Columbia, and when you add this $2,600,000 to it, you have 25 percent going right here in this vicinity. Perhaps, that is because the citizens of the District of Columbia do not have the right to vote and the District is probably looked upon as a foreign country. Probably the greatest disaster that could happen to the District of Columbia would be if they got the right to vote and if the District of Columbia were considered an integral part of the United States and they should be treated just like the rest of the country.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield.

Mr. HOFFMAN of Michigan. You overlook one advantage that we have, you and I both, do not need to do any thinking but we just have to read the Washington Post and the Star and your work is all laid out for you every day.

Mr. O'KONSKI. When the civil functions appropriation bill was passed here, there was $225,000 for my whole district. I thought I was getting something. Every one of the District of Columbia papers described that act as the greatest pork barrel legislation in the history of the U.S. Congress. But, it is all right when they get 25 percent of all the funds appropriated for the 50 States in our Union.

Furthermore, this bill that is before the House now does something else. When you get through passing this bill, if there are any two lawyers in this House, or in the United States of America, who will agree where the revenue from the parking of these cars in this parking lot that we are going to build is going to go, I will buy them a 10-gallon hat. If anybody can find out where the revenue from the parking lot is going to go under the provisions of this bill that we are now passing, I would like to know. There are not any two attorneys who will agree.

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

Mr. O'KONSKI. I yield.

Mr. FOLEY. At the hearings which were held a couple of weeks ago on this very point, the major source of revenue for the Stadium Commission or the managers of the Commission is to be from the parking lot; is that correct, sir? Do you recall that the witness for the Armory Commission stated that they are looking to this parking lot revenue as the major source to amortize the bonded indebtedness and the interest on the debt?

Mr. O'KONSKI. Yes, I remember that. I would like the gentleman to read line 8 and 9 of this bill.

Mr. FOLEY. I direct the attention of the gentleman to page 5 of the report which says:

All revenues from the operation of the stadium and the lighting, operation, and maintenance of motor-vehicle parking areas in connection with such stadium are hereby pledged to the uses and to the application thereof as heretofore in this section required.

Mr. O'KONSKI. That is what the report says. But, if you will read the bill, there is serious doubt as to the legal effect of the language because it repeals a part of another statute that would definitely make that possible. There is serious doubt as to what this does.

In the final analysis, Mr. Chairman, I want to say this. This is just the beginning. Make no mistake about it because twice I asked the witnesses before our committee, "If we give you this $2,600,000 now, will you now give us the guarantee this is your last request for funds until the stadium is built?" Each one of the witnesses before the committee said, "We cannot give you any such guarantee." So they are coming back for more—make no mistake about it.

Mr. FOLEY. Mr. Chairman, will the gentleman yield for one more question?

Mr. O'KONSKI. I yield.

Mr. FOLEY. Title to this parking lot or parking area will remain with the Secretary of the Interior from the beginning; is that correct, sir? And then the revenues from the parking will go to the Stadium Board. Then, after 30 years, when the bonded indebtedness is paid off, the full and clear title will rest and vest with the Federal Government at that time and thereafter.

Mr. O'KONSKI. That is right. But, we in the State of Wisconsin built a stadium to accommodate some 50,000 people without 1 cent of cost to the taxpayers of the United States. Further, this is the first time in history that the advocates of the stadium did not consider the roads coming in and out of the stadium and in the immediate vicinity of the stadium as part of the actual cost of the stadium.

Mr. McMILLAN. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I would like to reply to the gentleman from Wisconsin. In the first place, the gentleman from Wisconsin says that this is just the beginning and that they will come back for more appropriations. I would like to remind the gentleman this is an authorization and thus a limitation which the Congress is placing on what the Department of the Interior shall do in improving, preparing, and construction on the property which it has surrounding the stadium, used by the stadium, and so forth, as a result of the construction of the stadium. First, they came up with a contract whereby they wanted more than twice as much. The Congress is saying that this is all and until the Congress increases the authorization for this purpose I can say to the gentleman there will bo no more request as a result of the stadium construction.

With reference to what the gentleman said a moment ago about there being no report, the Committee on the District of Columbia of the House, together with the Senate District Committee worked out a program in which a request was made for $35,000 from the Federal Housing and Home Agency for a survey to be made. The survey was made by Kreager & Waterbury, engineer-architects, and their report was made in 1958. I have a copy of the report here. The gentleman, I am sure, had one available to him at the time the hearings were held last week. Certainly that report not only spells out how it could be done and how it should be done, how it could be constructed under private financing, but I also have a copy of the estimated revenues that will be received from the stadium operations which would be a total estimated amount of $637,500 a year.

Those items are broken down, so much from baseball use, so much from the football club, so much from popular shows, concessions, parking; and yet it does not take into consideration the tremendous games that will be brought to the Nation's Capital by the Air Force Academy, the Naval Academy, West Point, and other great organizations which will add to the prestige of the Nation's Capital as well as to these great institutions.

The report also estimates the cost of operation. In other words, this report of the engineering firm of Kreager & Waterbury, outstanding engineers, help us visualize the operation of this stadium. As I mentioned a moment ago, there is an estimated income of $637,500 a year and an estimated annual expense requirement of $633,500. So, contrary, to what the gentleman said a moment ago we do have facts and figures.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. O'KONSKI. The report is all right; it is just what one would expect, but does the gentleman have any assurance? Was there one witness who appeared before the committee who could give us any assurance that there would be one baseball game played there or one football game?

Mr. HARRIS. It is my understanding that the management of the football club has indicated a certain number of games would be played there.

Mr. O'KONSKI. I would like to ask the gentleman if he has any assurance there will even be a baseball club in Washington by the time this stadium is built?

Mr. HARRIS. No, but I have every confidence there will be. I have no information to the contrary.

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

Mr. HARRIS. I yield.

Mr. SPRINGER. In the testimony before the committee the other day Mr. Shea told us that they had not reached an agreement with Mr. Griffith, but they hoped to when the time came. They were not in position to do anything with reference to that now.

Mr. Marshall has agreed that we could expect six of their dates would be played there out of a total of nine dates that they had, that they would guarantee six of the dates.

The question with respect to Mr. Griffith depends on whether or not he sells his club, whether or not he sells his park. I think that is about as far as anyone can go considering all the circumstances that have arisen with reference to baseball during the last year.

Mr. HARRIS. Mr. Chairman, I yield to no one in my interest in the District of Columbia, our Nation's Capital, and I yield to no one in this Congress about trying to preserve to the Congress its responsibility for the affairs of the District of Columbia.

This is our Nation's Capital.

We appropriate money directly for the construction of a stadium in some other part of the country to hold just one event. We appropriate funds directly out of the Treasury of the United States in another part of the country just to participate in the Pan American games, but when the Nation's Capital is involved there seem to be no funds available, and yet every 4 years we have here one of the most outstanding events in the world, that is, the inauguration of the President and the events connected with it.

Do we not have some pride in our Nation's Capital that we want to have facilities here to enable us properly to take care of these functions mostly by private capital and operation? I think those are some of the things we should consider as we try to resolve the difference between the various agencies and planning commissions in the Government. I think we will all be proud some day of the fact that we supported this legislation.

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

Mr. HARRIS. I yield to the gentleman from Illinois.

Mr. SPRINGER. I think in the District budget it would be well to think about what we pay. Actually, according to the figures of the last few years, the Federal Government has been paying from 9 to 11 percent of the District budget. I do not anticipate from the figures that have been made by what we consider to be a reputable company that there will be any deficit. These estimates seem to be made by a reputable firm and they seem to be sound.

Mr. HARRIS. I thank the gentleman for his observation, and I agree with him. On the other hand, I am fully convinced that this can be a financially successful project, and I believe in the long run the Federal Government will own and control a facility that should be a part of the Federal Government's facilities in this, our Nation's Capital.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I may say to the gentleman from Arkansas that his statement is the first information I have that Congress authorized the building of a stadium for the Pan American Games. I think the gentleman is misinformed. I do not recall any money for the building of a stadium for the Pan American Games.

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

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman is right. None of the money voted will go toward the building of a stadium for the Pan American Games.

Mr. GROSS. That is just a sample of what we get in these arguments. This stadium proposition has more lives than the proverbial cat. It has been in and out of this Congress year after year. I want to review a little of the history of this thing.

In the 85th Congress, 1st session, on May 13, 1957, H.R. 1937 was called up, and this will be found in the CONGRESSIONAL RECORD, volume 103, part 5, page 6823. The stated purpose of the bill was to authorize the construction, maintenance, and operation by the Armory Board of the District of Columbia of a stadium in the District of Columbia.

At that time I asked this question:

Is the Government now about to buy land to provide a site for this stadium?

In reponse, Mr. MCMILLAN said:

They have approximately 192 acres of park land which is proposed to be used in connection with the armory. This stadium is supposed to use the same parking space that the armory has at the present time. If any additional land is required, I imagine it is supposed to come out of this $6 million issue of bonds.

Then I asked this question:

But the bill does not provide that?

Mr. MCMILLAN. It provides $1 million here for the purpose of purchasing 4 acres of land. That is all.

Mr. GROSS. Let me ask this: Is the Government to be reimbursed for the land that will become the site for the stadium?

Mr. MCMILLAN. I do not see any place in the bill where there is any reimbursement.

Later I offered an amendment, which was adopted, to provide that the bonds to be issued in connection with the stadium were to be used to pay for, in addition to the stadium itself, the land upon which the stadium is located.

The bill was amended in the Senate to delete that provision, and the Senate version was accepted in conference. However, when the bill returned to the House in the form of a conference report, on August 20, 1957, it was rejected by a rollcall vote of 135 to 234.

The conference report was rejected because it did not contain that provision for payment for the land.

During discussion on the conference report, the gentleman from Arkansas [Mr. HARRIS] said in response to a question I asked:

This is a private operation and will cost the Government nothing for the construction of the stadium, yet it is a facility that is badly needed.

The bill went back to conference and was returned to the House on August 26, 1957. The following appears in the CONGRESSIONAL RECORD, volume 103, part 12, page 15967:

Mr. GROSS. And the stadium corporation will pay for the land that it obtains from the Government for the purpose of this stadium?

Mr. MCMILLAN. The gentleman is correct. That was the gentleman from Iowa's amendment when we brought the bill up originally, and I accepted it when we approved the bill several weeks ago. The Senate has agreed to that language.

Then, in the 85th Congress, 2d session, 1958, H.R. 12162 was called up on July 14, 1958, in the CONGRESSIONAL RECORD, volume 103, part 10, page 13688, and I quote the following:

Mr. GROSS. The gentleman knows my concern with previous legislation on this subject has been that the proposed stadium should not become a burden upon the taxpayers of the entire country. I do not care how many stadiums are built by the people of the District of Columbia or those who live in the contiguous territory who want to invest their money in it, but I am opposed to building a stadium in the District of Columbia out of the taxes of the taxpayers of the entire country.

Mr. HARRIS. I think the gentleman would have many Members of this Congress join him in that view. From our study and consideration of this problem, we do not feel that this will be a burden upon the Treasury of the United States or on the taxpayers of the country. We believe that this is a sound, financial program here to bring about a needed project that no one objects to and which everyone says is badly needed in the District of Columbia, the Nation's Capital.

Mr. GROSS. That may well be, but I am still not convinced that this will not someday become a burden on the taxpayers of the country. Can the gentleman give us any assurance that the committee will not be back here in the matter of a few years asking for an appropriation out of the Federal Treasury to build or maintain this stadium?

Mr. HARRIS. I can give the gentleman the assurance from my own knowledge and from my own opinion on this program that this is a sound program, and that it will not be necessary not even in 2 or 3 years or 10 or 15 years or any time to be a burden on the taxpayers of the entire country.

The gentleman will remember his statement, I am sure, because he said, "I feel, and I think that is the feeling of practically every member of the committee, that it is a sound, financial program," and so on and so forth.

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

Mr. MCMILLAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

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

Mr. GROSS. Yes. I am happy to yield.

Mr. HARRIS. I stand on the statement now that I made at that time, and if this stadium or this facility was going to be constructed anywhere else other than where a Government agency has all the surrounding area under its control and operation, it still would not be any cost, and as a result the stadium itself is not a cost to the taxpayers. I tried to emphasize that a moment ago. The Department of the Interior controls all of that property around there and it insists that it must use it for other purposes, and therefore it has got to do it according to the way it does things. We are not asking in this bill for any authorization for the construction of the stadium itself. Even the utilities that go in there now are going to be absorbed out of the bond financing.

Mr. GROSS. How thin can you split hairs? How is it proposed to have a stadium without parking facilities and without ingress and egress streets and roads, will the gentleman tell me?

Mr. HARRIS. Well, if it was not for the facilities that were going to be built around it——

Mr. GROSS. If the Congress does not raid the taxpayers to build a parking lot, if the Congress does not build a tunnel or tunnels, if the Congress does not build streets and roads, these necessary facilities will be added to the cost of the stadium, the actual construction of the stadium; is that not true?

Mr. HARRIS. I do not think so. And you will not find it there, either.

Mr. GROSS. There is over $2,600,000 in this bill to come out of the Federal Treasury, maybe only $400,000 this year, but the authorization is for $2,500,000.

Mr. HARRIS. Maybe nothing at all this year.

Mr. GROSS. Let us quit splitting hairs over this thing.

Then, in reply to a query by the gentleman from Massachusetts [Mr. MARTIN], who was then the minority floor leader of the House, concerning the handling of this stadium proposition, the gentleman from Arkansas [Mr. HARRIS] said to the gentleman from Massachusetts [Mr. MARTIN]. It is not even an appropriation; the stadium is to be built by private enterprise," meaning, of course, that the whole works was to be built by private enterprise. Yet you are here today asking for $2,660,000.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I would like to compliment the gentleman once more on the wonderful work he is doing for the rest of us, work which we would like to do, many of us, if we had the ability and the time. But I want to ask the gentleman just one question now. How long will you have to be here before you learn that some of the statements made on the floor do not mean what the average individual thinks they do?

Mr. GROSS. Well, I am getting a pretty convincing illustration today of what the gentleman is talking about.

Mr. HOFFMAN of Michigan. You show innocence and gullibility, I swear. I cannot see how you swallow the things.

Mr. GROSS. I am simply reviewing the RECORD and calling attention of the other Members of the House to what has been said on this floor in days gone by.

Mr. HOFFMAN of Michigan. Did you not expect the people were going to get rooked?

Mr. GROSS. If we pass this bill providing for $2,660,000, it will be the biggest No. 12 shoe you ever saw stuck in the door to the Federal Treasury for the Nation's taxpayers will wind up paying the entire bill.

I cannot understand why there is nothing in the report on this bill from the Department of the Interior stating its position, since that Department is deeply involved. There is not anything from the Bureau of the Budget, nor from anyone in the executive branch of the Government. I cannot find any evidence in the report on this bill of anybody supporting it.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. O'KONSKI. The wheels are all greased, if this bill passes, for a supplemental appropriation bill to come in for $2,600,000.

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

Mr. GROSS. I yield.

Mr. HARRIS. I say categorically that that statement is not supported by facts. I think it is time that we understand around here what some of the facts are. If the gentleman had investigated, he would know.

Mr. GROSS. Is the gentleman now speaking to me or is he responding to the gentleman from Wisconsin [Mr. O'KONSKI]?

Mr. HARRIS. I am responding to the gentleman from Wisconsin. He said that the wheels are all greased for a $2 million supplemental appropriation to come in here. So far as I know, they first said that they wanted $400,000 for this fiscal year. But now they say in view of the fact that the utilities are going to be absorbed from the bond issue, they will probably not have to ask for anything during this fiscal year in connection with this surrounding area. I want to say to the gentleman that the chairman of the Board of Trade of the District of Columbia, Mr. McLaughlin himself, was in on these negotiations. He supports this.

Mr. GROSS. I have no doubt in the world that he supports it.

Mr. HARRIS. Not only he, but a representative of the Department of the Interior testified for the program.

Mr. GROSS. I have no doubt in the world that Mr. McLaughlin supports this. Of course he does. He is perfectly willing to unload upon the taxpayers of the Third District of Iowa and every other similar district in the country the cost of building and maintaining this stadium; of course he is. The Board of Trade of the District of Columbia, the people of the District of Columbia, can build a stadium on every street intersection, if they want to. All I want them to do is to build it out of their own money.

Mr. O'KONSKI. Mr. Chairman, would the gentleman yield?

Mr. GROSS. I yield.

Mr. O'KONSKI. I will say, in answer to the charge made by the gentleman from Arkansas [Mr. HARRIS] concerning the matter of a supplemental appropriation, that I have a memorandum here of a member of the Committee on Appropriations which clearly states, "I understand the Budget Bureau is getting ready to send up a supplemental if this bill is passed." That is my evidence in support of the statement that I made.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I think this one thing has been lost sight of. All of this came out in the hearings the other day. I questioned the Chairman of the Board as to why it was necessary to have at this time a request that this change be made in the law.

Here is the reason. It was thought when the bill was passed 2 years ago that the Secretary of the Interior had this authority, to go ahead and do what this bill would give him the power to do, if it is passed today. Everyone thought, the stadium people thought, the Department of the Interior thought, the Comptroller General thought, the General Accounting Office thought, and everyone was in agreement, that the Secretary of the Interior had the authority to do what they are asking to be done in this bill.

Now, may I read this from page 2 of the report:

All of the remaining amendments to the District of Columbia Stadium Act of 1957 which are proposed by this bill are designed to insure that the Secretary of the Interior will have the necessary authority to construct motor-vehicle parking areas and certain other facilities which it was believed the Secretary had at the time the act was first enacted. The total cost of this construction by the Secretary of the Interior is limited to $2,660,000.

In a letter dated June 4, 1959, to the chairman of this committee, the Comptroller General stated:

"If it is deemed desirable that such authority be granted to the Secretary of the Interior, the enactment of specific legislation to do so will be necessary in view of our decision of March 25, 1959, B-138834, that such authority is not contained in existing legislation relative to the stadium. We believe that the language of H.R. 6893 would accomplish the stated purpose."

If I can make this as simple as possible to my colleagues, it is this. This bill gives authority to the Secretary of the Interior today that we thought we were giving when this Stadium Act was first passed. May I say this further to make it clear. This land, these parking lots, and all the access areas are not in "the stadium." The definition of "the stadium" does not contain that. The definition of the stadium is entirely limited. The Secretary of the Interior has now and will continue to have control over all of these areas. With that in mind we have to remember that the stadium should not be responsible for land to which it does not have title, any more than the stadium should be responsible for land in the District of Columbia to which the District has title. That is about as simple as I can make it in order to give you an understanding of what is trying to be done in this bill. Until the Secretary of the Interior has this authority which we thought he had, he cannot construct these access areas and this parking lot.

I now yield to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Not only did he think he had the authority and we thought he had it, but under the authority we thought he had, he agreed he would carry out this part of the program surrounding the stadium; is that not true?

Mr. SPRINGER. That was part of the agreement when the stadium bill was brought in 2 years ago. That the Secretary of the Interior would undertake this construction which is set out in this bill and he is ordered now to do under this bill.

Mr. HARRIS. Consequently, the same statement that I made to which our friend, the gentleman from Iowa, referred to a moment ago, still stands as correct today.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEARNS. Mr. Chairman, I have no further requests for time.

Mr. McMILLAN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I feel that some of the debate has gone a little far afield. The only problem we have confronting us today is the problem of trying to straighten out a problem which, in my opinion, is the fault of the Department of the Interior. They should have given the Congress and the members of my committee the advantage of their thinking on this problem when we passed the bill in 1957. We felt we had given the Department of the Interior all the authority they required and desired at that time. I feel, since we have passed the original Stadium Act, we should go ahead and correct certain provisions to suit the Federal Government since they will eventually have full control of the stadium, and they will always have ownership of the park area around the stadium.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the District of Columbia Stadium Act of 1957 is amended as follows:

(1) Section 2 is amended by adding at the end thereof the following new sentence: "The Board is authorized to provide for the construction of such stadium by such means as it determines will most effectively carry out this Act (including, but not limited to, a negotiated contract)."

(2) The first sentence of section 3 is amended by inserting immediately after "operation of the stadium" the following: "(including the operation and maintenance of motor-vehicle parking rates)".

(3) Section 3 is further amended by adding at the end thereof the following new sentence: "The Secretary of the Interior is authorized and directed to construct and prepare in areas A, C, D, and E only, on such site, as such areas are indicated on National Capital Parks Map numbered 1.7-146, motor-vehicle parking areas, including driveways, walks, lighting, and landscaping, at a total cost not to exceed $2,660,000."

(4) Paragraph (5) of section 5 is amended to read as follows:

"(5) to light, operate, and maintain motor-vehicle parking lots;".

(5) Paragraph (9) of section 5 is amended by inserting immediately after "stadium"

the first place where it occurs the following: ", and in operating and maintaining the motor-vehicle parking areas in connection therewith".

(6) Subsection (a) of section 6 is amended by inserting immediately after "stadium" at each of the six places where it appears therein the following: "and the lighting, operation, and maintenance of motor-vehicle parking areas in connection with such stadium".

(7) The last sentence of subsection (a) of section 6 is further amended by striking out "maintaining and operating it," and inserting in lieu thereof "maintenance and operation,".

(8) Section 10 is amended by inserting immediately after "stadium" the first place where it occurs a comma and the following: "and of the operation and maintenance of the motor-vehicle parking areas in connection therewith,".

(9) Section 11 is amended by striking out "necessary motor-vehicle parking areas, and".

SEC. 2. Section 8 of the Act entitled "An Act to establish a District of Columbia Armory Board, and for other purposes", approved June 4, 1948 (D.C. Code, sec. 2-1708), as amended, is amended by inserting "and related motor-vehicle parking areas" immediately after "in connection with the operation of the stadium".

Mr. McMILLAN (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WATTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8392) to amend the District of Columbia Stadium Act of 1957 with respect to motor-vehicle parking areas, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

Mr. HARRIS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 125]

Alford	Bates	Brown, Mo.
Anfuso	Bentley	Buckley
Baring	Bosch	Budge
Barrett	Bowles	Cahill
Barry	Brewster	Canfield
Cannon	Glenn	Oliver
Carnahan	Granahan	Osmers
Celler	Green, Pa.	Philbin
Coad	Halpern	Powell
Coffin	Hargis	Reece, Tenn.
Curtis, Mass.	Healey	Rostenkowski
Daddario	Holtzman	Shelley
Davis, Tenn.	Jackson	Smith, Iowa
Delaney	Judd	Spence
Diggs	McDowell	Stubblefield
Dollinger	Martin	Taber
Donohue	Miller, N.Y.	Taylor
Dulski	Minshall	Teller
Edmondson	Mitchell	Thompson, La.
Elliott	Morrison	Toll
Farbstein	Multer	Vanik
Flynn	Nix	Willis
Gallagher	O'Brien, N.Y.	Zelenko
Giaimo	O'Neill	

The SPEAKER. On this rollcall, 364 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. Absolutely, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROSS moves that the bill H.R. 8392 be recommitted to the Committee on the District of Columbia.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. O'KONSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

A motion to reconsider was laid on the table.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1960

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 7453, the legislative branch appropriation bill for 1960, with amendments thereto, insist on the amendment of the House to the amendment of the Senate numbered 45, and agree to the conference asked by the Senate.

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

The Chair hears none, and appoints the following conferees: Messrs. NORRELL, KIRWAN, CANNON, HORAN, and TABER.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1960

Mr. SHEPPARD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, one-half to be controlled by the gentleman from North Carolina [Mr. JONAS] and one-half by myself.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and fifty-eight Members are present, a quorum.

Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8575, with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

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

Mr. SHEPPARD. Mr. Chairman, I yield myself such time as it may be necessary for me to consume.

Mr. Chairman, in the committee's consideration of the fiscal year 1960 military construction program, it adopted several policies in determining the projects and the funds to be approved.

First and most important of these was that projects not clearly essential to the military needs of this country at the present time or the forseeable future should be eliminated. The present world situation and breakthroughs in scientific and technological fields dictate that we face an immediate future when the direction and amount of spending of military funds can change on short notice. An outstanding example of this is the recent abandonment of many Air Force facilities constructed at a large cost in France, as a result of the refusal of the Government of that country to allow the United States to store and control nuclear weapons in that area. The committee did not feel that in times like these items such as air-conditioned housing in Hawaii, family housing constructed with appropriated funds because the Army feels they cannot be constructed large enough under the Capehart program, additional snack bars and cafeterias for civilian employees so they don't have to carry their lunches or eat in other places were essential to the military effort.

Second. The committee insists that maximum utilization be made of existing facilities. This not only concerns the facilities which I have just mentioned but also a coordinated study by the services and the Department of Defense to see that such facilities are used interchangeably. All too frequently the services regard facilities as their exclusive property and so far the Defense Department has not been able to effectuate a coordinated program which will insure the maximum use of these installations. For example, the committee found that the Navy and the Department of Defense

had not adequately studied the use of existing Air Force and commercial facilities for a new outlying airfield for the Naval Air Station at Meridian, nor had the Air Force studied Navy facilities as a possible source for a missile handling facility. For example, the services requested funds for the replacement of barracks. At the same time, however, they planned to hold the existing barracks for mobilization reserve or use for other purposes. If such facilities are good enough to hold in standby or to use for other purposes, the committee can see no reason why they should not be used in lieu of new construction.

Third. Projects not based on solid plans or where the costs were excessive were eliminated. For example, the committee seriously questions the economy of the construction of a runway extension at the cost of $3,300 per foot. I refer you to page 9 of the committee report for an analysis of excessive cost in connection with hospital construction. The committee fails to understand why a high school in Germany should be more elaborate than similar facilities in this country.

Fourth. The committee has eliminated projects based on questionable or indefinite operational requirements, such as the deployment of the Mace missile.

With these major policies in mind, the committee considered budget estimates in the amount of $1.5 billion and recommends appropriations of $1.2 billion, a reduction of $278 million in the estimates.

A detailed tabulation of the construction projects approved by the committee will be found at the end of the report and the specific reductions will be found in the body of the report accompanying the bill.

Many of you have asked questions about armory and other construction for the Reserve and National Guard components of the services. I would like to point out to you that the committee has approved all of the funds requested for these programs of the three services with the exception of small reductions for specific reasons at two Naval Reserve facilities and one Air National Guard installation.

AIR DEFENSE

Largely, at the insistence of the Congress the air defense program presented in the budget estimates was revised prior to the conclusion of the committee hearings. This revision made possible a reduction of approximately $60 million to be made in the construction estimates for fiscal year 1960. It is anticipated that the revised plan will lead to a reduction of approximately $1.4 billion in this program over the next several years. The committee has approved the revised program as it pertains to missiles and electronic ground environment. It has made two reservations, however, both set forth in the committee report, concerning the location of Bomarc missile sites in the northwestern portion of this country and the need for manned interceptors in certain areas of the Southwest.

This revised program will have a marked effect on the procurement and training programs of the services. The Department of the Army at the present time maintains training programs for missile personnel at Fort Sill, Okla., and Fort Bliss, Tex. Due to the lateness of the decision in making this major change in the air defense program, the Army was unable to accurately formulate its training requirements and future workload at these two facilities. Accordingly, the committee has deleted the request for certain missile handling facilities at Fort Sill and has reduced the request at Fort Bliss. These requests have been deleted without prejudice. The committee report directs that the Army make a detailed study of the training requirements in the missile field and assure the maximum utilization and coordination of facilities existing and programed at Fort Bliss and Fort Sill.

HOSPITAL CONSTRUCTION

The committee has eliminated all of the funds requested for new hospitals except at two locations. I realize that is not a popular thing to do, but unless something is done to hold down these costs they are going to become prohibitive. The Armed Services Committees of the House and Senate are to be commended for their actions in reducing some of these authorizations, but the costs are still astronomically high and the reductions they made did not affect all of the hospitals in the funding program.

Let me give you several typical examples of this program. Last year the committee denied funds for a 100-bed hospital at Carlisle Barracks. This year the project was resubmitted as a 50-bed hospital, both requests supposedly based on valid requirements. Now we find that the requirement will probably be reduced again and that the need can be met with the use of existing facilities or a small infirmary. If Congress had not denied those funds last year, you may be assured that a white elephant similar to the one existing now in France would be under construction at Carlisle.

Civilian hospitals being constructed under the Hill-Burton Act show an average cost of approximately $19,500 per bed and a cost per square foot ranging from $14.53 to $34.37.

Recent construction costs of Veterans' Administration hospitals have ranged from $16,900 per bed to $21,700 and costs per square foot from $20.92 to $28.

In contrast, military hospital costs, even under the revised authorizations, range from $22,000 to $53,000 per bed and from $31.03 to $43.40 per square foot.

While these costs are not completely comparable they do serve to point up the wide disparity in cost between military and other types of hospital construction.

At 7 of the 10 hospital locations involved, there are existing hospital facilities in use which are providing adequate medical treatment. As a matter of fact, several of them will be retained by the services to meet hospital mobilization requirements. At the other locations, two of the facilities are being served by a combination of existing governmental and private hospitals, and the third is a new station which will not become operational for quite some time.

In other words, as a result of the committee action, no one will be denied hospital treatment or medical attention, but a thorough review can be made of the entire program and the costs brought into line with reasonable construction practices.

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

Mr. SHEPPARD. I yield.

Mr. SIKES. I think it would be well to emphasize, Mr. Chairman, the fact that two hospitals for which funds were allowed are in an entirely different category than those which were deleted, in that they represent conversion of existing facilities. I think it is important that we point up that fact and also supplement what the chairman of the committee has said.

The reasons for deleting these hospitals do not arise from any disposition on the part of the committee to deny hospital availability to any serviceman or his dependents.

Mr. SHEPPARD. The gentleman is quite right and I thank him very much for his contribution and his explanation.

We as the members of your subcommittee have no desire at any time to impair the medical requirements of the military services, but we also fully realize that we also have an obligation to the taxpayers of this country and to the Members of this House.

That is, to scrutinize these practices, then apply the best judgment we can.

DEPARTMENT OF THE ARMY

The committee has approved $241,564,100 for the regular construction program of the Department of the Army. These funds when added to unexpended balances from prior years will make $570.5 million available for expenditure. A large portion of the funds approved for the Army are in support of surface-to-air guided missiles.

DEPARTMENT OF THE NAVY

The amount of $180,048,000 is approved for the Navy, which when added to carryover funds will make $635 million available for expenditure in fiscal year 1960.

Typical of the projects approved for the Navy are those in support of the Polaris ballistic missile and antisubmarine warfare programs.

DEPARTMENT OF THE AIR FORCE

For the Air Force the committee has approved $756,616,000. This amount when added to the carryover funds presently available will provide $2.3 billion for expenditure by the Air Force program in fiscal year 1960. By far the largest part of the Air Force appropriations are in support of the ballistic missile program. Funds are included, however, for continued support of SAC dispersal and alert capabilities, strategic and defense missiles, and essential support facilities for other operational missions.

In total, the bill as approved by the committee, when coupled with existing unexpended balances, will make available over $3.5 billion.

The question will be raised as always as to whether in making this reduction, we are crippling the national defense. I

can think of no better way to answer that question than to meet it head on. If, in deleting funds for family housing and commissaries in troubled areas of the Middle East where dependents certainly have no business at this time, $43,000 air-conditioned homes in Hawaii, if in insisting on maximum utilization of foreign currencies available to this country instead of American dollars, if insisting that the Defense Department make the maximum use of existing facilities instead of buying more land and building more permanent structures based on questionable operational requirements, if doing these things cripples the defense effort of the country then perhaps we have, but those of us who have participated in the hearings and writing of this bill do not believe that there is a single dollar which has been denied that will in any way, shape, or form retard or damage our defense effort. Rather, this action will cause the Department of Defense to give more realistic consideration to the construction program, insisting on coordinated plans and adequate reviews, instead of blindly requesting funds for more and more facilities, more and more lands based on making certain that each of the military services get a slice of the construction pie.

Mr. Chairman, this bill is a good bill. It is based on long hours of searching, exhaustive hearings, and careful and detailed committee markup sessions. It will not satisfy every military service, nor will it satisfy every person in this House, but it is a solid bill. I recommend it to you and urge its passage, with the promise that if it and the accompanying report are properly implemented by the Department of Defense as directed, money will be saved, excess facilities will be used, instead of allowed to stand idle while new ones are built, a realistic construction program will be formulated and the national defense effort of this country will be strengthened.

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

Mr. SHEPPARD. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to ask the gentleman from California if it is his purpose to discuss the construction program for National Guard Armories?

Mr. SHEPPARD. Not any further than the gentleman has discussed it at the moment.

Mr. BAILEY. May I say to the gentleman, he will recall I appeared before the committee in support of some armory installations in the State of West Virginia.

Mr. SHEPPARD. That is correct.

Mr. BAILEY. There were a number of other people who appeared and asked for consideration. The reason I did this, I might explain to the gentleman from California, was due to the fact that these projects were authorized some years ago. In the appropriation of $33 million in last year's budget, $13 million was frozen by the Secretary of Defense, Mr. Wilson, just before he left office. It was necessary last year to get a waiver through the Armed Services Committee to have some of that money unfrozen and proceed with two armory buildings in West Virginia.

There are still five buildings in the State authorized, and Federal money was not available for matching the State's money. The State has its funds ready to proceed with these buildings. I notice in your bill here that you make provision for one of the five, and that is at the city of Keyser. There are four others there in exactly the same situation. Was the committee trying to apportion what money they could spare for this facility and to pass it around, to give them a part of the program that they were asking for? Just what was the reason that you picked up one of those and dropped the other four?

Mr. SHEPPARD. The committee in its consideration of the estimates, for armories, whether Reserve or National Guard, scrutinized them on the premise on which they were presented on priority procedure. The gentleman from Florida [Mr. SIKES] handled that portion, and perhaps he can explain in more detail in order to answer the gentleman.

Mr. BAILEY. I may say to the gentleman that perhaps I was not as forceful as I should have been in my presentation.

Mr. SHEPPARD. May I say to the gentleman that there was no question about the forceful manner in which he presented the requirements. This is purely a matter of mechanics and available funds to accomplish the purpose the gentleman addressed himself to at the time he appeared before the committee.

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

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

Mr. SIKES. Of course, the gentleman did make a very forceful presentation, as he always does. And, let me say that I am also deeply impressed by the logic of my friend from West Virginia. But, we did allow all of the money requested in the budget for armories. Of course, this money has to be spread thin, and we simply followed the recommendations of the Department of the Army in selecting the armory which was to be built in the gentleman's State. It is just as simple as that.

Mr. BAILEY. I am perfectly willing to accept the gentleman's explanation, but I was wondering why you would pick up one of these five that was not covered in the budget and dropped the other four. The Keyser installation was not included in the budget proposal.

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

Mr. SHEPPARD. I yield.

Mr. SIKES. Let me say to the gentleman that it was included in a budget submission received by the committee from the Department of Defense before the committee marked up the bill. I think the gentleman is referring to an earlier situation when it was not covered. But, we did receive a communication from the Department listing this as one that they thought should be built.

Mr. SHEPPARD. That is correct.

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

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

Mr. EVINS. I do not rise to criticize but to praise the gentleman from California and commend him for the excellent bill that his subcommittee has brought forward. This is the last, I believe, of some 17 appropriation bills from the Committee on Appropriations. The distinguished gentleman from California [Mr. SHEPPARD], senior member of the committee, is a hard-working member and has put forth great effort to bring about a very constructive and worthwhile bill. He and the members of this committee deserve the praise and the thanks and the appreciation of the Congress for the diligent work they have put in on this bill, and I want to commend him.

Mr. SHEPPARD. May I say on behalf of my subcommittee, we are most appreciative for those kind words. We tried to bring in as good a bill as possible under the limitations with which we had to work.

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

Mr. SHEPPARD. I will be delighted to.

Mr. BAILEY. I was wrong in my comment that this project in particular had not been presented to the committee. It was a subsequent presentation over and beyond and a considerable time after they had made their first presentation. I was not aware that any reference from the budget office had come to the committee. So, let me say that I regret very much if I caused that inference to be drawn by members of the committee. I compliment them on doing the best job they could with the money available.

Mr. SHEPPARD. I thank the gentleman very much, and I assure you we did the very best we could under the circumstances.

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

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

Mr. COHELAN. I am wondering if my distinguished senior colleague from California would be kind enough to enlighten me on what happened to a fleet base facility item in the military construction bill which called for the development of a sewage treatment plant at Treasure Island Naval Base, in San Francisco Bay.

Mr. SHEPPARD. That was not a budgeted item.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and fourteen Members are present, a quorum.

The gentleman from California has the floor.

Mr. COHELAN. Mr. Chairman, if the gentleman from California will yield further, I am of course distressed to learn that this very important facility at

Treasure Island, which involves a relatively small amount of money, $701,000, has not been funded this year. I am wondering if the gentleman can give me some encouragement about when this very vital project will be funded.

Mr. SHEPPARD. Responding to the gentleman, the only encouragement I can give him is the fact that the Navy has advised our committee that they are making further studies and there is a possibility that it will be in next year's budget. Of course, there is no firm commitment from the Navy at this time, but I am under the impression that it will be in the budget. However, I cannot assure the gentleman of that.

Mr. COHELAN. Is the gentleman aware that this matter has been pending since October 21, 1954?

Mr. SHEPPARD. Yes.

Mr. COHELAN. The California Regional Water Pollution Control Board adopted a resolution as early as 1954 which stated that a condition of pollution and nuisance existed as a result of untreated sewage being discharged into San Francisco Bay from the shore facilities of this particular base. I am hoping that this matter will receive the very serious consideration of the Navy and will be included in next year's budget.

Mr. SHEPPARD. I can assure the gentleman that the chairman of this subcommittee is personally conversant with the issue. A very bad condition of contamination exists and personally I am very sympathetic to its correction. But under the circumstances under which we operate, this item has to take its place in the scheme of things and will have to come up as a budgeted item.

Mr. GEORGE P. MILLER. Mr. Chairman, would the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman.

Mr. GEORGE P. MILLER. Mr. Chairman, I want to join my colleague from Alameda County, Calif., in expressing regret that this item is not in the budget. We hear a lot about pollution. One of the units on San Francisco Bay that is not under pollution control is the one of which he speaks. I assure the gentleman that we are going to try to make a fight for this in the next session to see why it is not taken care of. The Government cannot preach pollution control to the States and encourage it and then allow its own facilities to violate the very standards it holds up to the rest of the country.

Mr. SHEPPARD. I think the gentleman's comments are to the point.

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

Mr. SHEPPARD. I yield to the gentleman.

Mr. BALDWIN. I should like to join my two colleagues from California in their comments on this item. There has been a concerted effort over a period of years to try to restore the purity of the water of San Francisco Bay which has been in a very sad condition for the last 10 or 20 years. We all agree that this project is one of the steps urgently needed to be taken to restore that purity.

Mr. SHEPPARD. I can assure the gentleman that the chairman is equally interested in the project and, of course, with a project of this character, at the time it comes into the budget, we will be most pleased to give it earnest consideration.

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

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

Mr. WIER. Mr. Chairman, I want to make some comment and an inquiry. Those of us up in Minnesota cannot keep up with changes in Air Force policies and programs. I am referring to the latest move of the Air Force in connection with the Bomarc projects. Two years ago the Air Force, in my State and in my district, proposed an auxiliary airfield to take care of National Guard and Naval Reserve flying units. A year later they canceled those auxiliary airbases, and told us, up in the northern fringe of the United States, that they felt there was more value connected with the installation of Nike's and Bomarc's, and so a Bomarc station was authorized for the city of Duluth on the Great Lakes. Construction took place. I see there is money in this bill for the Duluth project or airbase with the so-called Bomarc installation. Now on Friday I learned that the Air Force has now revised its plans and has made a cutback in the funds provided for the Duluth Bomarc base with the intention of trying to work out plans to move up into Canada. What is happening with Duluth in connection with the Bomarc installation has been going on across the United States, including Grand Forks, Great Falls, and clear over to Seattle.

I presume all of those will be affected by cutbacks in the Bomarc program, and what I am inquiring about is whether your committee has any information on that program.

Mr. SHEPPARD. The committee has made no reduction on that issue. This subject matter is under study by the military and the Defense Department for finalization and presentation in due time. But, so far as your committee is concerned, we made no cutback in the field to which the gentlemen refers.

Mr. WIER. I have received word that Duluth has been notified that their funds are to be held, for the present at least.

Mr. SHEPPARD. Until a decision is made.

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

Mr. SHEPPARD. I yield.

Mr. LAIRD. In regard to the gentleman's query about the Bomarc base in Duluth, I think it is clear there have been no funds withheld in this bill as far as Duluth is concerned. But there is a possibility because of negotiations, which are presently going on with the Canadians, that there may be some change, but the funds as originally requested for the Bomarc base are provided in this bill. If negotiations with the Canadians develop, there is a possibility that this fund may be used a little farther to the north, and I plan to get into that general discussion in remarks I will make in a few minutes.

Mr. WIER. I am glad to hear that, because the funds, as you say, are provided to the extent of $1,124,000. But, in the meantime, since your committee has made that allocation, the Duluth Airbase has been notified that there will be a ceasing of operations.

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

Mr. SHEPPARD. I yield.

Mr. JONAS. The discussion of this is on page 6 of the report. I assume the gentleman has read that.

Mr. WIER. That is just what aroused me.

Mr. JONAS. It is the feeling of the committee that these funds should not be allocated until this decision has been made.

Mr. WIER. I am just trying to get what information I can on the basis of the information I got from Duluth. I thank the gentlemen.

The CHAIRMAN. The gentleman from California [Mr. SHEPPARD] has consumed 30 minutes.

Mr. JONAS. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, before we go into the general discussion of the various items covered in the military construction appropriation bill for the fiscal year 1960, I would like to take some time to comment on the overall defense policies of this country, particularly as they apply to the work of the House Appropriations Committee. I have been in the unusual position of being the only member of my party who has had the opportunity to serve on both the Defense Appropriations Subcommittee and the Military Construction Subcommittee. By serving on both of these committees, I have had an opportunity to become most familiar with the activities of the Defense Department. This Department spends well over 50 percent of our budget, and the responsibilities involved in this committee work are indeed great. Since early December I have spent some 5 to 6 hours each day on the operation of this Department. I have enjoyed my associations with the members of the Defense Subcommittee and the Military Construction Subcommittee on both sides of the aisle. They are dedicated men, dealing with a very difficult problem. Our hearings are all in executive session and, for that reason, are not subject to recognition by a vast majority of our citizens. Today, I would like to discuss with the House a few of the problems which have been brought very vividly to us in the hearings and studies that we have conducted this year.

INTERSERVICE RIVALRIES

The malignant effects of interservice rivalry are nowhere more clearly apparent than in the divided military advice given the Secretary of Defense and in the duplication and waste resulting from competing and overlapping weapons systems.

Look, for example, at these expressions of different views on major military and strategic thinking:

SOME OFFICIALS SAY	OTHER OFFICIALS SAY
Concentrate SAC in United States and deploy and harden bases.	Move targets from CONUS to sea, islands, and Arctic.
All-out nuclear war is it.	Limited war is it.
Minimize limited war capability.	Maximize same.
Programs are in balance.	Out of balance.
Fixed bases.	Mobile bases.
High level blanket bombing.	Pinpoint target bombing.
Kill masses of people.	Save people; kill targets.
Live with fallout in United States.	Avoid fallout.
Big continental defense.	Small continental defense.
Manned bombers.	Missiles from mobile bases.

We have had senior service representatives testify that the budget totals were adequate but that funds for their own service were all out of line. We have had representatives of some services testify that we have a gross overkill capacity at a time when representatives of another service were arguing for still more funds for strategic attack. We have one service sponsoring large aircraft procurement programs and another saying we are not getting out of manned aircraft fast enough. We have one service favoring one type of antiaircraft missile, another service favoring a second type, and the third suggesting that neither is particularly effective. Even as to our joint strategic objectives plan, we have been told that the Secretary of Defense was placed in the unhappy position of having his principal military experts differ as to the kind and quantity of forces necessary to support the very strategic concept to which all had agreed. We have been told, furthermore, that major components of the 1960 service budgets—a $260 million carrier for the Navy, the augmentation of the B-52 program, or, indeed, the size of the Army—had never even been considered by the Joint Chiefs of Staff.

In other words, we appear to have permitted ourselves to drift into a situation under which the military services, fearing a negative majority, may avoid having major proposals studied by the Joint Chiefs, or under which, if proposals are submitted, the result is either logrolling or development of split papers which merely set forth the contending views of the several services.

The Secretary of Defense, then, finds himself in the role of judge over philosophical differences among the three Departments and services, referee over divergent views on weapons systems, and arbitrator over split views on the division of the budget. With this kind of parochial opinion coming from his advisers—when indeed he receives any advice at all—how can a Secretary of Defense do anything but come up with a compromise? How can he properly exercise his power of decision in the face of divided military councils? How can he really determine what is truly sufficient—how much is enough for the atomic retaliatory force, for air defense, for limited warfare forces, for strategic airlift and sealift, for Reserve-type forces—for all of these functional categories to which several services jointly contribute? Equally as important, what has been the effect on the public purse of a system under which, in default of agreed military advice, services proceed unilaterally or competing services proceed with duplicating systems?

In the past few years, for example, perhaps $2 billion have been spent on the Bomarc antiaircraft missile and another $2 billion or so on the competing Nike-Hercules systems. It is now proposed to spend more on each, even though we are told our potential enemies have switched their emphasis from planes to missiles, and it is apparent that neither weapon can contend with the growing threat of missiles .

Other huge sums have been spent by the Army and Air Force on developing the rival intermediate range ballistic missiles Jupiter and Thor. Undoubtedly, a billion dollars could have been saved had a choice been made between the two.

Lack of firm military advice leads us to continue with the competing long-range weapons systems—Atlas and Titan—again with duplicating costs of well over a billion dollars for each system—and at a time when the next generation of such missiles is already in sight.

Examples of duplication and waste of money in supply, training, and administration, resulting from departmental rivalries, are legion. In this category we find:

First. Marginal and nonessential installations and activities which, in most cases, remain in the program for an outmoded mobilization plan of the World War II type. The cost of keeping these in operation can run into the millions of dollars. But each Department insists on keeping its own stations open.

Second. In the supply activities there still remain three different systems for the three services. Though some steps have been taken to correct this deficiency, much remains to be done, including substantially greater attention to the transfer of existing assets between services. These unnecessary costs, coupled with limited progress in standardization, can be measured in the hundreds of millions of dollars. Yet, service rivalry and bickering slow down progress in eliminating this waste.

Third. Communications networks of all the services are separately maintained and operated, and all are proceeding with expensive development and procurement programs. One master system, or at least one coordinated system, serving the needs of the Field Commanders and the Departments would save the taxpayers hundreds of millions of dollars. Yet every move for more efficient management has been blocked.

Fourth. In the field of intelligence there is a terrific amount of duplication. The separate intelligence organizations, if truly organized into one master complex, would save countless millions of dollars. Here again the services resist changing the systems.

Fifth. Separate jet trainers are used by the Navy and the Air Force. Adoption of a common plane would, undoubtedly, save millions of dollars.

Sixth. Mobilization reserves are maintained and replenished by the separate services in quantities which bear no relationship to a modern realistic mobilization plan. Retention of reserve industrial plants falls in the same category. Unnecessary costs amount to tens of millions of dollars annually.

In summary, it appears indisputable that:

First. As a result of interdepartmental rivalries, the Secretary of Defense is receiving conflicting advice from the Joint Chiefs of Staff, which results in perpetuating and initiating duplicating and even conflicting weapons systems;

Second. In view of the failure of the Joint Chiefs to review the major service weapons systems, the services themselves are unilaterally carrying out programs which duplicate and conflict with those of other services;

Third. As a result, the costs of our Defense Establishment over a period of years are, undoubtedly, billions of dollars higher than they need be. If these rivalries could be tempered, we could either have a greater degree of defense for what we are now paying, or the same degree for a substantially lesser sum of money.

MOBILITY OF MISSILES

I have repeatedly suggested that our intercontinental ballistic missiles should be deployed outside of the heavily populated areas within the continental limits of the United States to other areas under the control of our country. The difficulties involved in this course of action would be minor compared to the advantages which could be derived from such a more extensive deployment. The Department of Defense should immediately give consideration and arrive at a decision on this matter. By deploying these big missiles within the borders of the 48 States, we automatically concentrate enemy fire on our most populated areas. As others have pointed out, hardening these missile sites simply means that an enemy would have to attack with even greater weight in order to destroy them. Inevitably, much of the area surrounding these missile sites woud also be destroyed.

This characteristic of drawing away enemy fire from our shores is one of the unique advantages of the Polaris system. It is probably too late now to deploy the Atlas and Titan outside of the 48 States, but it is not too late to plan for the deployment of the solid fuel Minuteman in this manner, as well as the modified Jupiter. Because the Minuteman promises to be and the modified Jupiter is a less complicated missile, they would be the logical missiles to deploy outside the 48 States. Again let me say that I recognize the additional complications involved in such a deployment, such as local defense of the missile sites, communications, ships, troop facilities, and so forth. But the benefits to be gained, it seems to me, far outweigh any costs which might be generated thereby. As a matter of fact, under present military construction cost estimates for border

bases in the United States, it is possible to save large sums of money.

AIR DEFENSE

Members of the Appropriations Committee did not look with favor upon the 1960 Air Defense budget presentation of the Department of Defense. Our Committee rejected the Defense Department's original plan of funding both Bomarc and Nike-Hercules for complete coverage of the United States at a total projected cost of well over $8 billion. The new proposal which we have approved by funding in the 1960 budget is a compromise resulting from our committee's insistence that the Department of Defense keep its "feet to the fire" and come up with a less costly plan to meet the diminishing threat of manned aircraft. I have been asked to explain this revised plan to the House today.

Mr. Chairman, I think we can all agree that the real defense of this Nation, and indeed the entire free world, rests on our ability to strike a decisive retaliatory blow if we should be attacked. This, of course, is our longstanding policy of deterrence. But if war should nevertheless come, we must have something more than just the ability to strike back with devastating force. We must, within the limits of technical feasibility and the resources available, provide for the protection of our retaliatory forces and at least a reasonable degree of defense for our population and production centers.

I believe we all recognize that the new air defense plan is no panacea. It will not, in itself, solve the virtually insoluble problem of defense in the missile age. But it does, in my judgment, provide a reasonable balance between defense and offense. The funds allocated for defense against manned bombers in the 1960 budget now amount to less than 10 percent of the total, and less than half the amount allocated to the support of the Strategic Air Command alone.

NEW AIR DEFENSE PLAN

Mr. Chairman, I realize that this body has devoted a great deal of time and attention to the air defense problem, particularly in connection with the debates on the Department of Defense appropriation bill for fiscal year 1960. However, at the time of the debate we did not have available the new air defense plan which was only recently completed by the Defense Department.

You will recall, that in the absence of firm decisions on some of the major air defense weapons systems, the Department of Defense appropriation bill reported by the Committee on Appropriations effected a sizable reduction of $162,700,000 in the President's budget request for the Air Force Bomarc antiaircraft missile. The committee report accompanying the bill clearly stated that this action was "a further effort to focus attention upon the necessity for an early decision on the air defense missile controversy." The report further stated that "the committee would be willing to appropriate the full budget estimate and more if it had full confidence in the Bomarc missile—if it had the assurance that the system would actually work." The report went on to state that "before further commitments and expenditures pile up, a new hard look should be given to the proposed Bomarc and the whole air defense problem."

In my judgment the new air defense plan proposed by the Defense Department fully satisfies these requirements of the committee and did merit the full support of the House.

The air defense problem has in the last year become so enmeshed in controversy that I believe some of the fundamental considerations involved in this program have become completely obscured. It may be useful, therefore, to summarize in broad outline the main features of the new air defense plan and the principles upon which it was based.

First, I think it is important that it be clearly understood that the new plan does not change the basic concept for the air defense of the North American Continent, nor does it make an exclusive choice between the Nike-Hercules and the Bomarc. This was, as far as I know, never the intention of the Defense Department. Secretary of Defense McElroy has stated on numerous occasions that the problem was not one of eliminating one or the other of the two systems but, rather, one of properly meshing them together so as to minimize overlapping coverage in any one area. He never said that there would not be a place for both the Nike-Hercules and the Bomarc in the air defense system. This is entirely logical since neither of these weapons systems fully meets all the requirements by itself; each has its strengths and each has its weaknesses. By using them in proper combination, it is possible to capitalize on their strong points and overcome in large measure their individual shortcomings. I will discuss this aspect of the problem a little later.

AIR DEFENSE FOR NORTH AMERICA

The present plan for the active defense of the North American Continent against attack by manned bombers or aerodynamic missiles still rests on these basic principles:

First. That the air defense of the North American Continent is the joint responsibility of the United States and Canada.

Second. That attacking aircraft should be engaged as far out from the population and industrial centers of the United States and Canada as feasible.

Third. That enemy aircraft should be kept under continuous attack if they succeed in penetrating the outermost zone of defense.

Fourth. That the weight of our air defenses should be concentrated across the most probable routes of attack and in the most vulnerable target areas.

THREE ZONES OF AIR DEFENSE

To carry out these principles current planning provides for three zones of active air defense and a farflung warning system extending from Midway Island in the Pacific up around the far northern boundaries of the North American Continent and down across the Atlantic approaches. As the air battle is presently visualized, the first attempt to destroy or turn back invading aircraft would be made in the outer zone by manned interceptors. If the enemy aircraft should succeed in passing through this zone of defense, they would then be engaged in the intermediate zone by other manned interceptors and, when available, by the Bomarc surface-to-air missile which in its new version—the Bomarc-B—will have a range of 300 to 400 miles. The Bomarc would be deployed only around the periphery of the United States and as far north in Canada as possible. It would be integrated with the SAGE system which directs both the Bomarc and the manned interceptors to the enemy aircraft.

If the attacking aircraft should succeed in penetrating to the inner zone of defense, they would then be engaged by the Nike-Hercules and the Nike-Ajax batteries which are so deployed as to provide close-in protection for population and industrial centers and other high priority targets.

The new plan, of course, is based on the assumption that the manned bomber threat will be with us for some time to come. This assumption is entirely reasonable inasmuch as our military leaders still consider the manned bomber to be—both for ourselves and a potential enemy—the principal means of delivering large nuclear warheads in the volume and with the accuracy needed to strike a decisive blow. Consistent with this assumption, the President's 1960 budget included funds for additional B-52 heavy jet bombers and B-58 supersonic medium jet bombers, and for the continued development of the B-70, a new supersonic long-range jet bomber.

While the Soviet manned bomber force will not increase quantitatively to any substantial degree, it will remain, for several years ahead, a dangerous threat. The details of this threat were given to the Defense Subcommittee by General Twining, Chairman of the Joint Chiefs of Staff, in a classified presentation.

Furthermore, if the Soviet manned bomber force were to be modernized by the introduction of a supersonic model aircraft similar to our own B-58 or proposed B-70, our conventional air defense program would take on renewed importance.

The new air defense plan, however, does recognize that the intercontinental ballistic missile and submarine-launched missile threat will be increasing and may or will ultimately become the principal threat. The new plan, therefore, provides for a further acceleration of the antimissile defense effort to the maximum extent justified by the present state of our knowledge. An additional $137 million will be applied in fiscal year 1960 to the development of the machinery and processes that would be required for the large scale production of materials and components for the Nike-Zeus anti-missile missile, if and when the decision is made to go into production on this weapon system.

This $137 million is over and above the $300 million included in the President's 1960 budget for the Nike-Zeus and already voted by the House. The additional funds are to be derived partly from the $200 million of additional funds

recommended by the Appropriations Committee and approved by the House for Nike-Zeus and/or Army modernization, and partly from savings effected through the reduction of the previously planned Nike-Hercules program.

While almost three-quarters of a billion dollars will have been invested in the Nike-Zeus program through fiscal year 1960, this represents but a very small part of what the total cost for this system may reach. Estimates have been made that a minimum total cost of $10 billion could be expected for a reasonable, effective Nike-Zeus missile defense system. It is in the light of this tremendous outlay to which we would be committing ourselves, as well as the unprecedented technical problems, that the difficult decision of when to go into actual production on the Nike-Zeus must be made.

BALLISTIC MISSILE EARLY WARNING SYSTEM

At the same time, the new plan continues the major emphasis being given to the construction of the new ballistic missile early warning system. Including the amount contained in the Department of Defense appropriation bill for 1960 as passed by the House, a total of more than three-quarters of a billion dollars has been earmarked for this purpose.

The Ballistic Missile Early Warning System—BMEWS—is intended to provide that critical margin of warning against ballistic missile attack which would enable our strategic forces to get off on their retaliatory mission. Work has already started at the two most important sites of the three that ultimately will be needed. At each of these locations huge radars, large as a football field, will be able to "see" for more than a thousand miles and to detect enemy missiles early in their flight. Automatically, the warning and approximate trajectory information will be flashed back over long lines of communication to the retaliatory forces, the active defenses such as Nike-Zeus, and our population centers; thus providing us with the precious minutes of warning so necessary for our survival and effective retaliation.

While the new plan provides for a further increase in the antimissile defense effort, it also provides for a gradual reduction in the air defense effort against manned bombers. The number of manned interceptor squadrons will be steadily reduced over the next few years and a significant reduction in the previously planned number of Nike-Hercules battalions and Bomarc squadrons has also been made.

As I mentioned earlier, the reduction in the ultimate number of Nike-Hercules and Bomarc units is made possible in the new plan chiefly by minimizing the overlapping coverage of the two air defense weapons systems. In general, the Bomarc will be deployed along the east and west coasts of the United States, along our northern border, and into Canada. Units in Canada will be operated and manned by Canadians. Deployment of the Nike-Hercules will be further extended, in a limited way into the interior of the country for point defense of key targets. The new plan, however, calls for considerably fewer Nike-Hercules sites than originally planned for less exposed targets in the central portion of the United States.

In keeping with these changes in weapon programs, the new plan also makes certain changes in the aircraft warning and control network. There will be some reduction in the number of SAGE centers originally planned in the central and south-central part of the country, but the super SAGE combat center program will go forward. Most of the latter are to be hardened SAGE complexes.

Similarly, there will be a reduction in the planned number of prime radars to be constructed in the less vulnerable part of the country, but the number of gap filler radars in the northern section of the United States and Canada will be increased to provide better low altitude coverage necessary for the Bomarc. In order to provide for the overwater direction and control of the Bomarcs, deployed along the east and west coasts of the United States, improvements will be made in the airborne early warning aircraft assigned to offshore patrol. Prime radar coverage in critical areas will be improved by the installation of the new frequency diversity radars.

These radars not only have improved performance but they are are also considerably less subject to enemy electronic countermeasures techniques.

The new plan did not make any changes in the F-108 program. This is the new long-range, mach 3, manned interceptor system now under development. The Secretary of Defense has indicated that this particular weapons system will be kept under continuous study in light of the changing nature of the threat. It will be an extremely costly system and, according to the Secretary of Defense, might cost $5 to $8 billion even for the relatively small number of squadrons contemplated. It should be noted, however, that no funds were provided for Air Force manned interceptors in the 1960 budget. This means that in a few years from now the F-108 will be the only manned interceptor available for production if such a weapons system is still deemed necessary at that time.

In summary, the new plan reduces the originally planned number of Nike-Hercules battalions by about one-fourth, and the number of Bomarc squadrons by something less than one-half the number previously planned. At the same time the antimissile missile effort is expanded and significant improvements are projected in the ground electronics environment.

The monetary reductions resulting from these changes in the air defense plan will be quite modest in fiscal year 1960—about sixty-odd million dollars. The real savings will come in future years. It is estimated that the new plan calls for about $1½ billion less through fiscal year 1963 than the previous plan. Thus, it may be anticipated that funds devoted to defense against manned aircraft will continue to decline over the years. In this connection, it is worth noting that the 1960 budget already showed a marked decline in funds for defense against manned bombers as compared with 1959—almost $1 billion less in capital costs—research, development, test, and evaluation; procurement; and military construction. Conversely, the 1960 budget now contains almost 2½ times more funds for ballistic missile defense than was provided for fiscal year 1959.

As I have already stated, no additional funds were requested in the 1960 budget for manned interceptors for the Air Force and the amount of funds requested for Nike-Hercules, Hawk, and Bomarc was also considerably less than the amount provided for fiscal year 1959. The new plan further reduces the amount of funds required for Nike-Hercules and Bomarc in the 1960 budget.

It is fair to say that the actions taken by both the House and the Senate have speeded up these desirable trends already evident in the President's 1960 budget.

The new plan should not be construed as the final word on air defense. I am sure the Defense Department did not intend it as such. This is an area of extremely rapid technological change. It was only 5 or 6 years ago that the 90- and 120-millimeter antiaircraft guns were the backbone of the Army's air defense forces. The buildup of the Nike-Ajax, this Nation's first operational surface-to-air missile, was completed only about 2 years ago and only within the last 12 months has the Army acquired a significant Nike-Hercules capability.

In the Air Force, supersonic interceptors became available in significant quantities only 3 or 4 years ago. Yet in fiscal year 1960, there will be no further procurement of interceptor aircraft by the Air Force.

The Bomarc A, the Air Force's 200-mile range surface-to-air missile, will become operational this year, and the longer range version, the Bomarc B, will not be available in any significant numbers for some time to come.

Similarly, only 2 years ago, the distant early warning line was completed. Yet today, work is already underway on an additional system—BMEWS—for warning against ballistic missile attack.

AVAILABILITY OF NIKE-HERCULES AND BOMARC

The different time frames within which these various missiles become available are often overlooked in the controversy over Nike-Hercules versus Bomarc B. The Nike-Hercules, as I have stated, is with us right now. This weapon is already operational in fairly large numbers and additional units are in the pipeline. The operational availability of Bomarc B is off in the future. So it is incorrect to consider these two missiles as being available within the same time frame. For antiaircraft missile defense in the next year or two we must look to the Nike-Hercules supplemented by Bomarc A. Thereafter we will have available both Nike-Hercules and Bomarc B. By deploying the Bomarc B along the periphery of the United States and into Canada, overlapping with the Nike-Hercules can be minimized and this is what the new plan proposes to do.

But even within the same time frame there is still a use for both missiles. The Bomarc B will have a considerably longer range than the Nike-Hercules and also

promises a better low altitude capability. Properly deployed it can defend even against manned bombers carrying air-to-ground missiles, by attacking the manned bomber before it can release the missile. The Nike-Hercules, on the other hand, has a capability against air-breathing missiles of the type which might be carried by manned bombers or launched by submarines. So, even in the time frame in which the Bomarc B will become available, the Nike-Hercules will be able to make a significant contribution to the Nation's defenses against manned bomber attack.

Although the number of our manned interceptor squadrons will be gradually reduced over the next few years, we will still retain a considerable capability in this field even in the time frame in which the Bomarc B is expected to become available. These manned interceptors, together with the ground-to-air missiles will provide a mixture of complementary systems which, in combination, will give us a much higher degree of protection against attack by manned bombers than any one of the systems could provide alone.

This defensive complex against manned bomber attack must and is being supplemented by a system of defense against ballistic missile attack. I have already mentioned the ballistic missile early warning system. But work is also being done on more advanced means of detecting a ballistic missile attack. One of these systems is known as Midas—a satellite equipped with infrared sensing devices. A number of such satellites circling the earth would be able to detect the great blast of heat emitted by a missile when taking off. Detection of an enemy missile attack at the time of launching would roughly double the amount of warning time available from the BMEWS radars. With this additional warning time a large part of our strategic retaliatory forces would be capable of getting off to deliver their counterblow.

For active defense against ballistic missile attack, we have under development only the Nike-Zeus at this time. The feasibility of this system has yet to be demonstrated. I am sure that the Members of this House are aware of the extremely difficult problems involved in the development of an effective system of this type. I believe the 1960 program as now planned goes about as far as is prudent in the light of our existing knowledge. The Congress and the people of this country should be aware that, even with an outlay of $10 billion or more for Nike-Zeus, there can be no assurance that we could escape terrible damage in the event of an all-out nuclear war, once our principal opponent acquires a large stock of intercontinental ballistic missiles. This situation is fully recognized by the Defense Department and other approaches to this problem are being actively explored. In a recent address, Roy W. Johnson, Director of the Advanced Research Projects Agency, stated that the Defense Department has "undertaken more than 50 separate programs to obtain the crucial information necessary for design of a system which will meet the rising threat. These programs seek to define this threat, to find improved methods for early warning, for identification and discrimination of the incoming warhead, and for kill mechanisms and data processing."

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

Mr. LAIRD. I yield to the gentleman form Minnesota.

Mr. WIER. During the course of the discussion of the so-called missile programs——

Mr. LAIRD. My discussion as far as mobility is concerned does not have to do with the Nike or Bomarc. It has to do with the longer range missiles.

Mr. WIER. The question would be the same. At any time during the hearings on this change of program did the Air Force give any indication that the Bomarc system was superior or better?

Mr. LAIRD. Yes, there was discussion of that. It has always been the feeling, I think, of the majority of the members of the committee, in the discussions that I have had, that the Bomarc missile would be much more effective further north. You are speaking of the Bomarc missile in your question to me, which is a surface-to-manned-aircraft missile. It is an interceptor missile. It was always felt that the further north we could move that particular concept the better off we would be, because it is better for us to intercept earlier than have Nike-Hercules or some other type of weapon at a later time, and it was always felt that if we could move this particular base to the north, certainly our committee should not stand in the way if the Canadian Government and others enter into an agreement for that type of a missile base.

Mr. WIER. Let me add this: During the last 3 years I assume that the Air Force has spent a lot of money in laying out and planning for this so-called auxiliary air base in our northern tier of States, which they abandoned and then came forth with this Nike-Hercules installation along the northern border. Now, they spent considerable money for the Bomarc unit, and they already have the Duluth base pretty well established.

Mr. LAIRD. Well, even if Bomarc would not go to Duluth, the Duluth base would still be a fighter-interceptor base, and that is what it is at the present time.

Mr. Chairman, this military construction bill comes to the floor of the House today with the unanimous support of our subcommittee. I believe that this represents a real effort on the part of the members of our committee, our subcommittee, and the full committee to bring you a bill that can receive the unanimous approval of this House today.

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

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

Mr. GROSS. How much money is there in this bill?

Mr. LAIRD. The total appropriation level in the bill as reported is $1,285,002,700.

Mr. GROSS. Mr. Chairman, I think there ought to be more than a handful of Members on the floor to hear debate on any bill costing more than a billion dollars, and I therefore make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one are present, a quorum.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the distinguished gentleman from Wyoming.

Mr. THOMSON of Wyoming. The military construction authorization bill as it was signed into law authorized construction of some 1,900 more Capehart housing units than was originally contemplated when the budget was submitted. It is my further understanding that the only appropriated funds required for this program are small amounts for utilities, streets, landscaping, et cetera.

Mr. LAIRD. They are the supporting facilities.

Mr. THOMSON of Wyoming. No additional funds are provided. In fact, as appears at page 23 of the committee report, general support for the Capehart housing program is reduced from $9 million, requested in the budget, to $8 million, or a net reduction of $1 million.

At page 8 of the committee report there is the following:

> The Department of Defense is directed to inform the Committees on Appropriations of the House of Representatives and the Senate, prior to the advertisement of contracts for any Capehart housing not included in the specific funding programs presented to the committees.

As I understand, some supplementary material was presented to the committee after the initial program was presented. What I would like to ask the gentleman is, in light of these facts, is the Air Force expected to supply the necessary support for the additional units that may be programed for construction within the funds herein appropriated and within the language the committee has in its report?

Mr. LAIRD. That is correct. They have submitted to our committee a list of projects which they expect to move forward on in the fiscal year 1960. If they want to go beyond that list, it is my understanding it will be necessary for them to come back to our committee for approval.

Mr. THOMSON of Wyoming. I appreciate the answer to that question, because there are 156 units involved at the Warren Missile Base that are considered to be critically needed.

Mr. LAIRD. It is my understanding that those particular units are on the list that was submitted to the committee.

Mr. THOMSON of Wyoming. I thank the gentleman.

Mr. SHEPPARD. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I take this time to say that, of course, I respect the work of this great committee. I recognize that we cannot all be for economy and then just be for the kind that affects us. However, I was greatly distressed when the committee saw fit to strike the funds for the Fort McClellan Hospital, at Fort McClellan, Ala. This was one of

the projects that was authorized and appropriated for and was ready for the stage of funding when it reached the attention of the subcommittee.

This facility was requested by the Department of the Army last year. It was in the budget, it was approved by the Congress, and I was assured as late as April of this year that plans were going along according to schedule. So I say it comes with a great deal of disappointment that the committee has seen fit to take this action, especially as it is the only project that had reached the funding stage, if I understand it correctly.

When it reached that stage there ensued a hassle between the Bureau of the Budget and the Department of the Army as to whether or not this hospital would be constructed on the basis of 125 beds on a 200-bed chassis or would be a central or block-type structure. This installation serves approximately 6,000 service personnel. It is the home of the Chemical Corps Training Center, the WAC Center, and the 3460th Army Support Unit, serves military personnel with dependents overseas, Army personnel in Alabama, Mississippi and Georgia. Alabama and Mississippi National Guardsmen train there each summer. These people have been hospitalized in cantonment-type buildings consisting of well over 100 buildings scattered over that installation, costing this Government roughly over $200,000 a year in maintenance and repair. These figures are contained in a report made by the Bureau of the Budget.

I think I know a little bit about hospital construction because for the last 9 years I have served on the subcommittees dealing with health, and I have visited a good many hospitals.

I cannot agree with the committee that you can spend over $200,000 a year on these types of buildings and make it a matter of economy. The funds requested were about $3,331,000 this year. It had already been cut from $3.9 million. The first sum mentioned would be amortized in anywhere from 10 to 15 years. I am of the opinion that when you have to lay out that much money in buildings that are nothing in the world but tinder boxes which you cannot heat in the wintertime, and you cannot cool off in the summertime, that is not a very wise expenditure of funds.

The committee has seen fit to disallow the request for all hospital construction, as pointed out by the distinguished chairman. Of course, I think the committee is right in taking a look at the high unit cost of hospital construction. At the same time, I do feel that the committee should reconsider this matter. I hope when the report from the other body gets back to this body, or to the conferees, it will be reconsidered on the basis that it is the poorest kind of economy to spend the amount of money you are spending where you cannot adequately service the personnel in that area, and cannot render proper medical care and protection.

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

Mr. ROBERTS. I yield.

Mr. SIKES. I commend my distinguished and close friend, the gentleman from Alabama, on his zeal in seeking to secure the construction of a hospital at Fort McClellan. I share his disappointment that this hospital is not being appropriated for in this bill. The gentleman has stated that funds were included last year to build a hospital at Fort McClellan. The need was recognized at that time. But, the Army estimates of requirements for a hospital at Fort McClellan have varied and the committee is disturbed with this situation. Although money was appropriated last year, the Army did not program the construction of the hospital and did not allocate the funds. Instead the Army came back to the Congress a second time, asking for a new appropriation of funds even though funds were available throughout the last fiscal year and they could have built the hospital last year. The committee, which is sympathetic to this problem is placed in a difficult position, for Fort McClellan appears subject to the same weaknesses of programing and costs that have been found with reference to the other hospitals which were recommended by the services. The committee felt it would be in an extremely awkward position if that hospital were considered separately and funds again appropriated for construction of this hospital while the other nine hospitals were deleted. The gentleman knows I am sympathetic toward the need for a hospital at Fort McClellan. I think all this committee wants is to be sure we get the most hospital facilities we can for the money it is necessary to spend. We do not under any circumstances want to deny anybody who needs hospitalization the hospital facilities that are needed. Of course, I cannot speak for the entire committee, but as one member of the committee, I am prepared to say I am ready to vote for additional hospital facilities when the proper need is shown and when a proper program is advanced.

Mr. JONAS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. AVERY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-eight Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 126]

Alford	Coad	Halpern
Anfuso	Curtis, Mass.	Hargis
Arends	Daddario	Healey
Barden	Davis, Tenn.	Holt
Baring	Dawson	Holtzman
Barrett	Delaney	Jackson
Barry	Diggs	Judd
Bates	Dollinger	Magnuson
Bentley	Donohue	Martin
Bosch	Dulski	Metcalf
Bow	Edmondson	Miller, N.Y.
Bowles	Elliott	Minshall
Brewster	Farbstein	Morrison
Brown, Mo.	Fino	Multer
Buckley	Flynn	Nix
Budge	Gallagher	O'Brien, N.Y.
Cahill	Giaimo	O'Neill
Canfield	Glenn	Oliver
Cannon	Granahan	Osmers
Carnahan	Green, Pa.	Philbin
Powell	Taber	Toll
Rostenkowski	Taylor	Vanik
Smith, Miss.	Teller	Westland
Spence	Thompson, La.	Zelenko

Accordingly the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 8575, and finding itself without a quorum, he had directed the roll to be called, when 357 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I take this time to ask the chairman of the subcommittee or some member of the subcommittee a few questions. Is there any money in this bill for further construction of the Air Force Academy?

Mr. SHEPPARD. There is not.

Mr. GROSS. None at all?

Mr. SHEPPARD. None at all.

Mr. GROSS. I asked the question because I note in the hearings they are spending some $4,500 on drapes for the dining hall at the Air Force Academy.

Mr. SHEPPARD. That is from last year's appropriation.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I just want to ask, Mr. Chairman, is it possible to have a section of the floor set apart for those who want to talk or otherwise be out of order.

The CHAIRMAN. The gentleman frm Michigan is not stating a parliamentary inquiry.

Mr. SHEPPARD. In response to the gentleman, may I call attention to section 110 of the bill, which reads as follows:

SEC. 110. No part of the funds contained in this Act shall be used to incur obligations for the planning, design, or construction of facilities for an Air Force Academy the total cost of which will be in excess of $137,797,000.

Mr. GROSS. The gentleman from California, the chairman of the subcommittee, specifically asked the Air Force last year if those overhangs on the roof of the dining hall at the Air Force Academy would be sufficient to obviate the necessity for drapes; is that not correct?

Mr. SHEPPARD. That is correct.

Mr. GROSS. But this year we find that some $4,500 has been or will be expended for drapes to cover the windows of the dining hall.

Mr. SHEPPARD. That is correct.

Mr. GROSS. Let me ask the gentleman, in view of the testimony given to you last year and which was made a part of the record, what is proposed to be done about this sort of thing.

Mr. SHEPPARD. That all depends upon what the Office of the Secretary of Defense and the Secretary of the Air Force may do. We certainly had an un-

derstanding between the Congress and the military agencies as to what the limitations were. The gentleman from Iowa knows equally as well as I do that those agreements were not kept.

Mr. GROSS. But what do we do—just slap those responsible on the wrist and give them a little warning and send them on to do it all over again? Now this is not a large item, but here witnesses appeared before a committee of the House saying that this expensive roof was justified because it would keep the sun out of the dining room, and yet give a panoramic view of the mountains and valleys or whatever it is out there. I have not been there, and yet we find they have expended $4,500 for drapes. We must do better than that to impress upon some people their obligations to Congress. It seems to me somebody ought to be demoted; somebody ought to be disciplined in the military service, if that is where the mistake was made. And, if it is in the civilian branch, then somebody ought to be fired for that sort of thing.

Now, Mr. Chairman, let us go to a larger item and I refer to a hospital in France. Is there any money in this bill for a repetition of the deal whereby a $5,700,000 military hospital was constructed in France that is not being utilized, now growing up to weeds. What is the answer to that story?

Mr. SHEPPARD. Of course, what was the motivating factor there or what led to these conditions is pretty difficult to explain. One of the primary reasons why we have been so careful in this bill, particularly with reference to expenditures for hospitals is to see that we do not have a repetition of this French episode to which the gentleman has referred.

Mr. GROSS. Who came before your committee and testified that they had to have this hospital in the first place? I would like to know that.

Mr. SHEPPARD. I was not on the committee at that time. Perhaps someone else can give the gentleman the information relative to the particular matter to which the gentleman refers.

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

Mr. GROSS. I am happy to yield to the gentleman.

Mr. JONAS. The record shows that the committee inquired very carefully into this matter and let its feelings with respect to this hospital be known in very certain terms. The testimony before the committee indicated that this hospital was programed in 1951 when it was contemplated that we would have 70,000 troops and civilian personnel, including dependents, in France. This was one of two area hospitals programed. One was to be in Paris and the other was the hospital to which the gentleman now refers. Later on the hospital in Paris was eliminated from the program, and this hospital that we are talking about was built as a 300-bed hospital. The committee did not know anything about this hospital until the gentleman from Wisconsin [Mr. LAIRD] reported having inspected it on a recent trip when he was attending a meeting in Geneva, I believe. The committee immediately began working on the matter and brought the people from the Department up and subjected them to pretty careful cross-examination.

We were not satisfied with that explanation. We did not think the hospital should have been built under the circumstances under which it was built and we certainly do not approve leaving it standing idle, the grounds growing up in weeds. We are informed that the situation has been reviewed, and it is now contemplated to install 150 beds in this hospital which was built for 300 beds.

Mr. GROSS. No; it is a 1,000-bed hospital.

Mr. JONAS. No; it is a 300-bed hospital. The equipment is on board and in hand for a thousand beds in case they want to expand it beyond the 300 beds contemplated. It was built as a 300-bed hospital.

Mr. GROSS. There is, according to the hearings, expensive equipment stored in garages and various other places in France for this hospital, yet witnesses appearing before your subcommittee had no inventory of this equipment; they could not or would not state how much it was worth or precisely where it is stored.

Mr. JONAS. I hope the gentleman does not think the members of our subcommittee approved that.

Mr. GROSS. I am sure the gentleman from North Carolina and members of the subcommittee did not approve, but what I am trying to get at is how many more of these $6 million mistakes can we tolerate.

Mr. JONAS. The members of this subcommittee will not tolerate any if we can prevent it.

Mr. GROSS. Here is what General Cullen stated before your subcommittee:

> The Air Force strength has been markedly reduced.

Then he was asked to supply additional information and here is what he sent up to you by way of a statement which was inserted in the record:

> At the time construction contract for the hospital at Exreux, France, was awarded, the existing Air Force military strength for France in 1955 was 19,851.
>
> The existing Air Force military strength in France as of March 1959 was 19,766.
>
> Construction costs including supporting facilities and fixed equipment were $5,708,-500. No cost data is available for equipment stored for 1,000 bed mobilization hospital.

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

Mr. GROSS. I yield to the gentleman.

Mr. JONAS. If the gentleman will read a little more of the testimony of General Cullen, he will see that he made the statement also that at the time this hospital was programed they contemplated serving 70,000 people—military and civil.

Mr. GROSS. In the light of information subsequently submitted I cannot see how they reduced that fast.

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

Mr. GROSS. I yield.

Mr. LAIRD. I happen to have been the Member who discovered this particular hospital.

Mr. GROSS. Yes; and I want to compliment the gentleman for the information he provided.

Mr. LAIRD. As my wife and I were driving through that area of France on our way to Le Havre to return home, we saw a sign which said there was an Air Force installation there. We asked the driver to take us to the grounds, where we inquired about and found that this hospital construction had been started about 1955. The information that was subsequently furnished the committee after we had called the witnesses up from the Air Force clearly shows that at the time construction was started for this hospital there were only 19,851 Air Force personnel. As of this date there are a little over 19,000 in France. It seems to me that this is a ghost hospital. There are no plans as of today for the utilization of this $5 million hospital.

Mr. GROSS. For even 150 beds.

Mr. LAIRD. There are no plans as of today for the utilization of even 150 beds.

Mr. GROSS. No firm plans; that is right.

Mr. LAIRD. There was a plan about which the general testified, but I think it was a very hurriedly gotten together plan, but before that there was no plan for the utilization of these hospital facilities.

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

Mr. JONAS. Mr. Chairman, will the gentleman yield to me if I yield him more time?

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order. I object to this bargaining.

Mr. JONAS. It is collective bargaining. I yield the gentleman 3 additional minutes.

Will the gentleman yield?

Mr. GROSS. I yield to my friend from North Carolina and thank him for yielding me additional time.

Mr. JONAS. May I make it crystal clear that I am not defending this situation at all. I do wish to call attention to General Cullen's testimony at page 897 of the hearings where he states the hospital was built because of the expectation of there being 70,000 military personnel and their dependents in the area.

General Cullen's statement is as follows:

> General CULLEN. This hospital was first brought in our Air Force program in 1951. It was authorized by Congress in 1952 as a 500-bed hospital. It was planned at that time that this would be one of two area hospitals, the other being in the plans as the Paris area hospital, which has never been built; it was dropped out of the program later on.
>
> At that time we were planning to take care of 70,000 military personnel and their dependents, plus civilian personnel and their dependents.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. HOFFMAN of Michigan. I want again to commend the gentleman in his

efforts to get economy, but how do you expect to make very much progress when earlier today you could not get a hundred to stand up and demand a rollcall on stadium expenditures?

Mr. GROSS. On another budget-busting bill; that is right. But I am hopeful.

Mr. HOFFMAN of Michigan. I am glad the gentleman is hopeful.

Mr. GROSS. Hopeful that some drops of water will eventually fall on the fertile soil of economy.

Mr. HOFFMAN of Michigan. I will be glad to do what I can to help.

Mr. GROSS. I appreciate that. Let me ask if there are any plans for the expansion of Army Ordnance facilities.

Mr. SHEPPARD. There is not.

Mr. GROSS. There are some funds for the building of roads at the Anniston, Ala., arsenal?

Mr. SHEPPARD. That is true, but that is not for expansion as such.

Mr. GROSS. Anything else?

Mr. SHEPPARD. What does the gentleman mean by "anything else"?

Mr. GROSS. There is that money to expand facilities at Anniston, Ala. What I am interested in is this: As the gentleman well knows, they are closing the San Jacinto Ordnance Depot. I do not want to hear anybody come on the floor of the House and ask for funds to build another ordnance depot some place in this country when they are disposing of an excellent facility just south of Houston, Tex.

Mr. SHEPPARD. There are no new ordnance depots in the bill.

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

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. JONAS. Let us make this clear for the record. The spokesmen of the Army said that they had no plans to ask for any ordnance depot be built on the east coast or the gulf coast. That is in the record.

Mr. GROSS. The gentleman knows they were about to build one at a cost of $44 million in Alabama as a replacement for the San Jacinto Depot. That went out of the window because, I am sure, they feared the Congress would never swallow that proposition.

Mr. JONAS. We tried to make a clear record on this and asked the specific question and it was answered in the affirmative, there are no plans for additional depots either on the east or gulf coasts.

Mr. GROSS. I thank the gentleman.

Mr. SHEPPARD. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AGAWAM, MASS., TO GET $210,000 FOR NATIONAL GUARD ARMORY

Mr. BOLAND. Mr. Chairman, the military construction appropriation bill for fiscal 1960, before us today, contains an item for $210,000 that will be used for the construction of a much-needed National Guard Armory in Agawam, Mass.

The sum for the Agawam Armory will come from the $11 million appropriated in this bill for Army National Guard. The Appropriations Committee cut a total of $278,197,300 from the President's budget estimates of $1,563,200,000, leaving $1,285,002,700 for military construction in the current fiscal year.

AGAWAM NATIONAL GUARD ARMORY AUTHORIZED IN 1958

Mr. Chairman, Agawam's National Guard Armory was authorized in the military construction authorization bill last year. The need for the armory was stressed to me in the following telegram received from the then chairman of the Agawam Board of Selectmen, Irving R. LaFleur, dated August 15, 1958:

U.S. Representative EDWARD P. BOLAND,
House of Representatives,
Washington, D.C.:

We are asking for your support on bill for the National Guard Armory in Agawam, Mass. It is very urgent that we get an armory in our town.

IRVING R. LAFLEUR,
Chairman, Agawam Board of Selectmen.

PROJECT HAS RECEIVED CONTINUED SUPPORT OF TOWN OFFICIALS

On June 25, last, Chairman Walter T. Kerr, of the present board of selectmen, wrote to me again pointing up the need for this armory facility, as follows:

DEAR CONGRESSMAN BOLAND: The full board met with Adjutant General (William H.) Harrison Tuesday, June 23, 1959. He is very interested in seeing the Armory get under way, because of crowded conditions, and it is his hope that, if the money is available, it could be started the first part of the 1960 fiscal year.

The general said he will make every effort to get the Agawam Armory under way as soon as the money is released by Congress.

Yours very truly,

WALTER T. KERRY,
Chairman,
JAMES P. KANE,
ARTHUR JOHNSON,
Board of Selectmen.

AGAWAM ARMORY ON MASSACHUSETTS PRIORITY LIST FOR 1960

Mr. Chairman, evidence of the need for a National Guard Armory in Agawam can also be found by checking the priority construction list set up by Adjutant General Harrison of the Commonwealth of Massachusetts and approved by the National Guard Bureau at the Pentagon. Agawam is second on this list.

The first Rifle and Weapons Platoon, Company B, 1st Battle Group, 104th Massachusetts Infantry of the famed Yankee Division has been meeting in the basement of the Agawam Town Hall. This facility has no drill hall or rifle range and has inadequate storage and administrative areas. The proposed one-unit Armory, known as an M unit, will accommodate 100 men. The National Guard constructs M unit centers in small communities where it is often difficult to locate adequate leased space. The personnel strength at Agawam is now 81 officers and enlisted men. Total cost of the structure of the armory will be $280,000, with the Commonwealth of Massachusetts contributing $70,000 and the Federal Government $210,000. The armory will provide year round facilities in support of essential training of the Army National Guard to meet the mobilization mission.

ONE MILLION AND THIRTY THOUSAND DOLLARS FOR AIR NATIONAL GUARD JET HANGAR AT BARNES AIRPORT

Mr. Chairman, this bill also includes an appropriation of $1,030,000 for construction of a modern hangar to replace an obsolete structure for the 131st Tactical Fighter Squadron of the Massachusetts Air National Guard at Barnes Airport, Westfield, Mass. This is the only Air National Guard facility in western Massachusetts and Barnes Airport is also headquarters for the 104th Tactical Fighter Group. The Air National Guard and Department of the Air Force estimates it will cost $300,000 to strengthen the present hangar built in World War II with a life expectancy of 10 years at the time of construction. The shop space for jet engine buildup and electronic maintenance and repair is inadequate and would continue to be if the present hangar is not replaced. A total of 95 officers and 657 airmen use this facility.

Mr. SHEPPARD. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Chairman, I take this time to discuss two items that have been deleted from the Navy Jet Base at Meridian, Miss. I discussed this with some members of the subcommittee, since the report Friday, in which these two items, an auxiliary base and a crosswind landing field, had been deleted.

I would like to say first of all, so far as the base is concerned, the first request I made of the Navy when they announced this base was to locate the base somewhere without having to take new lands and build a new base. I regret exceedingly that the Navy failed to convince the subcommittee as they did me that a new auxiliary base was a real necessity and fully justified.

In the first place, when you build a new base in a community, you take land from the payroll, and you put nothing but a nuisance there in that community, and everybody around it resents the situation. The best thing that could happen was to do what the subcommittee is trying to do, if possible. But I know of no other existing base that could be used.

May I say again, I appreciate the problem the subcommittee had in seeing that agencies of the military and other agencies of the Government would go out and refuse to use certain bases that were available, taking bad land when there is good land available.

May I say that this is a training base. Some of these young trainees will be flying their planes for the first time and landing in this area. You will have crashes, you will have wrecks. Certainly you cannot fly hundreds of miles across any State or group of States to find a landing strip under such circumstances.

So far as the crosswind runway is concerned, I notice in the record you say the testimony showed a 10 to 15 percent usage. I would like to point out to the subcommittee that we have obli-

gated approximately $37 million for this base. If we are to have a real, genuine training base, we are convinced they must have proper runways in that section of the country. They need a crosswind runway. For a few months of the year we have those storms coming up fast. These boys will be flying airplanes costing a half million dollars or more and with only a few wrecks, not considering the lives also, the losses will more than cover these so-called savings.

May I say I appreciate the fact the members of the subcommittee have stated emphatically it is not your plan to say you cannot build a new runway or to say that you cannot build a satellite base, if no other support base can be found in existence to support the main base at Meridian.

We have asked them to come up with more information, and I have requested the Navy to furnish such information as they have been giving offhand before the other body. Every year we delay something that must be done, the next year it costs more, because the contractors have the available manpower and machinery there now and they can bid on contracts now costing less money than if it were postponed for a year.

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

Mr. WINSTEAD. I yield to the gentleman from Florida.

Mr. SIKES. The gentleman has stated the problem very well. Of course, he is intimately familiar with this base and other bases around the country through his long and important service on the great Committee on Armed Services. This is the second outlying field for which funds were requested. The first outlying field already is located and, of course, that gives the Navy a little more time with which to complete its estimates on the requirements for a second outlying field. It gives the Congress an opportunity to ask the Navy to go back and take a close look to determine whether we can use one of the existing facilities for a second outlying field. Frankly, I think it is going to be found that these existing facilities are too far away to be used. But, let us be sure and have the Navy take a careful look, because if we can use an existing facility, it will save the Government a few million dollars. I know full well also that the gentleman does not want his own constituents dispossessed to make available the land needed for a new outlying field that has no economic value.

Mr. WINSTEAD. It is a necessary nuisance that has to go with a training base.

Mr. SIKES. Of course, it is also true that the base at Meridian must have the necessary facilities for training. If the Navy makes a strong case and shows there is no other facility that is satisfactory for the requirements of this training mission I do not think there will be any difficulty about meeting any legitimate needs. I think the same situation exists with reference to the crosswind runway. Even though it will be used only a small proportion of the time, when the base is in full operation there may be weather conditions when it is necessary.

This full operation is sometime in the future. Consequently, the committee asked that there be a reappraisal of the costs and the requirement.

Mr. WINSTEAD. So far as that is concerned, I am sure that they failed to make clear to your committee the statement they have given me, because I have been requesting them all the while to do just that. So, I hope you will give consideration to the additional information submitted in the Senate and which will be available for consideration in conference. As I have said, a delay of another year will certainly make this needed construction more costly.

Mr. SHEPPARD. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS of Oklahoma. Mr. Chairman, the House Appropriations Committee erred, in my judgment, when it reported this military construction appropriations bill, H.R. 8575, without funds for missile facilities at Fort Sill, Okla.

I truly respect this great Subcommittee on Military Appropriations including the distinguished chairman, but even in their wisdom they, too, sometimes err.

The Department of Defense asked the committee to fund $7,694,000. The committee allowed $4,615,000 which represents a cut of $3,079,000 and deletes all funds for missile facilities at Fort Sill.

I am a member of the House Armed Services Committee which approved the original authorization for this military construction, but I am not a member of the House Appropriations Committee. It may be that the Defense Department did not make as clear a case when it appeared before the Appropriations Committee and inasmuch as that committee did not report its action until last Friday, there is not sufficient time to secure facts and figures necessary to seek justification for restoration at this time. I believe, however, that such justification will be available and hope this money will be restored when this bill is considered by the Senate. In such event, I trust that the conferees will agree to such restoration because all my information is to the effect that these funds are badly needed at Fort Sill for the safety of America.

Fort Sill is one of the few outstandingly great military forts in our country. It is the artillery center for our Nation. It is one of the very greatest assets for our national defense. Our Nation has already invested, according to prevailing prices, about one-quarter billion dollars there. Fort Sill is where our artillerymen and artillery officers for World Wars I and II and the Korean conflict were trained.

In 1955 there was added to Fort Sill, in addition to the conventional artillery school, the surface-to-surface missile school. This reduction the committee has reported will greatly curtail the activities of such school, and it is my judgment that this surface-to-surface missile school is one of the most important parts of our national military program. It is my firm and considered belief that if we remain strong economically and militarily we can prevent a third world war. It is my further belief that if a third world war comes it will not come as a full-blown world war, like a thief in the night, but as an outgrowth of a brush-fire type of war that will evolve into a big, all-out war, unless it is put out; and if we remain strong enough to put out such small wars we can prevent an all-out world war, in my judgment. And I believe that there is nothing more important than a surface-to-surface missile program to put out such type of conflagrations.

Fort Sill is an ideal location for a conventional artillery and a surface-to-surface missile school. The weather, the terrain, and the location are ideal for such military installation.

It is true that the Army's proposed expansion—it is not presently a defense plan—calls for an enlargement of the range of fire there, but whether there is a plan, and if a plan, a reality of that plan or not, still the school should go on for the sake of our country's safety.

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

Mr. MORRIS of Oklahoma. I yield to the gentleman from Florida.

Mr. SIKES. The artillery school at Fort Sill is one of our great historic bases. Of course, it is an essential base insofar as proper operations of the Army are concerned. The committee has no disposition whatever to limit necessary training exercises that are carried on.

I commend my distinguished colleague and good friend, the gentleman from Oklahoma [Mr. MORRIS], for his zeal in defending this base. As the gentleman has well stated, there has been considerable uncertainty on the part of the Army in recent months about just what they want to do at Fort Sill. There has been a question about whether the Army should acquire additional range. This is needed obviously because of the increase in the range of missiles. Missiles are coming more and more into the picture and conventional artillery is being phased out of the picture. Although the Army has not decided whether it is going to ask for additional range or not, it did come to the Committee on Appropriations with a request for a number of additional buildings and other facilities at Fort Sill. Unfortunately the Army did not show clearly that there would exist a need for these new facilities at Fort Sill, whether or not there is to be an extension of the range. That is the committee's present problem.

I think this is something that should be resolved quickly. It is very important for the future training of the Army, but it is up to the Army to resolve this in a positive and forthright manner so that the Congress can legislate and appropriate intelligently on these items. And that is all the gentleman is asking us to do. He is a hard-working member of a great committee, and his efforts are very valuable.

Mr. MORRIS of Oklahoma. Mr. Chairman, I thank the gentleman very much. I know of his great force here in the Congress. I know that he is one of the most dedicated and one of the greatest Members of this body, and that he is deeply interested in our defense. He is

very sincere in this matter and I appreciate very much the comments he has made.

Mr. SHEPPARD. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. KOWALSKI].

Mr. KOWALSKI. Mr. Chairman, I would like to bring to your attention a problem that the committee has created for the Navy at the Naval Submarine Base at New London, Conn.

First, however, I want to commend the committee for taking a hard, critical look at the requirements of our Military Establishment, and I hope that the committee will continue to scrutinize the execution of the military programs. As you know, I have been trying to do that, too.

Specifically, at New London, Conn., the Navy asked for funds to construct six barracks, to acquire some land, and to build a security fence for a housing program which would be used to billet the crews for our Polaris submarines, and for the nuclear submarines which are being built there. This program is important to the country and, of course, is important to this particular base at New London. The committee in its report on page 19 recorded:

> While the committee has approved the request of $877,000 for the replacement of boiler facilities at the Naval Submarine Base, New London, Conn., it has denied the request for the construction of new barracks and security fencing and acquisition of land therefor. The location of these barracks should be restudied with the idea of placing them on existing Government property at this location.

It is obvious that the committee is not against the construction of the barracks themselves. The committee agrees these barracks are needed. The question at issue is where should these barracks be located. The Navy feels they need the additional land. The land will cost about $27,000, the security fence about $17,000, a total of about $44,000.

The location that was suggested by the committee would cause the Navy to spend about $124,000 for extension of utilities. There are other locations that apparently the Navy has not studied.

I think it is important to bear in mind that if construction of these barracks is delayed for 1 year, it will affect the Navy in its program of trying to get ready for the Polaris effort. All of you gentlemen know that the housing and training of crews are just as important as the Polaris submarines we are building.

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

Mr. KOWALSKI. I yield.

Mr. JONAS. The gentleman has correctly stated the position of the committee. We just felt that $1,400 an acre is too much to be paying for land. There are 546 acres on the base and some of it is not in use at this time. We felt the Navy should restudy the location of these barracks. While the barracks are in the Navy's program, this particular item was not too high on the Navy's priority list. Actually, it was not in the top priority group. It was because of these things that the committee decided to delete the funds at this time not, however, with any purpose of saying that we do not think the barracks will eventually have to be built, but that we think the location should be restudied.

Mr. KOWALSKI. I understand the position of the committee. I also want to point out that the facilities at the base are designed for 2,000 men. There are actually 3,000 in the facilities now available. I understand from the Navy that for the Polaris program, they will need an additional 800 men. This makes it really a serious problem.

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

Mr. KOWALSKI. I yield.

Mr. SHEPPARD. I would like to advise the gentleman that the land cost here is actually in excess of $1,400 per acre.

Secondly, the committee had to consider in conjunction with that fact that there is existing land available on this base, which has not been studied with reference to the barracks location—including a golf course and other recreational facilities.

Next, the item is not high on the Navy priority list being No. 183 out of a total of 217. That priority list is established by the Navy itself and not by your committee. Thus, this matter is in the last 16 percent of the Navy's requests, which is certainly not a high priority.

Lastly, Mr. Chairman, a delay of a year in this construction, if our information is correct, and I am sure it is, would not interfere in any way with the operational problem here, but would allow the entire matter of the location to be restudied with a consequent potential savings to the Federal Government and taxes to the local government.

Those, Mr. Chairman, are the basic considerations which your committee had in mind in reaching the conclusions we did on this item. We are not unsympathetic, but if they make a study and give us the facts on which to go along, we will try to go along.

Mr. KOWALSKI. I thank the gentleman. I urge the conferees to work with the Senate to restore the full amount of the funds requested by the Navy.

Mr. SHEPPARD. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. QUIGLEY].

Mr. QUIGLEY. Mr. Chairman, I note with regret the committee's decision to delete the Army's request for funds for the construction of hospital facilities at the Carlisle Barracks in Carlisle, Pa.

I recognize that if we are going to have the economy in Government we hear so much about that these economies have to be made somewhere and that occasionally that somewhere may prove to be even in one's own congressional district.

However, it is rather obvious from the committee's report that its negative reaction to the Carlisle construction was prompted to a considerable extent by what the committee considered to be an almost classic example of inadequate planning and unrealistic programing on the part of the Army. Mr. Chairman, I am not qualified to argue whether there is a need for 25 or 50 or 100 beds at Carlisle. However, I am sufficiently familiar with the situation at the barracks to state categorically that there is a real need for additional hospital beds and for adequate, modern hospital facilities.

The committee in its report indicates that it "has reserved judgment as to the need for these specific facilities" and that the committee's action in withholding funds in this regard "has been taken solely because of unrealistic cost estimates based on inadequate plans and programs." In the face of this, I trust that the Army will promptly reevaluate on a realistic basis its hospital needs in Carlisle so that there will be no extended delay in meeting a real—if what, up to now, may have been a badly gaged—need.

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

Mr. QUIGLEY. I yield to the gentleman from California.

Mr. SHEPPARD. I would like to advise the gentleman that the committee reserved its judgment as to the need for these specific facilities. This action was taken solely because of the unrealistic cost estimates, based on inadequate plans, and an inadequate program. As soon as those plans are finalized so that the costs are properly reflected, then we would have no reservations with respect to this item. That is all we are asking for and we fully expect that from the military. If they do not give us the proper justification, then we cannot approve the funds for it. That is all there is to it.

Mr. QUIGLEY. I appreciate the views of the gentleman and I cannot say I am in disagreement with him.

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

Mr. QUIGLEY. I yield to the gentleman from Florida.

Mr. SIKES. I want to commend the gentleman for his interest and express my appreciation for the study which he has given the subject. He has recognized the problems which confronted the committee in attempting to do this job properly at a time when the Army has not decided what it wants.

Mr. QUIGLEY. It is my hope, I may say to the gentleman from Florida, that the Army will make a very prompt decision and bring this question to the other body in time to have action on it before adjournment so that the matter can be worked out, the money made available, and construction can be started on this hospital facility at Carlisle.

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

Mr. SHEPPARD. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. STRATTON].

The CHAIRMAN. The gentleman from New York is recognized for 3 minutes.

Mr. STRATTON. Mr. Chairman, I take this time to discuss briefly what I regard as a very apt illustration of a serious failure on the part of the armed services to recognize true economy and to be appreciative also of the impact of certain changes in our defense program upon our civilian economy and on areas suffering from unemployment.

Included in this bill is an appropriation of $3 million for the construction of a cold regions laboratory to be located

at Dartmouth College, Hanover, N.H. This is to be constructed as a new building. We are building this facility, Mr. Chairman, at a time when other military installations throughout the Nation are being closed down and people are being thrown out of work. I think it is a serious matter for the Government to be spending money to build new facilities at a time when other facilities are being closed down and people are being thrown out of work.

One facility which was considered as an alternative to a new building at Hanover, N.H., was the Scotia Naval Supply Depot in my district in Scotia, N.Y., which was ordered closed down earlier this year by the Navy with the loss of some 675 jobs in an area already suffering heavily from unemployment. I appeared before the subcommittee and urged that Scotia's facilities be used for this laboratory instead of new construction because the use of what we have there would have represented a saving to the taxpayers of a quarter of a million dollars.

Mr. Chairman, the Scotia Naval Supply Depot at Scotia, N.Y., was looked over by the Army representatives and then turned down in spite of its extensive facilities. Let me read to the committee from the record of the subcommittee's hearings, on page 84, the rather vapid reasons given by the Army for deciding against Scotia in spite of the cost to the taxpayers:

> We feel that inasmuch as the installation at Scotia is in a warehouse supply type of activity rather than in an academic atmosphere or a type of environment such as at Hanover which we feel is much more favorable for our activity, plus the fact there are no educational centers in the general Schenectady area whose primary interests are in the same area as the work of this laboratory, it would be undesirable. While there are some fine schools there, they do not have programs in this particular area.
>
> Furthermore, the areas available in the Adirondacks are considerably more limited in area and scope and size than the quite large areas available in upper New England which are property of Dartmouth College and would become available for fieldwork and field exercises.

As a matter of fact, Mr. Chairman, the Schenectady-Scotia area is right in the center of a large educational and cultural development. We have Union College in Schenectady, Rensselaer Polytechnic Institute in Troy, and the vast library of the University of the State of New York in nearby Albany.

In addition to that, we have the central research laboratory of the great General Electric Co. located in Schenectady, where Mr. Vincent Schaefer has won world renown with the experiments which he has conducted over many years in artificial weather operations, artificial snowmaking and rainmaking. The great resort area of the Adirondacks is only a short distance away, and I challenge anyone to suggest that these great educational areas are "considerably more limited in area and scope and size," as the Army claims, than any other outdoor areas in the country. Frankly, I do not think the Army's report indicates that they have really looked the situation over very carefully at all, or not at least as carefully as they should have if they were really interested in saving the taxpayers the loss of $281,000, which is involved here initially, or even the loss of $167,000, if you take the Army's ultimate figures for it.

In any case, Mr. Chairman, this is mighty shortsighted economy on the part of the Defense Department. I recognize the need for military construction as clearly as anyone, and as a member of the Committee on Armed Services I realize that this construction costs money. But the Defense Department no more than any other department of Government, can afford to throw money away. If this type of decision is allowed to stand, where the taxpayers' money is spent to build new buildings when existing ones are adequate for the same purpose, then the Defense Department will certainly lose the kind of public confidence and support that is needed for a successful military policy.

The unemployment areas of this country are in serious condition, and I believe that the House owes it to our people to make a better effort than this to funnel productive effort into these areas, whenever possible, something the bill as presently reported glaringly fails to do.

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

Mr. STRATTON. I yield.

Mr. SIKES. May I ask the gentleman from North Carolina [Mr. JONAS] if he will yield 2 or 3 additional minutes to the gentleman from New York at this point?

Mr. JONAS. I shall be very happy to yield the gentleman 3 additional minutes. Is that all the time the gentleman requires?

Mr. STRATTON. Yes, I thank the gentleman.

The CHAIRMAN. The gentleman from New York is recognized for 3 additional minutes.

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

Mr. STRATTON. I yield.

Mr. SIKES. Mr. Chairman, I have been highly impressed by the fine work done by the gentleman from New York [Mr. STRATTON] since he has been a Member of this body. He has already established himself as a valuable Member of Congress. I want to commend him now for the zeal which he is showing the establishment of the cold weather laboratory in his district.

I would like to say to my friend from New York that the committee did carefully consider this matter. The committee had the same question before it a year ago. The Army has given fullest study to the use of existing facilities rather than the construction of new facilities in New Hampshire. The only possibility which appeared to be worthy of serious thought is the location in New York to which the gentleman alludes. It would involve the utilization of a warehouse which could be converted to a cold weather laboratory.

The committee quite frankly was very much impressed with the fact that there exists at Dartmouth what is reputed to be the outstanding library on Arctic and other cold weather studies that is to be found anywhere in the Nation.

Since this is to be a cold weather laboratory that will consolidate the studies of several other facilities it is important that it be at the place where the best work can be done, and the availability of that very valuable library which cannot be duplicated anywhere else is important.

There is also the fact that although there is an available building in the gentleman's district, that building is a warehouse facility which would have to be converted. Supporting facilities would have to be provided there just as they would at Dartmouth, N.H. Therefore, when you consider the cost of the conversion of the present warehouse and the fact that supporting facilities would have to be added to both of them at substantially the same cost, there is not a great deal of saving. There are some savings, but not a great deal.

The committee is sympathetic to the use of existing facilities but for this particular and unique requirement, but after 2 years of consideration and study, the committee felt it best that we appropriate for the operation at Dartmouth.

Finally, and this is of material significance, there is an authorization for the cold weather laboratory in New Hampshire. There is no authorization for one in New York. If it were to be built elsewhere than in New Hampshire, construction could not be achieved until an authorization were approved by the Congress. At this late date I would think this virtually impossible for the current session. Therefore we would almost certainly lose another year in making available a needed and important new Army facility.

Again let me say I appreciate the gentleman's zeal for his constituents and his contribution to the Congress.

Mr. STRATTON. I thank my friend from Florida for his very generous comments. I know that as a member of the subcommittee he has made every effort to see that the merits of the Scotia depot were recognized, and I appreciate his help.

Mr. JONAS. Mr. Chairman, I yield myself the remainder of the time on this side.

Mr. Chairman, you have heard the chairman of the Military Construction Subcommittee of the Committee on Appropriations, the gentleman from California [Mr. SHEPPARD], give a clear and concise explanation of the bill before you for consideration. This bill comes to you by unanimous approval of the subcommittee which consists of the gentleman from California [Mr. SHEPPARD] as chairman, the gentleman from Florida [Mr. SIKES], the gentleman from Mississippi [Mr. WHITTEN], the gentleman from Wisconsin [Mr. LAIRD], and the gentleman from North Carolina now speaking.

The gentleman from Nebraska [Mr. WEAVER], served with the subcommittee during part of the hearings on special assignment, and his contributions to the work of the subcommittee were valuable and helpful. In the markup, the subcommittee had the benefit of the advice and assistance of the chairman and ranking member of the Committee on

Appropriations, the gentleman from Missouri [Mr. CANNON], and the gentleman from New York [Mr. TABER].

It has been a genuine privilege for me to work again this year, as I did last year, with this group of our colleagues. One cannot work in close relationship with a small group of men, such as those I have named, in almost daily hearings and discussions extending over a period of months without coming to know them very well, indeed. I have enjoyed this association and wish to express publicly my appreciation for the opportunity of working with these gentlemen in our joint effort to produce a sound military construction bill for our consideration.

There is widespread interest in this bill because it contains funds for the construction of military facilities, Regular and Reserve, in every State of the Union and at 27 identifiable and at a number of undisclosed oversea bases. It appropriates $1,285,002,800 of the taxpayers' money. The following table shows how the funds are distributed between the services:

Department of Defense:	
Loran stations	$23,200,000
Advanced research project agency	23,545,000
Total	46,745,000
Regular Forces:	
Army	241,564,100
Navy	180,048,000
Air Force	756,616,600
Total	1,178,228,700
Reserve Forces:	
Army Reserve	20,000,000
Navy Reserve	8,589,000
Air Force Reserve	4,000,000
Army National Guard	11,000,000
Air National Guard	16,440,000
Total	60,020,000

The amount of money appropriated in this bill—$1,285,002,800—is $278,197,300 below the budget estimate for fiscal year 1960. It is $118,847,300 below the amount appropriated for military construction last year. Although the appropriation is more than $1¼ billion under the amount requested, it is the considered judgment of the subcommittee, arrived at after long, careful consideration and discussion, and concurred in by the full Appropriations Committee, that the new funds provided when added to the substantial funds remaining unobligated from prior appropriations, will be sufficient to provide every essential need for our military purposes in fiscal year 1960.

The total funds available for obligation in the current fiscal year, including the amount in this bill plus carryover funds provided in prior years, will be $2,045,809,777 for Regular Forces and $82,029,000 for Reserve Forces or a total of $2,127,838,777 in new obligational authority. But funds available for expenditure will exceed this amount by a substantial sum. The new funds provided in this bill, when added to unexpended balances from prior appropriations, will make a total of spending funds available in 1960, as distinguished from funds available for obligation, in the amount of $3,550,228,700 for Regular Forces and $122,029,000 for Reserve Forces or a total of $3,672,257,700.

This is a very sizable sum of money and the committee believes that it will be sufficient to enable those directing our military forces to provide the services with all essential facilities. It is quite obvious from the report that a number of requests for construction were denied. The denials were not arbitrary but were deliberately made for the reasons set forth in the report. If the committee were to rubberstamp approval of all construction requests, there would not be much reason for an Appropriations Committee. We began our hearings on this bill back in April and reviewed every request for funds, line item by line item, and only concluded our work last week. The record is 1,945 pages long and is contained in two thick printed volumes.

The bill presently under consideration will no doubt be disappointing to a number of people. Those who speak for the different services will naturally be disappointed in that they did not receive everything they requested. Spokesmen for various communities in the country, near which military construction had been programed, will probably be disappointed at the reductions made near their communities. But the members of the subcommittee felt it necessary to consider many points other than whether a community would be displeased or whether an individual service might be disappointed. In meeting our responsibility, we had to consider the needs of all of the services, at home and abroad, in the light of budgetary limitations. We believe we have a bill for your consideration which will meet the essential needs of all of the services and we quite naturally are pleased that we have been able to present such a program to you which is substantially under the budget request.

One of the subjects about which the subcommittee has been quite concerned is that of the utilization of existing facilities. Associated with it is the subject of disposing of unused and unneeded installations and facilities. Whenever an existing facility can be utilized in whole or in part for a necessary activity, the requirement for new construction can be reduced; and whenever surplus property can be sold for fair value the taxpayers are benefited. This is so obvious that I am sure the point needs no elaboration. However, the problems and complications in accomplishing these desirable objectives are manifold. Frequently the existing facilities are not suited for the proposed new activity or they are not in the desired location.

While the committee report acknowledges that progress has been made in the fields of utilization and disposal of facilities, it contains language which is quite critical of the Office of the Secretary of Defense for failure to be more aggressive in forcing a higher degree of utilization of existing facilities and a more prompt disposal of surplus facilities. I do not take any exceptions to the report but, in all fairness to the Office of the Secretary of Defense, I believe the record should show that efforts have been made in this direction and that substantial results have been accomplished. It should also be remembered that on the committee we have the benefit of hindsight. It is much easier to point out mistakes after subsequent events have transpired than to anticipate them, particularly since technology and military concepts have been changing in recent years with unprecedented rapidity. I therefore feel that the record, in order to be complete, should show what has been done in the field of utilization and disposal.

The following table, which appears on page 868 of the hearings, lists the transfers of real property that have been made between the services during the period from fiscal year 1955 through March 1, 1959:

Summary showing the utilization of real property by transfer between the military departments

Fiscal year	Department of Army to Navy and Air Force			Department of Navy to Army and Air Force			Department of Air Force to Army and Navy		
	Number of transfers	Acres transferred	Estimated original cost	Number of transfers	Acres transferred	Estimated original cost	Number of transfers	Acres transferred	Estimated original cost
1955	21	6,997	$40,966,528	1	8	$18,220			
1956	20	29,022	47,421,269	7	2,490	3,767,608	7	34,961	$1,583,528
1957	11	66,072	50,998,210	11	1,687	1,991,287	6	11,060	24,308,661
1958	13	1,612	12,333,618	11	394	35,700,483	4	1,529	1,210,879
1959 (to Mar. 1, 1959)	1	78	58,300	5	2,674	21,392,552	5	9,333	83,980,001
Total	66	103,781	151,777,925	35	7,253	62,870,150	22	56,883	111,083,609

SUMMARY

Total number of transfers	123
Total acres transferred	167,917
Estimated original cost of property transferred	$325,731,144

NOTE.—In addition to the above transfers, there are numerous instances where land is permitted by 1 military department to another. Further, there are those installations where joint operations are conducted, such as at the 3 national missile ranges.

In the course of the hearings, when this subject of utilization of existing facilities was under consideration and discussion with officials from the Pentagon, the Assistant Secretary of Defense for Properties and Installations insisted that positive and aggressive action is being taken to insure maximum use of existing facilities. In support of his contention, he submitted to the subcommittee an extract from instructions recently issued to the military depart-

ments from the Office of the Secretary of Defense. These instructions pertain to the preparation of the military construction budget for fiscal year 1961, which is now under consideration and which will be before the subcommittee early next year. I include the following extract from those instructions for the information of all those who will read this RECORD. The extract is taken from page 968 of the hearings, and is as follows:

Utilization of existing installations: In order to minimize land acquisition and new construction, it is mandatory that inactive or excess installations be utilized wherever possible. This requires that a thorough screening of inactive, excess or only partially occupied installations under the control of all three military departments or other Government agencies be accomplished before programing for the establishment of new installations, or for major expansions of existing installations involving new land acquisition or construction.

In order to better accomplish this important objective, it is requested that:

(a) For each applicable project in the fiscal year 1961 military construction authorization program, the line item justification sheet includes a listing of those inactive, excess, or only partially occupied installations (including those under control of the other military departments and other Government agencies) which were reviewed and screened as alternatives to the proposed new acquisition or construction project, and the reasons for the rejection of each; and

(b) Fiscal year 1961 military construction authorization projects in support of activities proposed for transfer to inactive, excess, or only partially occupied installations be documented by property utilization maps delineating the land areas which are required, and the plans for the disposition of land areas and buildings which are not required.

It will be the responsibility of the Assistant Secretary of Defense—Properties and Installations—to see that these instructions are carried out. The subcommittee will be interested to see how effective this effort will be.

The subcommittee has also been concerned to note that, notwithstanding the fact that the services continue to hold vast qualities of land surplus to their needs, requests continue to be submitted for approval to acquire additional land. The subcommittee has been very careful and cautious in authorizing the acquisition of additional land and you will be interested to know that no additional acquisitions are authorized in this bill unless the subcommittee felt that they were absolutely essential.

In an effort to ascertain exactly what has transpired, the Assistant Secretary of Defense for Properties and Installations was asked by the subcommittee to furnish informtion showing real property disposals and acquisition actions in recent years. The following facts, appearing in a table on page 967 of the hearings, were provided in response to that request:

Real property excess determinations for period August 27, 1955, to March 15, 1959:

Army	$428,062,000
Navy	419,452,000
Air Force	280,272,000
Total	1,127,792,000

Disposal action on real property reported excess by Department of Defense for the period August 27, 1955, to March 15, 1959:

Excess declarations received by GSA (313 entire installations and portions of 221 installations)	$818,834,000
Disposed of by sale (proceeds from sale, $44,710,000: 21.7 percent of acquisition cost and 112 percent of appraised fair market value)	142,372,000
Transferred to other agencies and to local governments without reimbursement pursuant to public law	89,649,000
Pending disposal	586,812,000

Real property acquisitions for fiscal years 1955, 1957, 1958, and approved land acquisition expenditures for fiscal years 1958 and 1959 (to March 15, 1959):

Army	$27,490,313
Navy	36,869,742
Air Force	38,273,102
Total	102,633,157

It was also brought out in the hearings that in the 10-year period from 1947–57, the Department of the Army alone disposed of 9,649,855 acres of land, having an acquisition cost of $3,609,059,383.

I am not going to list actions taken by the services to close installations during 1958–59, because the list is too long for insertion here. The installations are set forth by name on pages 994–997, inclusive, of the hearings. The attention of the Members is invited to those pages. Included in the list are 13 Army installations, 250 AAA gun sites and 18 industrial plants, all under the jurisdiction of the Army; 41 installations, including bases, airports and storage stations, all under the jurisdiction of the Air Force; and 106 installations, including purchasing offices, supply depots, schools, air stations, test stations, ammunition depots, and so forth, all under the jurisdiction of the Navy.

Mr. REUSS. Mr. Chairman, I want to congratulate the Committee on Appropriations, particularly the Military Construction Subcommittee, headed by the distinguished gentleman from California [Mr. SHEPPARD], for having performed a truly outstanding job in reviewing the 1960 military construction requests and in having reduced those requests by some $278 million.

I am much impressed with the committee's report accompanying H.R. 8575. I am pleased to see the strong committee directive to the Secretary of Defense, his Assistant Secretaries and staff, for more careful screening and more realistic planning in all areas of military construction by Army, Navy and Air Force. As the committee report notes, without better planning and screening within the Department of Defense, we are not going to have the kind of utilization of existing facilities, or the kind of realistic programing of essential new military facilities, that we so desperately need to maintain our defense posture and at the same time protect the American taxpayers.

Two months ago I had the privilege of appearing before the Sheppard subcommittee. I wanted to call to their attention certain Strategic Air Command plans and drawings for Richard I. Bong Air Force Base, now under construction in Racine County, Wis. These plans indicated that the Congress was about to be confronted with fund requests to build not only the usual and ordinary recreational facilities for Bong personnel and their families, but several facilities which seemed to me to be unusual, elaborate and nonessential. In this category I particularly included squash courts and an indoor swimming pool.

Mr. Chairman, I wish to state for the RECORD that I have recently been advised by the Air Force that, upon reexamination of its own minimum standards of recreational facilities for Air Force bases, no squash courts and no indoor swimming pools are to be requested for Bong Air Force Base. I am gratified that the Air Force has reached this decision. It is, I believe, a break for the taxpayers, while still preserving sound recreational policies for Air Force bases, since the ordinary and usual recreational facilities are still included in the Bong plans, such as a base theater, multipurpose gymnasium, recreational workshop and bowling alley.

I am sure that the members of the Sheppard subcommittee, and of the full Committee on Appropriations, agree with me that we want to make service in our Armed Forces attractive to Army, Navy, and Air Force personnel and their families. We want them to have decent pay, decent housing, decent recreational facilities—but we also insist on putting first things first, and drawing the line firmly against the frills and extravagances that sometimes creep into military construction plans.

This message is well set forth in the committee report on H.R. 8575. The committee states that it has approved $16 million for continuing construction on Bong Air Force Base, a reduction of $4,838,000 in the estimates. The report then states:

These funds are to be obligated in strict accord with the priority set forth in the budget program and with emphasis upon the construction of operational facilities.

Mr. Chairman, I hope that the Air Force and the Congress understand one another with regard to Bong Air Force Base. I am confident that the Military Construction Subcommittee will continue to keep a sharp eye out for any unusual fund requests there, or anywhere else for that matter. And again, I thank the subcommittee for its courteous attention to my testimony in this matter.

The CHAIRMAN. The time of the gentleman from North Carolina has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read the bill.

Mr. SHEPPARD. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee,

having had under consideration the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill just passed.

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

There was no objection.

LOANS UNDER THE BANKHEAD-JONES FARM TENANT ACT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R 7629) to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, GRANT, HOEVEN, and DAGUE.

IMPENDING VISIT OF PREMIER KHRUSHCHEV

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the house for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. LANE. Mr. Speaker, Premier Khrushchev, boss man of Red Russia, who recently threatened to bury us, has been invited to be a guest at the White House, beginning September 15, and to be followed by a tour of our country.

Fix that date in your memories. For that shameful and abject event marks the open acknowledgment of the retreat that started at Geneva. Between the appeasement prodding of Prime Minister Macmillan of Britain, and the blackmailing strategy of Khrushchev, we have abandoned our friends in the captive nations; have placed our principles in cold storage; have granted the Communists a propaganda victory of startling magnitude; and have surrendered to the wishful thinking that could lead to disaster.

How Khrushchev must be emboldened by our weakness of spirit. How he must be laughing at our gullibility.

"But it was the only thing we could think of to ease the Berlin crisis," says the administration. "And besides, when Khrushchev sees our standard of living, our industrial might, and our military installations, we hope that he will be impressed and will give up his designs to bury us." How pathetic and dangerous it sounds, and so reminiscent of the tragic blunders of another era.

John Foster Dulles is hardly cold in his grave before the administration reaches for the umbrella of appeasement.

The manner in which this invitation was secretly maneuvered, reveals the administration's fear that the American people would not respond kindly to it. First it was Mikoyan and Kozlov over here and the American Governors and then NIXON over there for the precedents that were supposed to justify the switch visits of Premier Khrushchev and President Eisenhower. Blurring the essential differences. Trying to make it appear that because the downtrodden Russian people greeted representatives from the free world, the American people must therefore, welcome the dictator who is determined to subjugate them and to destroy their free institutions.

The abruptness with which this invitation was announced to the world, and without prior consideration of the opinions of the American people, was calculated to confront us with a fait accompli. The administration has its fingers crossed, hoping that we will be stunned into mute acceptance of this shameful adventure in expediency. With its propaganda resources, it is attempting to prove that black is white, but in doing so it seriously underestimates the character and the independent thinking of the American people.

The largest security cordon in our history will be required to protect the unwelcome guest.

Why is he being forced on the American people by their own President? Why does not Khrushchev cancel his visit before it is too late? We urge the American people not to harm one hair on Khrushchev's head. If he does insist on coming, we hope that his own guards will "bring him back alive" to the Kremlin before some refugee whose loved ones were murdered or tortured by Khrushchev's gang, is tempted to take a pot shot at him.

Why—why did the administration invite this risk? We fervently hope that no bodily harm is suffered by Khrushchev while he is in the United States. We implore him not to come, for his own personal safety.

At the same time we warn him that the American people will not take this insult to their self-respect, this insolent disregard of every principle they believe in, like the voiceless victims behind the Iron Curtain. We are a free people. We have certain constitutional rights, and among these are the right "peaceably to assemble," "freedom of speech," the right "to petition the Government for a redress of grievances."

Our grievance is that the administration will desecrate the White House by entertaining the "murderer of millions," and will forcibly impose on the American people by asking them to be nice to the Red czar who threatens their lives, their liberties, and their faith.

The administration has made its unfortunate move. Now it is time for the people to repudiate it.

I call upon all individuals and groups in the United States that cherish the principles for which our Nation stands, who believe in God, who firmly oppose communism because it is the sworn enemy of human dignity and human freedom, to write their Senators and Representatives requesting support of the resolution that will express the opposition of Congress to this visit.

I also ask them to write to the Russian Ambassador at Washington asking Khrushchev to stay home.

And, in the meantime, I urge them to organize peaceful picketing in every city where Khrushchev appears, in the event he is thrust upon us. Let him see how we feel about it. Let him be greeted by empty streets, or backs that are turned upon him, or by parades of hearses representing the nations and the peoples that he has "Khrush-ed."

Let there be memorial services in every church for the captive peoples.

Let us express by every legitimate means our friendship for the Russian people and our contempt for the Communist despot who rules them with an iron hand.

Let every free American display his flag at half mast, in mourning for the national honor that has been surrendered by our Government.

We have 1 month to write, to organize, and to stage a massive but orderly protest.

Start now. Speak up, America.

HOME RULE LEGISLATION FOR DISTRICT OF COLUMBIA

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. FOLEY. Mr. Speaker, I have today filed a resolution on my home rule bill—H.R. 4633—to bring home rule legislation before the House for a vote. This petition permits 2 days of debate and specifically allows opponents of the legislation to offer all the amendments they may wish in the form of a substitute bill. It provides, so far as I can learn, the most liberal rule of any discharge petition of recent years.

I should like to explain briefly why this action is being taken. As most Members of the House know, an earlier petition was filed several weeks ago. A number of Members of this House who are opposed to any restoration of local self-government to Washington objected to the terms of that petition. We are

acting now, therefore, to meet any reasonable objection they can have and to demonstrate our own earnest desire to be fair and moderate on this issue.

The opponents of home rule have, for many years, blocked every effort to bring legislation before the House by the usual committee procedure. They have refused even to begin hearings until after steps were taken to discharge the committee. The record of past years, the conduct of the present hearings, and their own statements make it clear that they are determined not to permit a home rule bill to be reported from the committee.

Mr. Speaker, we understand and respect the position of these Members who feel they must refuse to permit a bill to come before the House from committee. But we appeal to them, in the name of fair play, to give equal respect to our position. We have exhausted every effort to get action through the committee. We have offered them a moderate bill, a reasonable middle ground between both extremes on this issue. We now offer them a petition with an extremely liberal rule.

In spite of their determination to prevent House consideration of home rule we offer opponents of this legislation the fullest opportunity to take their case to the House and settle the issue by fair vote, after fair debate. We challenge them to permit the House to hear both sides and make its own decision.

We welcome this clearcut choice. We are content to leave the decision where it belongs—with the Members of the House. We hope that opponents, too, will at long last have the courage to rest their case with the House.

Of the three long-delayed actions, Alaska and Hawaii have now both been granted statehood. There is still time, before we adjourn, to take the obvious third step. Let us act now to resolve the deadlock, discharge this legislation, and add one more notable achievement to the record of this Congress.

STEEL MANAGEMENT LOCKOUT

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. MADDEN. Mr. Speaker, the following is a copy of a telegram Mayor George Chacharis, of Gary, Ind., sent to President Eisenhower last Thursday, August 6.

The city of Gary, as well as the Calumet region of Indiana, with its three major steel mills is tied up in an industrial lockout inflicted by the management of big steel. Thousands of families are today suffering from this inexcusable industrial tieup. The mayor's telegrams speaks for itself:

AUGUST 6, 1959.

DWIGHT D. EISENHOWER,
President of the United States of America,
The White House, Washington, D.C.:

Your invitation to Russia's Premier Khrushchev to visit our country prompts my urging you to act quickly to the end that a just and equitable settlement be granted the steelworkers of our Nation.

Khrushchev's visit will focus the attention of the entire world on our every act. The worst thing that could happen to the United States and the free world is to have Premier Khrushchev tour this country with our entire basic steel industry shut down.

I urge you not to wait until the last minute to attempt this settlement. Such an act would only lend strength to the propaganda forces of the Communists who seek to belittle or destroy us.

Further, for you to use the Taft-Hartley law would only enhance Khrushchev's propaganda machine.

As mayor of Gary, Ind., and as a former employee of the United States Steel Corp., may I say in all truth that steelworkers have earned the right to a just and equitable settlement.

The recently released profit sheets of the United States Steel Corp., and other steel companies bear this out beyond a shadow of a doubt.

The use of your good office to end this crippling blow to our economy and our democratic way of life must now, I firmly believe, be renewed in greater intensity.

GEORGE CHACHARIS,
Mayor, City of Gary, Ind.

During the past week the United States Chamber of Commerce and its underground political subsidiary, the National Association of Manufacturers, have been flooding Congressmen with telegrams, letters, postal cards, and telephone calls urging and in some cases demanding that we enact antilabor legislation. One of the leading financial angles of both these reactionary organizations is the steel monopoly.

In yesterday's Washington Post, a full page advertisement revealed the fabulous and fantastic profits of major steel companies and their officials. This advertisement by the United Steelworkers of America revealed that United States Steel, Bethlehem, Republic, National, and eight other steel companies made a profit in the first half of 1959—after taxes—the sum of $694,600,000 compared to a profit of $287 million—after taxes—in the first half of 1958.

During the years from 1947 through 1958, the steel industry operated at 87.1 percent of capacity. During the first 6 months of 1959, the steel industry operated at 87.8 percent of capacity. This proves that these fantastic high profits of 1959 were made at normal operations.

Fortunately, the Federal law required these facts to be revealed to the public. In 2 years the steel industry has reduced its workers by 37,554. Profits per ton of steel have increased almost $27 since 1947. United States Steel increased its prices 23 times since World War II.

NINETEEN OUT OF TWENTY-TWO STEEL EXECUTIVES

Through the stock option "cover up" about 20 high steel executives reap profits in the millions without risking $1 investment risk. After World War I, communistic agitators have infiltrated most of the steel unions in the country. If it had not been for the great work of Phil Murray, Dave McDonald, and their fellow steel union officials, today the steel barons would be at a meeting with Soviet henchmen instead of American labor leaders.

The American public is fast realizing that the present steel tieup is a management lockout instead of a workers strike. The public is also realizing that since negotiations started months ago, steel management has been adamant and have not collective bargained in good faith at any time during this period.

Thousands of steelworkers are today in a dire economic condition. The steel barons have this year demonstrated the reason for Khrushchev repeating his statement of last year in referring to capitalism, "We will bury you."

Some congressional members are today wondering if the present lockout by steel management was strategically timed to prejudice public opinion on the pending labor management legislation.

SPEAKER RAYBURN SUPPORTS THE COMMITTEE LABOR REFORM BILL

Mr. UTT. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. ELLIOTT] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. ELLIOTT. Mr. Speaker, as the sponsor who introduced the labor reform bill painstakingly drafted by the House Committee on Education and Labor, it pleased me immensely to read in the press your statement in which you correctly described the House committee bill as a strong antiracketeering measure. It has been my own view that the committee bill offers a reasonable compromise which all reasonable men can support, and I believe your press conference statement has done more to bring this issue into focus than anything that has occurred since the House committee finished its work.

For the benefit of our colleagues I am inserting in the RECORD as part of my remarks the full text of your press conference statement on the labor reform issue:

SPEAKER RAYBURN'S COMMENTS ON PROPOSED LABOR LEGISLATION, AUGUST 3, 1959

I have said many, many times that legislation shouldn't be passed to punish somebody. It shouldn't be passed in heat or anger, and I am not accusing anybody of this on this bill. I don't think it does. It should be passed to bring about justice, fair play and equal opportunity, and that is my hope in the case of this labor bill.

I am not for a bill that is antilabor; I am not for a bill that is anti-industry; I am not for a bill that is antianybody. I am for the kind of bill that I said I was for.

There has been a great deal of talk about weak bills and strong bills. I am supporting the committee bill.

I think it does a splendid job.

It controls racketeering, hot cargo, and extortion or shakedown picketing. I might say there is not much difference in the committee bill and title I of the substitute which goes into control of racketeering and union democracy.

Now, of course, secondary boycotts are already prohibited under the Taft-Hartley law, and the committee bill's strong provision outlawing hot cargo clauses closes the main loophole in this law. There is a very

strong provision in the committee bill prohibiting shakedown picketing. A man guilty of shakedown picketing would be fined $10,000 and 20 years in the penitentiary.

It also outlaws objectionable types of organizational picketing.

I am as much against racketeering as anybody could be, and I would not support any bill that is not strong on antiracketeering. I think the committee bill covers racketeering in a fine fashion, and being for this provision, I can support the committee bill.

EFFECTS OF HIGH INTEREST RATE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. DINGELL. Mr. Speaker, the tight money, high interest boys are getting ready for another payoff to the banks. This fall the rate for the Nation's leading corporations for short-term bank loans is going to go to 5 percent. This will be the highest interest rate in modern times for prime bank loans. Over and above this corporations will be gently asked by banks to keep part of their loans on deposit, which will in effect raise the cost of their total loan to well over 5 percent.

This is due in large part to the fact that the Federal Reserve System is slated to raise the interest rate on loans to banks to 4 percent by sometime this fall.

This would appear to be the reason for the administration's urgent desire to eliminate the 4¼-percent ceiling on long-term Government obligations and to go to a virtually unlimited interest rate on the long-term Government bonds.

This same policy is going to raise the cost of installment loans to unprecedented peaks and will raise costs to borrowers for home loans, purchasers of new automobiles, and for small businessmen who must borrow to meet business expenses, taxes, or improvements or expansions on their businesses.

We have no exact way of knowing precisely what this will cost the various classes of people in this country, but we know that the typical home loan is now around 6 percent, against 5 percent a few years ago, and as little as 4 percent or 4¼ percent 10 years ago.

The difference between 5 and 6 percent on a $20,000 mortgage for 20 years is the difference between $16,840 and $18,640, or an increase of some $1,800 in the cost of financing a house.

Counties and cities which sold tax exempt bonds at 2½ percent 5 years ago now pay 4¼ percent. The interest paid on a $10 million school bond issue at 2½ percent is $5 million for 20 years. At 4¼ percent the interest is $8.5 million. The difference is about $3.5 million to the taxpayers in the area, and is $3.5 million worth of classrooms and schools that will be denied the children of this country. However, that money will show up in the statements of the bankers and big money boys.

The cost to the taxpayer and to the Federal Government is even more staggering. In the past 5 years the national debt has increased less than 5 percent. Interests costs on that debt have risen by one-third and now run about $8.5 billion a year as against about $5 billion when the Eisenhower administration came in.

In 1954 short-term money could be had by the Treasury for 1⅛ percent. Recent costs for similar short-term Treasury obligations is about 4¾ percent. Another more frightening statistic is that 90-day borrowings by the Treasury have risen from 0.65 percent to 3.4 percent in the same 5 years.

The automobile manufacturers and the unemployed workers in the city of Detroit have an equally pressing concern over this high interest rate hard money policy. Automobile sales are dampened by the high interest rate in the same way that every other industry is depressed and repressed by this policy.

Another individual stricken by high interest is the small businessman who 5 years ago could borrow $50,000 for 2 years for as little as 5 percent. Today his cost for the same loan is 6 percent. To him the total interest on his loan has risen from $5,000 to $6,000 an extra borrowing cost of $1,000 which he must pass on to the consumer in the form of increased prices.

This is the legacy of the high interest hard money policy instituted by the Eisenhower administration when it first came to office in 1953. We are witnessing the logical result of raising the interest rate on Government securities from about 2⅞ percent to 3¼ percent at a time when 2⅞ percent long-term Government bonds not only sold well but often were traded at a premium.

The people and taxpayers of this country should know what the Eisenhower administration has done to them all in a period of less than 8 short years.

AN ANSWER TO THE PRESIDENT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. O'HARA] may extend his remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. O'HARA of Michigan. Mr. Speaker, the distinguished gentleman from New Jersey, Mr. FRANK THOMPSON, has labored long and effectively to obtain meaningful labor reform legislation. I am sure we are all aware of the role he has played in drafting and supporting the Kennedy-Elliott labor reform bill which was reported by his committee and on which the House will begin debate Tuesday.

Because of the prominent part he has played and because of the respect I and the other Members of the House have for his ability and integrity, I know that the Members of the House will be interested in reading his newsletter to his constituents, dated August 7, which aptly evaluates the situation in which we now find ourselves. I therefore, under unanimous consent, include the newsletter of the gentleman from New Jersey in full at this point in the RECORD:

NEWS RELEASE FROM THE OFFICE OF CONGRESSMAN FRANK THOMPSON, JR., DEMOCRAT, OF NEW JERSEY

On August 11 the House will finally begin its debate on the controversial labor reform legislation. My vocabulary does not contain enough adjectives properly to describe the heat which this subject has generated. The chairman of the House Rules Committee, HOWARD SMITH, of Virginia, has been quoted as saying, "We'll have a donnybrook." That gentleman put it mildly.

In my report of last week I set forth 43 items which the Kennedy-Elliott bill would accomplish in the labor reform field. These items represented simply an outline of the major provisions of the bill, the details of which were obviously impossible to set forth. It was an accurate listing, however, and it did include the questions of secondary boycotts, blackmail picketing, and "hot cargo."

On August 6, President Eisenhower preempted nationwide radio and television time and delivered a forceful 15-minute address on this subject. His speech was a great disappointment to me, not only because he advocates tough, punitive labor legislation, but especially because it was oversimplified and inaccurate. This complicated subject can scarcely be touched in so short a time and the President's speechwriter was obviously not so much an expert on labor matters as on politics.

President Eisenhower was quite accurate in his statement that the American people want the crooks and racketeers cleaned out of our labor movement. Everyone—except Jimmy Hoffa and his ilk—will agree. Labor's honest and most powerful voices are taking the lead in demanding reform and, furthermore, they have proven their good faith by kicking Hoffa out of the AFL–CIO.

The President chose the extreme "right" as his course in endorsing the Landrum-Griffin bill. Two hours later AFL–CIO President George Meany gave a radio address in which he took the opposite course and endorsed the Shelley bill. I cannot agree with either of these extremes.

General Eisenhower's speechwriter apparently does not know that section 8(b)(4) of the Taft-Hartley Act already imposes stringent curbs on secondary boycotts, for, in reading it, Ike lamented the absence of a secondary boycott provision in the Kennedy-Elliott bill. As a matter of fact, section 705(a) of the Kennedy-Elliott bill does refer to secondary boycotts and closes the only loophole in Taft-Hartley by making illegal "hot cargo" contracts. It has been through this loophole that Hoffa has driven his trucks and men to such awesome and illegitimate power.

The President's speech contained several errors such as I have cited above. This is unfortunate, since these errors picture the committee's work as weak when, in fact, the result is a strong and effective bill.

Actually, the differences between the Kennedy-Elliott and Landrum-Griffin bills are differences in degree only. The former is moderate, the latter murderous. It is interesting to note that 88 of the committee amendments to the Senate bill appear in the Landrum measure. This amounts to a silent tribute to the committee bill.

If Ike's speech was powerful enough to cause the tough labor bill to pass, then many of us will look back to the days when he favored school construction and wish

that he had spoken out then. He did not, and the school construction bill was lost.

When the labor fight is over more than 2 months of 15-hour workdays will end for me. It will have been worth the work and worry if Hoffa and the likes of him are the losers. Next week I hope to be able to report victory.

JAMES R. HOFFA SHOULD RESIGN

Mr. KING of Utah. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. KING of Utah. Mr. Speaker, today is the prelude to the storm which will be upon us tomorrow, when we commence our historic debate on the labor bill.

It is my strong feeling that the best thing that could happen at this time would be the resignation of James R. Hoffa as president of the International Brotherhood of Teamsters. I make that statement for the reason that I feel that Mr. Hoffa has placed himself in a position in which it is impossible for him to further the best interests of the labor movement and of legitimate unionism.

His name has become an anathema among the great majority of the nonunion members of the American population. His continued presence as head of the largest and most powerful single union in this country, serves only to widen the breach between union and nonunion citizens.

I feel that there is nothing that could better clear the atmosphere, and reassure the American people of the good intentions of American labor, than for Mr. Hoffa to resign. If his first interest is in the promotion of legitimate unionism, then he surely cannot fail to perceive that he is now no longer in a position in which he can serve that end.

At this time, therefore, I do hereby publicly call upon Mr. James R. Hoffa to resign. I do so for the reason that this Nation will then be in a better position to see the labor problem in its true perspective.

IMPORTS RISING—EXPORTS FALLING—OUR COMPANIES GOING ABROAD

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 60 minutes.

Mr. BAILEY. Mr. Speaker, I think the time has come when we should pause long enough in our other activities to take another look at our domestic industrial situation as it is affected by our foreign-trade policy.

It is a year since we passed a 4-year extension of the Trade Agreements Act; and much has happened since that time.

With all due respect to the 85th Congress, I do not believe that we met the import problem confronting this country when we passed the last Trade Agreements Act. As I have said before, the problem is still here and getting worse.

Many people who were previously indifferent to the problem of import competition are today concerned over it and over what it means to them. Notable among these are the iron and steel and the automobile industries.

We face something today, Mr. Speaker, that was not yet so visible a year ago. It is now clear that we are at the mercy of import competition from many areas of the world. The question is often asked whether we have priced ourselves out of world markets. The fact is that in quite a number of products we have for some years been priced out of foreign markets while at the same time we have been an easy mark for import competition. In recent times the problem that has confronted many of our smaller industries has begun to lap at the feet of some of our mass production industries. These had generally been regarded as proof against foreign competition in spite of the high wages paid by them. Now we are finding even these great industries highly vulnerable.

Mr. Speaker, history and our foreign economic policy have simply caught up with us. One of the elements that is present today that was merely on the way a while back is the higher productivity of foreign producers. We helped them in many ways to improve their production. We even built plants for them, or at least helped them financially to do so. We received and herded through our plants thousands of productivity teams from abroad. We extended technical assistance wherever our Marshall plan people could induce other countries to take it.

What did we have in mind if not the very thing that has happened? We would be stupid indeed if we did not recognize our own handiwork. We asked for it in a score of different ways and we are getting repaid exactly as planned by our State Department. In spite of numerous protests they drove right ahead and even now are preparing for another tariff-slashing conference next year. This seems unbelievable but it is true.

The State Department seems determined to ruin industry after industry in this country to avoid the frowns of other countries.

Now let us take a look at where we stand.

The competitive situation with respect to imports is growing worse daily. In March of this year imports established a monthly record with imports of $1.3 billion. In June even this record was broken. Imports rose to $1,360 million. This exceeded our nonmilitary exports.

When our imports of merchandise exceed our nonmilitary exports of merchandise, as happened in June of this year, we are running up a heavy deficit in our total foreign account. This may pass the $4 billion mark this year. Last year the deficit in our total foreign account was $3.4 billion.

Our exports have been declining for the last 18 months. The decline has reached about 30 percent. But for our heavy export subsidies and foreign economic aid, our exports would be still lower.

What can we make of these trends? What do they mean?

Obviously the flood of imports means that we have ripped away the tariff to a point so low that it no longer stops imports. Many of our industries are seeing their domestic market overtaken increasingly by imports. In the case of sewing machines and watches the market is nearly gone. Our fisheries of New England and the tuna fisheries of the west coast have seen over half of the market go to imports. Other items have also been hard hit. Coal, lead and zinc, fluorspar, some textiles and garments, stainless steel flatware, hardwood plywood, silk, screws, spring clothespins, pottery, glassware, caps, knit gloves, bicycles, fishing tackle, and other manufactures are feeling the impact. Some items of iron and steel have suffered sharp setbacks from imports. Small automobiles from abroad have now captured about 10 percent of our market.

Meantime, many of our industries have seen their exports fall sharply. Exports of steel, which were far ahead of imports until a year ago are now exceeded by imports 2 to 1. Automobile exports have fallen 50 percent in the past 4 years. Imports now exceed exports several times over in number of cars. Our coal exports have also dropped sharply.

If these great mass production industries are finding import competition beyond their power to meet, while seeing their exports shrink, we can readily appreciate the more difficult situation in which many smaller industries find themselves.

The reason for all this foreign competitive advantage, of course, is to be found in the lower wages paid in other countries. These wages have not come up in proportion to the increased productivity that has come to other countries as a result of the tens of billions of dollars worth of modern machinery they have installed, much of it paid for by us.

The labor unions in other countries are relatively weaker in bargaining with their employers than those in this country. This would indicate that the differential in labor costs here and abroad will not soon be closed, but may even widen. At this point I include in my remarks pertinent parts of an article appearing in the Wall Street Journal on this subject. These excerpts follow:

UNUSUAL UNIONS—EUROPE'S LABOR GROUPS STRESS POLITICS, LEAN LESS ON PAY BARGAINING—A LOOK AT AUTO FIRMS SHOWS WHY WAGES ARE LIKELY TO STAY BELOW U.S. LEVELS—FIAT IS "LIKE A FATHER"

(By Dan Cordtz)

TURIN, ITALY.—"Collective bargaining? In the Italian auto industry, there isn't any. Fiat just gives everything to the workers—like a father."

This bitter comment comes from Secondo Perroni, secretary of the Italian Metalworkers Federation. His union is one of the three major labor organizations which represent workers of Fiat Co., builder of 90 percent of Italy's motor vehicles.

Although the situation he describes is not in every respect typical of Europe's bustling auto plants, it points up a fact of significance to American car manufacturers and other U.S. producers who already are feeling the pressure of lower foreign wage rates.

For there is not, in Europe's auto plants or in most other European industries, anything resembling the tough, two-sided collective

bargaining between the United Auto Workers and the Big Three of the U.S. auto industry. As a result, Europe's lower wage rates, a management talking point in the current steel talks in the United States, are not likely to be eliminated as a big competitive factor in the near future.

THE UPPER HAND

There are, of course, considerable differences of detail in the labor situations in various countries. In some, organized labor's influence in politics and even on wages at the national level is pronounced. But a look at the European auto industry shows why, it is generally true that management—to a degree long since forgotten in the United States—holds the upper hand in dealing with its workers.

Even in France's government-owned Regie Nationale des Usines Renault, generally regarded as Europe's most liberal automotive employer, a top labor relations executive states frankly, "We decide what wages we are going to pay and then tell the unions."

One result of this situation, as American car makers know only too well, is a general wage level far below that of the United States. A typical Fiat worker, for example, earns less than $100 a month. His American counterpart gets as much in a week. In England, employees of Vauxhall Motors, Ltd., General Motors Corp.'s subsidiary, average about $175. And workers generally put in more than the American's 40 hours a week.

NO NARROWING OF THE GAP

"Our wages are going to continue to rise," says Dr. Heinz Nordhoff, president of Volkswagen, "but yours are going up about as fast. I don't foresee any narrowing of the wage gap very soon."

Since 1950, average hourly wages in U.S. auto plants have risen 53 percent—a rate exceeded in Europe only by Germany's approximately 80 percent. But Germany, of course, started from a depressed base. In Italy, at the other extreme, auto wages have gone up only 36 percent in the same interval.

Why, in countries where the union movement predates that of the United States, has labor been so ineffective in boosting wages in such an efficient and prosperous industry as automobiles? There seem to be four principal reasons:

The structure of the unions themselves; the form which collective bargaining usually takes; the concept of a union's function and proper means of action; and, finally, the basic attitude of most workers.

To begin with, there is no counterpart of the UAW in any of Europe's auto-producing nations. Auto workers are represented either by a multiplicity of craft-oriented unions (as in England, where 22 unions are recognized in the Dagenham plant of Ford Motor Co., Ltd.) or, more frequently, by huge, all-inclusive labor organizations whose membership takes in all metalworking industries.

Some companies do not participate in association bargaining. But with the wage pattern for great numbers of workers determined by the national or industrywide agreements, their own action usually is conditioned by what has been won in the other plants.

The broad agreements, moreover, are usually written with the interests of the association's smallest, least-efficient producers in mind. In such cases, once the unions have settled for relatively little, nearly all pressure is removed from nonmember firms to do better.

Complains Charles Levinson, secretary of the automotive division of the International Metalworkers Federation in Geneva: "We are prepared to accept national bargaining on minimum wages and working hours. But this must be completed at the company level in terms of actual wages, fringe benefits, working conditions, and grievance procedures." Up to now, except in a few instances, this has not been done.

Where companies do improve on the minimums, their actions are nearly always the result of corporate policy—not union pressure. Thus Fiat pays 80-percent higher wage rates than required under the national contract for the metalworking industry—but, as Mr. Perroni says, it grants such improvements "like a father." Similarly Renault, whose own contract is so much more liberal than that of the rest of the French metalworking industry that it has drawn heated criticism from other employers, hardly was responding to labor muscle when it wrote its terms.

This identification between union and political goals has a twofold result: Members are more likely to look to the Government—rather than collective bargaining—for their objectives. And whatever objectives are sought, they are likely to apply to all workers, not just those in a particuarly favored industry.

A FETISH FOR POLITICAL SOLUTIONS

"European unions," charges Victor Reuther, head of the UAW's international department, "have made a fetish of seeking political solutions to what are essentially economic problems." The solutions usually have been vast new schemes of social benefits for all workers, rather than higher wages in industries which could afford them. And, Mr. Levinson asserts, "this is fine if you're sick or unemployed, but it doesn't make buyers for automobiles."

State-furnished social benefits in Italy, for example, are estimated by Fiat officials to increase the average worker's income by 40 percent—with company provided fringe benefits boosting it still more.

The political obsession mentioned by Mr. Reuther accounts for another bargaining weakness of Europe's unions—their concept of the strike as a protest directed toward the Government rather than a means of bringing economic pressure to bear on a given company or industry.

"By European standards," says Mr. Levinson, "unions in the United States are strike happy. Over here they just don't understand the technique of shutting down a plant and keeping it shut down until their demands are met." One important reason, explains Victor Feather, assistant general secretary of the British Trades Union Congress, is the organization's breadth of membership. "We can't go pulling 2.5 million men out for long," he says. "It would wreck the whole country."

The lower costs prevailing abroad in many lines of manufacture has attracted billions of dollars in private American capital investment. The total amount of direct private investment has more than doubled since 1950, having moved from some $12 billion in 1950 to more than $27 billion today, book value. It is safe to say that no less than 2 million people are employed directly in these enterprises abroad and as many more indirectly.

That this is a conservative estimate may be judged from the estimate made by the chairman of the board of the General Telephone & Electronics Corp. before the American Chamber of Commerce, Brussels, Belgium, June 30, 1959. He cited our Department of Commerce as putting at approximately $30 billion the sales produced abroad by our direct foreign investments.

Compare this $30 billion in sales with our exports of $16 or $17 billion which are estimated to give rise to 3 million jobs directly and indirectly in this country. Therefore, the sales of $30 billion made by our foreign investments should give rise to some 5 million jobs abroad.

More and more of our export industries and some of those that have been hard hit by imports are opening plants abroad or buying going concerns or, in other instances, licensing foreign manufacture under U.S. patents. If this trend continues, more and more of the jobs that would otherwise open up in this country will open abroad. This is not all. Some of the products previously manufactured here and providing employment to our workers will be imported, thus throwing out of work employees who otherwise would remain on the payroll.

That the trend will continue as long as the present unbalanced situation continues goes without saying. As long as it will be possible to produce goods more cheaply abroad it will be in the financial interest of our manufacturers who produce for exports to take advantage of low foreign wages. This enables them to hold their foreign markets, many of which are shrinking today.

Companies that do not produce for export but that are vulnerable to import competition are often driven to importation as a means of holding their share of the domestic market.

I have here a listing of some of the 135 American firms in Holland that represent American companies. This is taken from an advertisement in the Wall Street Journal. The list follows:

Since June 1955 more American firms have begun subsidiary operations in Holland. As of January 1, 1959, the following U.S. companies are among the 135 firms representing American industry in Holland:

The Airetool Manufacturing Co.
American Home Products Corp.
AMP, Inc.
Arabian American Oil Co.
Archer-Daniels-Midland Co.
Armour Research Foundation.
Automatic Poultry Feeder Co.
Avery Adhesive Label Corp.
Badger Manufacturing Co.
The Black & Decker Manufacturing Co.
B. & J. Manufacturing Co.
The Borden Co.
California Texas Corp.
The Cincinnati Milling Machine Co.
Clayton Manufacturing Co.
The Coca-Cola Export Corp.
The Coleman Co., Inc.
Controls Co. of America.
Helene Curtis Industries, Inc.
Curtiss-Wright Corp.
A. B. Dick Co.
The Dobeckmun Co. (a division of the Dow Chemical Co.).
The Dow Chemical Co.
Fairchild Camera & Instrument Co.
Friden, Inc.
The Fusite Corp.
The General Tire & Rubber Co.
Hall-Sears.
Frederick R. Harris, Inc.
H. J. Heinz Co.
Hewitt-Robins, Inc.
Hill & Knowlton, Inc.
Hollam Rubber & Plastic Corp.
Homestead Valve Manufacturing Co.
Hunter Douglas International Corp.
Hyster Co.
IBM World Trade Corp.
Industrial Models, Inc.
Kresno-Stamm Manufacturing Co., (America), Inc.
A. Le Comte Co., Inc.

Lockwood Grader Corp.
Loffland Bros., Co.
E. J. Longyear Co.
The Lummus Co.
Merck Sharp & Dohme International.
Metals & Controls Corp.
Mid-Continent Supply Co., Inc.
Minneapolis-Honeywell Regulator Co.
Monroe Calculating Machine Co.
The New York Times.
Nicholson File Co.
Printing Developments, Inc.
The Reader's Digest Association, Inc.
Reed Roller Bit Co.
Remington Rand (division of Sperry Rand Corp.).
Royal McBee Corp.
W. A. Sheaffer Pen Co.
Shulton, Inc.
Sparkler Manufacturing Co.
Standard Oil Co. (N.J.)
Stoner-Mudge Co., a division of American Marietta Co.
Texas Instruments, Inc.
Textile Machine Works.
The Thew Shovel Co.
Tokheim Corp.
Tracerlab, Inc.
United-Greenfield Corp.
Universal Corrugated Box Machinery Corp.
U.S. Polymeric Chemicals, Inc.
Valvair Corp.
Vapor Heating Co.
Vapor International Corp., Ltd.
Vick Chemical Co.
Weekly Publications, Inc. (Newsweek).
Wispese International, Inc.
Woodward Governor Co.

LOW PRODUCTION COSTS

Dutch workers have a high productive rate in proportion to wage scales.

Detailed literature is available without obligation or cost.

NETHERLANDS INDUSTRIAL INSTITUTE.
NEW YORK, N.Y.

Familiar names in this list are H. J. Heinz Co., IBM World Trade Corp., General Tire & Rubber Co., the Dow Chemical Co., the Borden Co., the Coca-Cola Export Corp., Minneapolis-Honeywell Regulator Co., Remington Rand, Monroe Calculating Machine Co., and others.

The advertisement says "Dutch workers have a high productive rate in proportion to wage scales." This is the real bait held out.

Broader lists would apply to other European countries, particularly Britain, West Germany, and France, but I do not have such lists on hand that are up to date.

There is of course no objection to American industries operating abroad for the purpose of supplying this country with raw materials that we do not produce here or produce in sufficient quantity; nor if they promote the industrialization of foreign countries in order to supply their own wants rather than shipping goods here in competition with domestic producers.

I am concerned, however, and we should all be concerned over the conditions at home that drive our capital to other countries in order to protect itself against foreign competition. Instead of encouraging this we should look at the home front and determine what is wrong and then do something about it. It should not be difficult to learn what it is that causes our industries to seek foreign investment outlets.

Some do it because the raw materials they produce exist abroad, such as minerals. Some seek to develop production of tropical products, and that can be done only by going to the Tropics and investing there. Others have a long-term foreign investment policy as a supplement to domestic investment. My concern is with those that go abroad because of the competitive situation, that is, because our costs are higher and they are losing foreign markets. I do not blame the companies. I blame our national foreign trade policy for its roadblocks against import regulation by tariffs and quotas.

There can be no question that many of the firms that have recently gone abroad and that are contemplating doing so would remain at home if they were properly protected against the import competition that threatens them. In other words, if the investment climate here were as attractive as it is abroad they would remain here and do their expanding and their hiring of additional workers here rather than overseas.

When these firms go abroad they may indeed protect their capital; but their workers do not share a dime of the profits made abroad. Their suppliers in this country do not supply the materials and the parts used in the foreign operations. These come from foreign sources.

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

Mr. BAILEY. I yield.

Mr. GROSS. I am sure the gentleman is aware of the fact that the New England fishing industry is prostrate in large measure because of foreign imports.

There is a bill coming to the House floor from the Committee on Merchant Marine and Fisheries which will establish a precedent. This bill will provide certain relief. In this case, the fishing industry of New England has gone to the Tariff Commission, has twice been upheld by the Tariff Commission under the escape clause provision, and the President has twice overturned the Tariff Commission. This bill provides in specific language that under those circumstances the New England fishing industry can come to the U.S. Treasury for outright subsidies to build trawlers to take the place of the trawlers, not to take the place of them but to put into operation trawlers that the industry cannot build today because they have not the capital to do it. This is an unprecedented bill and will establish a precedent.

Mr. BAILEY. I am glad the gentleman from Iowa has called attention to this legislation. I knew about it, but I did not know that it was coming exactly in the nature of a subsidy. I would, of course, be critical of trying to break up the combination right now that will force protection for all American industries by treating them individually. That is the trouble now. It is the subsidy granted the sugar industry of Louisiana under the Agricultural Act, the farm products are going abroad. Did you ever hear of a subsidy going to an industrial firm before?

Mr. GROSS. It is going to industrial firms.

Mr. BAILEY. That will be a new precedent, and I assure the gentleman from Iowa that as far as I am concerned I am going to look it over with a pretty critical eye.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Illinois.

Mr. MASON. Does the gentleman know that a bill, H.R. 5, is now in our committee with good prospect of being voted out and brought to the floor for consideration which would further add to our troubles, in that it will give all of these 3,000 American firms a 14-percent favor on their income tax? It would lower their 52 percent down to 38 percent and favor investments to provide jobs abroad, and not favor investments here to provide jobs for our own people.

Mr. BAILEY. I thank the gentleman. If he will be kind enough to wait until I get down to that, I am paying my respects to H.R. 5 and the sponsor of that type of legislation.

When foreign cars are imported, even though manufactured abroad by General Motors, Ford, or Chrysler, not only the automobile worker in Detroit is bypassed. Even now he can see the foreign cars freighted up the St. Lawrence Seaway while some of his brethren are out on the street unemployed; but the autoworker is not alone. The steelworker in Pittsburgh does not make the steel that goes into the imported car. The glassworker in Toledo does not make the glass and the rubber worker in Akron does not make the tires.

The companies that have their capital employed in Europe may get a good return on their capital but these profits remain a long way from the pockets of the auto, steel, and glassworkers in this country.

And what of the companies in this country that supply the Detroit car manufacturers with parts, such as batteries, spark plugs, carburetors, paint, fuel pumps, gears, screws, and the materials such as copper, aluminum, and steel and hundreds of other items? When the finished cars come in they already contain all these parts and materials. The domestic parts manufacturers and their workers can only look on; and the same goes for the miners of copper ore, lead, iron ore, and other raw materials.

These people in turn will buy fewer cars made in Detroit or anywhere else.

The same is true in the case of office equipment, much of which is now being made abroad by American capital. In 1958 for the first time, just as is now happening in steel, our imports of office machinery exceeded our exports. The Burroughs Co., IBM, Royal-McBee, Marchand, and others operate manufacturing facilities abroad. Some of their output is now coming into the United States; but that is not our total loss. Whereas they previously manufactured here for export, they now do more and more of their exporting from abroad while also supplying foreign markets in Europe from plants established within European countries.

Mr. Speaker, there is another reason why our companies go abroad. This was well stated by the president of Merck & Co., a pharmaceutical manufacturer. He is quoted in an article entitled "Foreign Operations of U.S. Corporations" in

the June 1959, issue of the magazine Trusts and Estates, as follows:

In and of themselves, international operations do not diminish the job opportunities in our U.S. plants. We no longer are able to conduct our international business operations solely by exporting products made in the United States. By now most foreign countries have adopted import quotas or import restrictions or have imposed import taxes to such an extent that the only practical answer is to have our own production, marketing, and other activities located in those countries.

What does this mean? For 25 years we have been cutting our tariffs and yet "by now most foreign countries have adopted import quotas" and so forth, to such an extent that American manufacturers must operate from within those countries if they want to supply a share of the market. Do you want further proof that our trade agreements are a one-way street?

This is a powerful commentary on the effectiveness of our State Department in lowering world-trade barriers, which has been their constant and echoing cry. While we have shorn our tariff by 80 percent on the average other countries by now have adopted import quotas or import restrictions to such an extent that the only practical answer is to invest within those countries.

The president of Merck & Co. says that "in and of themselves, international operations do not diminish the job opportunities in our U.S. plants."

What he means, no doubt, is that his company does not ship back to this country. What can, however, be said is that the conditions in the United States in point of competitive disadvantage plus the restrictions to our exports abroad, do indeed diminish employment in the United States when our firms are driven to opening up abroad.

What a picture this draws of our foreign trade policy. We have stripped ourselves of defense against import competition while our costs have risen. We have done this in the face of rising foreign restrictions against our exports and the fast developing manufacturing technology abroad which has run ahead of foreign wages and therefore increased the competitive advantage over us.

Now there are those who would stimulate still further the running away of our manufacturers by giving them a tax incentive for going abroad. To me this is upside-down reasoning totally contrary to what is needed.

In this connection, it might be well to call attention to H.R. 5 now before the House Ways and Means Committee. This bill is sponsored by the "Wendell Willkie of the Bayou," Congressman BOGGS, of Louisiana. It is truly a "one world" gesture far beyond the fondest dreams of the Hoosier statesman who sought the Presidency in 1940.

In order to induce more American companies to invest in factories abroad, his bill would exempt them from the payment of income tax on their foreign earnings for a period of 5 years and, at the end of this 5-year handout, they would be allowed to pay corporate income tax at the rate of 42 percent annually, while legitimate American concerns would still pay the 52 percent provided in the present tax law.

Is that what the gentleman from Illinois was complaining about?

Mr. MASON. That is exactly what I am complaining about.

Mr. BAILEY. Mr. Speaker, I include here, with the permission of the editor, an article appearing in U.S. News & World Report of July 6. It is entitled "Story of a Million Jobs 'Exported' From United States."

While the estimate of 1 million jobs exported is very low unless it refers to the past few years only and not to the whole period since we began investing abroad, the article nevertheless throws much needed light on the emigration of our companies overseas. Found mentioned in the article are many well-known companies, quite a number of which are also found in the list of American companies operating in Holland:

[From U.S. News & World Report, July 6, 1959]

STORY OF A MILLION JOBS "EXPORTED" FROM UNITED STATES

In the years since World War II, American business has invested more than $27 billion in factories, oil wells, mines, and other enterprises in foreign lands.

These American billions are estimated to have created more than 1 million jobs overseas. They are part of a flow of dollars abroad that has turned a dollar shortage throughout the world into an abundance of dollars that is causing concern in the United States.

More than 3,000 American companies have operations outside the United States. Business done by these branches or subsidiaries in countries abroad last year amounted to about $30 billion—almost twice as much as the value of goods exported commercially by U.S. companies in the same period.

What accounts for the growing interest of American business in establishing or expanding operations in countries outside the United States?

To get a broad view of what is happening, U.S. News & World Report surveyed an important segment of U.S. industry. This survey disclosed the many reasons that motivate American companies in decisions to establish or expand foreign operations.

Lower wages are one factor. Markets that often are expanding more rapidly abroad than in the United States are an attraction. Desire to overcome tariff and quota barriers and to get inside the new Common Market in Europe has its effect in convincing companies to move overseas.

The following examples illustrate the trend in business today.

TYPEWRITERS

It soon will be possible to choose among a number of typewriters made overseas but bearing the names of American manufacturers. Each will be priced considerably lower than American-made machines bearing the same names.

Royal McBee Corp., of Port Chester, N.Y., now has three manufacturing plants in Holland, is building a fourth. Total employment in the four factories will be 1,600. Another plant, in Italy, makes accounting equipment.

Royal plans to import a lightweight, portable typewriter from Holland to compete in this country with rising sales of portables made by Italian, Swiss, German, and Japanese firms.

The Royal McBee import will cost about $75, as compared with the selling price of $145 for its American-made counterpart, which is slightly larger.

From Britain will come a similar portable made by Smith-Corona Marchant, Inc., with home offices in Syracuse, N.Y. This company recently purchased the firm of British Typewriters, Ltd., in order to compete with foreign portables sold in this country. Its labor costs in the British plant are estimated at about 70 cents an hour.

Remington Rand International is another American firm that is expanding its extensive foreign operations, in which it has invested nearly $36 million. It has 23,000 workers in 29 oversea plants around the globe. Latest venture of this firm is an agreement with a Japanese company to make business machines for the Far Eastern market.

Remington portable typewriters made in Holland are flowing into the United States at the rate of a few hundred a month. Some standard typewriters produced in Scotland also are imported.

Another American firm that makes typewriters abroad, the Underwood Corp., reports that its plant in Britain is "bursting its seams, and expansion of our facilities there is under consideration." The output of this factory is sold in the European market.

Underwood earlier this year opened a new factory in Italy that turns out adding machines and may produce a standard typewriter for the U.S. market. It also bought a factory in Germany that makes addressing machines.

All four typewriter firms are banking on their oversea operations to keep them competitive—both in the foreign market and at home.

OFFICE EQUIPMENT

Many American firms that make office equipment are busily expanding their operations in Europe.

The National Cash Register Co. has plants in Britain, Germany, France, Switzerland, Sweden, Brazil, and Japan which employ a total of about 7,300.

In Holland, Friden, Inc., of San Leandro, Calif., makes calculators and billing machines, is about to add a full line of products. Some office-equipment parts made in Holland are to be exported to the United States for use in assembling Friden's domestic products. The company estimates that its labor costs abroad are about one-third of U.S. costs.

The Burroughs Corp., of Detroit, has just bought a plant in France, where it will employ 600 people in the manufacture of adding machines. These will be sold only in the European Common Market area, according to present plans.

Burroughs officials say that expansion of the company's foreign operations has enabled it to increase some types of exports. If France, for example, can buy Burroughs-made adding machines for francs instead of dollars, it is able to order for dollar purchase more complex machines, such as large computers, made in the United States.

A veteran of foreign operations, International Business Machines, has 25,850 employees in 22 plants in 18 countries. Additions to plants in Germany, France, and Italy now are going up. A large new factory is under construction in Holland, and others are being built in Japan and Argentina.

IBM's oversea branches make punchcard equipment computers, and electric typewriters. At this time, none of these products or components comes into the American market as an import.

In a few months, the Minnesota Mining & Manufacturing Co., of St. Paul, will begin making recording tapes and other office supplies in a new plant in South Africa. Company officials also are looking for suitable property in Italy, to build a factory with an initial investment of $750,000.

Throughout the entire industry large and small companies are maneuvering to get es-

tablished overseas and to share in the successes of these pioneers.

WATCHES

In Japan, the average wage for workers in the precision industries—making watches, radios, cameras, and optical instruments—is $46 a month.

The Hamilton Watch Co., of Lancaster, Pa., recently signed an agreement with a Japanese firm. This company, borrowing Hamilton's know-how, will make quality watches for sale throughout the world. In turn, Hamilton gets sole distribution rights within the United States.

The Japanese manufacturer hopes to reach an output of 20,000 watches a month, 40 percent of which will be shipped to Hamilton for sale in this country. This comes to 96,000 watches a year. The remainder will be sold in Japan, southeast Asia, and other foreign markets.

Hamilton also has just purchased a factory in Switzerland, where movements will be made for Hamilton watches. The Swiss subsidiary in addition will make a full line of watches to be marketed under another name. It employs about 250.

Another American firm, the Elgin National Watch Co., leases a small factory in Switzerland for the manufacture and assembly of watch movements. This venture will permit Elgin to import some components of its watches at lower prices than previously.

The U.S. Time Corp., another big manufacturer, has taken over two German firms that, between them, make 1.2 million watch movements a year. U.S. Time plants in Germany, England, and France now employ a total of 3,700. All movements for the company's low-priced watches sold in the United States, however, are made in the United States.

All major watchmakers in the United States, whether or not they have manufacturing facilities abroad, depend heavily on movements purchased in Switzerland, where average wage rates of 60 cents an hour are about one-fourth the U.S. rate.

SEWING MACHINES

In 1958 Americans purchased from Britain $3 million worth of sewing machines—most of them made by a subsidiary of the Singer Manufacturing Co. Singer is the only large producer of sewing machines left in the United States.

A low-priced machine, called the Spartan, is being made by Singer in Scotland to sell for $69.50 in the United States. It was introduced about a year ago to compete with foreign-made machines, mostly Japanese, which sell for as low as $49.50. The British machine is made by labor that is paid about $1 an hour.

Singer has had plants in Britain, Germany, Italy, and France for many years. The company is now constructing a plant in Turkey, and is starting manufacturing in Australia and Mexico. It also has a part interest in a company in Japan, but the machines made there are not sent to this country for sale.

Singer has quite definitely cut back manufacturing activities in the United States mostly of its cheaper models, a company spokesman said. No plants have been closed, but employment is down—a trend the company attributes to increased automation, reduction in the number of models and greater use of common parts.

Since 1949, employment at Singer's largest American plant, at Elizabethport, N.J., has dropped from 9,000 to less than 5,000.

AUTOS

Alongside a highway that links Melbourne and Sydney, in Australia, a $25 million automotive plant is rising. The name on the building is Ford. When construction is completed, this Australian subsidiary of the Ford Motor Co., will employ 2,750 workers and will turn out 200 vehicles a day.

This is but one example of how American automakers—hit by falling exports—are increasing production abroad to keep sales and profits up.

Ford also plans to make trucks in Argentina. Cost of a new plant to be built soon in Buenos Aires is estimated at $15 million. It will employ 1,200 workers.

At São José, in Brazil, a new General Motors truck plant is nearing completion. The average number of persons employed by GM's oversea division increased from 97,000 in 1957 to 107,000 in 1958. The company's net investment outside the United States and Canada at the end of last year was $330.5 million.

Chrysler Corp., last year bought a 25-percent interest in Simca, a French auto manufacturer, and plans to increase its holdings. Recently, Chrysler announced that it is studying a plan for making auto parts in Mexico. Later, it hopes to produce 12,000 Simca and Chrysler-line cars a year there.

At the same time, Detroit's Big Three have raised their sights on the share of the American market set aside for the cars they make overseas.

General Motors, with two entries, plans to import 40,000 of its German-made Opels and 24,000 British-made Vauxhalls this year. In 1958, combined sales of the two cars in this country totaled just under 33,000.

Ford's goal is 44,000 sales of its English Fords and German-made Taunus cars in the United States this year—an increase of about 2,000 over 1958.

Chrysler, a late starter in the import business, shipped about 12,800 Simcas to this country from September through December last year. It is aiming for 50,000 sales this year.

A glance at comparative wages of autoworkers here and abroad shows the competitive advantage of manufacturing in Europe. In Britain, the average hourly pay in the auto industry is $1.26. In Germany, it is 69 cents; in France, a little higher. The average American autoworker is paid $2.66 an hour—plus fringe benefits.

TIRES

The boom in foreign-car sales is a major factor in the expansion plans of American rubber companies with oversea operations. Many of these cars are equipped with small-diameter tires made by U.S. firms abroad, and tire imports are growing as the need for replacements arises in this country.

One of the companies that exports tires to the United States is the General Tire & Rubber Co., which has plants in 18 foreign countries, including Canada. Its principal products are tires and tubes, plus some plastics and tiles.

The B. F. Goodrich Co. has new plants under construction or planned in Brazil, Australia, and Iran. A synthetic-rubber factory in Holland is scheduled to get into production this summer.

More than $18 million is being poured into a building and expansion program overseas by the Firestone Tire & Rubber Co. Major areas for this expansion are Argentina, Brazil, Venezuela, India, Portugal, and Germany. All told, Firestone has 15,000 factory employees in 17 countries abroad.

The United States Rubber Co. recently acquired a majority interest in one of the largest rubber companies in Germany. It also has manufacturing facilities in Belgium and France to feed Europe's growing demand for tires.

One of the biggest new plants in France—costing $7 million—is to be built for the Goodyear Tire & Rubber Co. This firm already is making tires and tubes in 29 foreign countries.

In all, these investments by American rubber companies are helping to strengthen the economies of many lands.

FOOD

The largest single manufacturing plant ever built in Britain at one time was opened this spring by an American firm—the H. J. Heinz Co. It is one of several Heinz facilities in Britain that employ more than 7,500 workers to turn out a full line of the company's famous "57 varieties" of food.

The largest food-processing plant in Australia also is a Heinz plant. It was opened in 1955.

In Holland, Heinz purchased a Dutch company a year ago and recently started shipping food from there under the Heinz label. It is investigating the possibilities of opening other plants in Europe and South America.

The president of the Borden Co. is planning a trip to Europe this summer to look for areas in which to expand. Borden already is producing dried milk in Holland and Denmark.

Borden has cut down the volume of U.S. production for export. It closed two plants in this country because dried milk couldn't be produced at a price low enough to export at a profit.

These are but two of a number of American firms that are expanding their food-processing operations throughout the world.

DRUGS

In at least one field, that of pharmaceutical products, expansion of overseas operations has been a boon to related areas of U.S. industry. The demand for basic materials produced in this country and shipped to foreign plants for processing has resulted in increased production at home.

Typical of the growth of American pharmaceutical firms abroad is the experience of Parke, Davis & Co., of Detroit. This company is rapidly expanding its manufacturing and distributing facilities in foreign countries because of the high cost of exports, its president, Harry J. Loynd, said recently.

"We can't compete in foreign trade so long as our hourly wages continue to grow," he said. Mr. Loynd cited wages in Germany, for example, as being only one-fourth of those in the United States.

Parke, Davis has built or has under construction new plants in Belgium, Italy, Spain, South Africa, Australia, Puerto Rico, Brazil, Colombia, Argentina, and Chile. Its British plant has been in operation since before 1900, and now employs more than 1,500 people.

All told, the firm has close to 5,000 foreign employees, exclusive of Canada.

Johnson & Johnson, of New Brunswick, N.J., in making its baby products and health and hospitalization specialities in 20 countries, employs about 6,500 in its oversea operations. The company has no plan to manufacture abroad especially for the U.S. market, although this is being done to a minor degree with specialized products.

The largest chemical and pharmaceutical manufacturing plant under private ownership in India is owned by Merck Sharp & Dohme, of Rahway, N.J. . Other units in Holland, Britain, and Australia are being expanded. The company reports no drop in employment at its home factories—just increased consumption abroad. Its plan is to export from the United States only basic chemicals for processing.

Bristol-Myers has just bought a German firm, and plans to build a new plant that will employ 250 people in the manufacture of toothpaste, hair tonics, shaving cream and other products. It has other operations in Britain, Latin America, South Africa, Australia and New Zealand.

In the Philippines, at one of the three oversea plants owned and operated by the Vick Chemical Co., the wage scale—based on the official rate of exchange—is around $3.62 a day.

Labor costs in that range provide one of the big attractions to U.S. firms that are looking abroad as part of their expansion plans.

FARM EQUIPMENT

From the hold of a ship docked at Jacksonville, Fla., a few weeks ago, workers unloaded a shipment of tractors. They looked just like tractors you might see coming off an American asembly line—but there was this difference: All were made in a British plant of the International Harvester Co., and were imported for sale in the Southeastern States at "bargain" prices.

International Harvester plans to import at least 300 of these diesel-powered tractors this year as an experiment. If they prove popular, volume will be increased. They sell for about $2,800. Company officials estimate that they would cost $550 more if made here.

International Harvester, world's largest manufacturer of farm equipment, is not alone in entering the U.S. market with its foreign-made products.

The Ford Motor Co.'s tractor division is importing two models of diesel tractors made in its British factories. In the last few years, $28 million worth of one of these models was sold in this country.

J. I. Case Co., a big manufacturer of Racine, Wis., has purchased a controlling interest in a French company that makes tractors and other farm equipment. Case has not announced plans to import any of the French production, but its president, Marc B. Rojtman, said recently: "There's a strong possibility we'll import a small diesel tractor."

The company plans to turn over some of its designs to the French firm and ultimately to bring out a full line of Case products overseas.

Deere & Co., of Moline, Ill., has an 85-percent interest in a plant in Germany that turns out tractors, combines and other farm equipment. Deere has built a plant in Mexico, and is putting up another in Argentina.

Allis-Chalmers Manufacturing Co., of Milwaukee, has a plant in Britain and recently purchased others in Australia and Mexico.

A look at wage rates here and abroad, however, shows why many businessmen think imports of farm equipment made in overseas plants of U.S.-owned firms may increase.

International Harvester pays about 80 cents an hour in Britain and a little more than 70 cents an hour in Germany and France. The average wage for its hourly employees in the United States is $2.59.

MACHINE TOOLS

Here is what an official of the Ex-Cell-O Corp., of Detroit, a machine-tool maker, says about the export-import situation:

"We feel we are being priced out of the world market, and the only way to stay in business is to make your product overseas. Formerly, 25 percent of American-made machine tools went into the export market. Now the flow is the other way. We are faced with the competition of imports."

As a result, Ex-Cell-O has bought plants in Britain and Germany and is planning expansion to other countries—perhaps to India.

German labor costs are only about 25 percent of those in Detroit. In England, the company finds skilled labor available at less than $1 an hour. Products made in the oversea plants are grinders, gearmaking machines and a broad range of other tools, including lathes, which Ex-Cell-O doesn't make in its American plants.

Ex-Cell-O's domestic employment is down from 10,000 a couple of years ago to 6,750 now. The firm is not bringing its foreign-made products back to the United States but a company spokesman says: "We have no qualms about doing so, and it may come in the future."

HEAVY MACHINERY

The Goss Printing Press Co. of Chicago, employs 800 people in a new plant it opened 2 years ago in Britain, where it first started operations in 1934. A smaller plant now is under construction in Germany.

Goss has not tried to sell any of its British-made printing presses in the United States, because of a backlog of demand for its products in Europe.

Comparative labor costs are 80 cents an hour in Britain, as against $2.72 an hour in Chicago.

The British subsidiary could undersell us by 25 percent any day in the U.S. market, says Robert C. Corlett, the firm's president.

Within the last 5 years the Hyster Co., of Portland, Oreg., has opened new plants in Britain, Holland, and Brazil. The company makes fork-lift trucks, yard cranes and lumber carriers, as well as construction equipment.

OTHER PRODUCTS

In just about every field of manufacturing, company officials are signing new agreements, arranging for construction or purchase of oversea facilities. Some examples:

The Minneapolis-Honeywell Regulator Co. has wrapped up a 50-50 ownership deal with a Japanese firm which employs close to 13,000 workers. It will make industrial instruments, valves, and heating controls.

About a year ago, Outboard Marine International bought a newly built plant in Belgium, where it assembled Evinrude and Johnson outboard motors of the small sizes popular in Europe. The present investment of $2.6 million will be increased by a million-dollar program of expansion, this year.

The Otis Elevator Co., with a number of oversea plants, has a policy of importing some of the more complicated components of elevators which, in its U.S. plants, result in high labor costs. Despite import duties, these parts are less expensive than if made here.

In Europe, Otis figures its manufacturing costs are two-thirds raw material and one-third labor; in the United States, it's the reverse.

Yale & Towne has metal-products plants in Britain and Germany and two licensees in France that manufacture its locks, hardware, and materials-handling equipment. It plans to open another plant in Brazil.

Eversharp, Inc., recently announced plans to import razor blades from a newly purchased plant in Sweden.

The Johns-Manville Corp. has working agreements with 13 companies in 10 European countries to manufacture 6 of its major products. In addition, it is opening two new plants in Italy to make floor tiles and heat-resistant materials. Johns-Manville also is currently investing several million dollars in existing plant facilities in Latin America, and has acquired a majority interest in a Mexican factory that will turn out packing materials.

Du Pont has under construction in Europe three new plants that will employ about 1,000. The factories—in Holland, Belgium, and Northern Ireland—will produce fibers, paints, and synthetic rubber for the European market.

An example of the growing importance of foreign production is provided by the Worthington Corp., of Harrison, N.J., which makes pumps, compressors, and other industrial equipment in 11 countries. Worthington is about to open a new plant in Italy, and is contemplating expansion in South America.

Although Worthington's sales abroad represent about one-fourth of its total business, 60 percent of those sales are based on production overseas. Only 40 percent represents exports from this country.

In conclusion, Mr. Speaker, let me warn my colleagues as I have over the past 12 years, that we call a halt to this suicide program now and not delay our action until the grass is growing in the streets of our industrial centers.

It will be my purpose, if time will permit, to offer some additional data for the information of my colleagues on this very important question. May I venture to say to you that it is the most serious question confronting America today.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I am glad to yield to the gentleman from Illinois.

Mr. MASON. For 22 years I have opposed the reciprocal trade agreements program. My first vote in this Chamber was a vote against the extension of the reciprocal trade agreements. There were only 13 votes in this Chamber against. That number has gradually grown until last year we had the votes to defeat any extension of it. The vote was delayed some month or 6 weeks until enough cotton, oil, and mineral votes were corralled with certain promises of subsidies and restrictions on imports, until they were able to put it across by some 40 or 50 votes. Now those Members of this Chamber who permitted themselves to be hoodwinked by promises are sweating today because of the effect of the reciprocal trade agreements that we extended a year ago.

Mr. BAILEY. Let me say to the gentleman from Illinois that the situation is serious because they are sapping the very foundation of our American economy. Money that should be here to bolster and increase our productivity at home is going abroad and jobs that should be created in this country are being created abroad. It causes me to wonder just who is going to pay the taxes in this country, in the matter of a few years, if we do not have the jobs for them with which to earn the money.

Mr. MASON. And now you are again proposing to give them a 14-percent tax advantage over the man who invests here to provide jobs here.

Mr. BAILEY. I am not doing so, for the information of the gentleman from Illinois; and if it is done it will be done over my protest as the gentleman well knows.

TAXATION OF SMALL BUSINESS

The SPEAKER pro tempore (Mr. IKARD). Under previous order of the House, the gentleman from Oklahoma [Mr. STEED] is recognized for 1 hour.

Mr. STEED. Mr. Speaker, I have asked for this time today by virtue of the fact that I am chairman of the Subcommittee of the House Select Committee on Small Business which deals with the problems of taxation in the small business community of the Nation. For several years this committee has been making studies, working with different organizations on these types of problems and a few days ago a resolution sponsored by the subcommittee was approved by the entire Committee on Small Business urging the Committee on Ways and Means to give immediate and serious attention to the problems under which our small business community finds itself faced in the taxation field today. This

resolution included the idea suggested in a number of bills sponsored by members of the committee and other Members of the House and gave special emphasis to the proposal contained in the bill sponsored by the gentleman from Texas [Mr. IKARD], known as H.R. 2, and the gentleman from Missouri [Mr. CURTIS], H.R. 3, which have for their purpose the so-called plowback advantage to the small business community.

Mr. Speaker, we have a national economy that in recent years has been growing steadily, but growing in an uneven and lopsided way. In the very period in which our gross national product has mounted to a new high a vital segment of our economy—that of small and medium-sized business—is dropping behind.

Growth can be dangerous when it is top-heavy, and this trend, if unchecked, threatens to overshadow the small business that we have so long felt to be basic to our way of life.

One of the barometers used to measure the health of this part of our economy is the number of small business failures. In the most recent semiannual report of the Small Business Administration, the number of failures in 1958 is reported at 14,964, compared to 13,739 in 1957. In fact, there were more small business failures in 1958 than in any other year since the great depression of the 1930's.

Another indicator is the rate of failures. In 1958, it stood at 56 per 10,000 firms—also the highest since the 1930's. This figure has shown a continuous increase since 1953, pointing with mounting urgency to a dangerous symptom of something amiss in our prosperity.

In the last 10 years our small business as a whole has grown at a rate less than half that of its larger competitors.

What is at the root of this state of affairs? Evidence has been piled up in years of studies of the problems of specific industries by the House Select Committee on Small Business, of which I have the honor to be a member. And last year intensive hearings of the Ways and Means Committee amassed facts pointing to the same conclusion.

Existing tax laws must be revised to give small business room to breathe and expand. Present taxes, many of them imposed on wartime emergency, leave the little businessman bearing far more than his share of the burden.

In the ninth semi-annual report of the Small Business Administration, for the 6 months ending December 31, 1957, the Administrator discussed the several most prominent problems confronting small business. No. 1 on this list was "the impact of taxes which make it difficult for some small businesses to accumulate working capital or capital for expansion."

The Small Business Committee has examined this problem and has been closely following the trend of events in order to report to the House the pertinent facts and to suggest meaningful remedies.

Mr. Speaker, I believe that unless effective relief in the legislative field is forthcoming the day of the independent businessman in this country is numbered.

I am convinced that the most powerful element in the greatness of the United States is our middle class, which is another way of saying our small business community. Therefore I believe that the future of this country depends to a great extent on how well we can keep this community alive and active.

The trend to bigness is of long standing, but in the last 20 years it has accelerated alarmingly. None could successfully deny that if it continues apace there will eventually be no small business community. In some industries the crisis is already acute—for example, the dairy industry, the problems of which are being considered by the subcommittee of which I am chairman. What has happened in one field can spread to another with similar structural problems.

There is no easy answer to this tangled issue, which stems in part from the ceaseless mechanization of society. But effective action is possible. And perhaps the most telling move open to this Congress lies in the area of taxation. We must promote an economic climate that will sustain the growth of all sound business enterprise. This can be done through revision and reform of our tax laws.

Many Members of this House, desiring to aid small business, have submitted bills incorporating various approaches. But as further studies are made there is one approach that shows increasing possibilities of effectiveness—the "reinvestment of earnings" or the "plowback" principle.

This principle is embodied in H.R. 2, introduced by our colleague from Texas, Hon. FRANK IKARD, and the gentleman from Missouri, Hon. THOMAS B. CURTIS. Both these distinguished Members serve on the Committee on Ways and Means, and they have made the advocacy of this much-needed measure a bipartisan one.

The bill provides that a person engaged in a trade or a business shall be allowed as a deduction for the taxable year an amount equal to the additional investment in the trade or business during that year. This would not exceed $30,000 or 20 percent of the trade or business, whichever is the lesser.

For the purposes of measuring "additional investment," the aggregate of the increase in depreciable property used in the trade or business inventory and accounts receivable would be used.

All businesses, large and small, would be able to take immediate advantage of this adjustment in order to obtain capital for business expansion, stimulating competition and stimulating the growth of our smaller business concerns.

This provision applies equally to any business, whether it is a corporation, a partnership or an individual proprietorship. It does not increase the taxes of any business and requires no arbitrary line drawn as between what is and what is not "small business."

Our colleagues on the Ways and Means Committee gave thoughtful study to the principle last year and in House Report No. 2198 of the 85th Congress, July 16, 1958, reported:

> Your committee is convinced that one of the greatest problems confronting small- and medium-sized businesses is the acquisition of sufficient capital to modernize and maintain a rate of expansion experienced by their larger competitors. In this regard your committee is aware of the fact that small- and medium-sized businesses must rely to a very large extent upon retained earnings for modernization and expansion. Thus, there is a need to allow such businesses to retain more earnings after taxes to provide the funds necessary for growth. To aid in achieving this end your committee has investigated thoroughly various proposals to postpone, or to reduce, taxes based upon reinvestment in inventory and depreciable property, and would have liked to have included a provision along these lines in this bill. However, it has been forced to the conclusion that the budgetary limitations under which all tax relief must now be considered are such that any tax reduction which now could be granted under a reinvestment formula is so small as not to represent any meaningful tax relief to small business.

Also of interest is the comment of the President's Cabinet Committee on Small Business in its progress report submitted to the President August 7, 1956. The Cabinet Committee stated:

> In the past quarter century an enormous increase has occurred in the burden of Federal taxation. The impact of this development has been especially severe on small businesses. Such concerns have little or no access to public markets for capital. If they are to grow, they must have the wherewithal to expand plant, equipment, and markets. But the heavy burden of taxes nowadays sharply reduces the ability of small enterprises to plow profits back into their businesses.

The time is long overdue for Congress to recognize the impact of Federal taxes on the growth of small business concerns. The rate of failures among these enterprises was higher in 1957, and again in 1958, than when the committee made its report.

In addition to H.R. 2, by Mr. IKARD, and H.R. 13, by Mr. CURTIS, many measures containing the "plowback" principle have been introduced by members of the Small Business Committee.

The ranking minority member, the Honorable WILLIAM M. MCCULLOCH, and his party associates on the committee have introduced identical bills which contain the reinvestment of earnings principle.

Some time ago, the Senate Small Business Committee, under the chairmanship of Senator SPARKMAN, introduced S. 59, which is identical to the Ikard-Curtis proposals. It is quite evident that there is a growing sentiment in the Congress that the reinvestment of earnings principle offers the most practical and feasible method that can be adopted to halt the alarming trend of small business failures.

I urge the Ways and Means Committee to give serious consideration to the immediate adoption of this reinvestment of earnings principle. We cannot afford to be too late to save small business. I know that in some quarters there will be objection because of the alleged revenue loss. But this view is a short-sighted one. If small business dries up the revenue loss will be colossal. What we need is not a high tax rate on a diminishing small business segment of the economy. Instead, we need a less burdensome tax rate on a growing small

business sector. As small business prospers the revenue derived from it will increase. This policy would result in new jobs throughout the land. Small business has always provided the bulk of employment. Its expansion would mean the creation of additional jobs, which would in turn stimulate consumption and demand.

I believe the Members of this House are ready and anxious to support a small business tax adjustment measure such as H.R. 2 and H.R. 13. I hope the Ways and Means Committee will give us this opportunity at this session. Passage of this bill would assure an economic climate that would mean prosperity for the entire country.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. STEED. I yield.

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. McCULLOCH. I commend the gentleman from Oklahoma [Mr. STEED] for his work in the field of taxation and particularly his efforts for small business.

Most Members of Congress are in general agreement that impediments to the progress of small business concerns continue to exist in the Internal Revenue Code. Some improvements were made in the passage of Public Law 866 of the 85th Congress. In the introduction of a comprehensive small business tax reform bill on April 20, 1959, I cataloged these reforms in my statement explaining the provisions of the bill H.R. 6501—CONGRESSIONAL RECORD, pages 6353–6356.

Identical bills were introduced by my colleagues on the Small Business Committee—Mr. MOORE, of West Virginia, H.R. 6502; Mr. AVERY, of Kansas, H.R. 6503; Mr. SMITH, of California, H.R. 6504; Mr. ROBISON, of New York, H.R. 6505; and Mr. QUIE, of Minnesota, H.R. 6506, who was a member of the committee at that time. Many other Members of the House, both Democrats and Republicans, have introduced identical bills.

The underlying principle of tax reform and revision contained in H.R. 6501 and companion bills is to make small business financially self-sufficient, insofar as is reasonably and fairly possible. In other words, to provide small business concerns with a tax structure which will permit earnings to be plowed back into the business for growth, expansion, and modernization.

As I have previously stated on many occasions, there are many bills which have been introduced which embody the plow-back principle. In my statement on April 20, 1959, I endeavored to make it clear that we believed in the bills which we had introduced, but that so long as the basic principle of tax reform and revision was maintained the cause of small business would be well and properly served.

TAX REFORM BY THE STATES

Another area of taxation which has recently caused much concern to small business was occasioned by the cases decided by the Supreme Court on February 24, 1959; namely, *Northwestern States Portland Cement Company* v. *Minnesota*, and *T. V. Williams* v. *Stockham Valve & Fittings, Inc.* (358 U.S. 450). This decision, as we all know, involves "State taxation of interstate commerce."

Since the Supreme Court decision on February 24, 1959, many bills and resolutions have been introduced in both the other body and the House in an effort to find a method to remedy a situation which will become an unconscionable burden on small business, if not in fact our entire economy.

The House Judiciary Committee has created a special subcommittee to study the subject and hearings have been held by the Select Committee on Small Business, and by the Committee on Finance of the other body which latter committee, in addition, on August 6 ordered reported a clean bill to prevent, under certain conditions, States or political subdivisions from imposing on a person a net income tax on income derived from interstate commerce.

Mr. Speaker, over the years many informed students of taxation and interstate commerce have written extensive treatises on the subject of State taxation of interstate commerce. It is generally admitted that it is not a problem of easy solution. It is one which requires exhaustive and unprejudiced study and wise decisions by the Congress of the United States, and by the several States of our Union.

The Tax Foundation, Inc., has contributed to the discussion on many occasions and in its July 1959 issue of Tax Review includes an article on State Taxation of Interstate Commerce by Paul Studenski, professor emeritus of economics, New York University, which I include as part of my remarks as a matter of information on this timely subject.

While I do not necessarily agree with many of the proposals which have been made or all of those contained in Dr. Studenski's article, I feel that the subject of State taxation of interstate commerce is one on which we should have full and free debate and discussion, and for that reason I include the article in its entirety. Dr. Studenski's article follows:

The imposition of State corporation income taxes has been justified from the very beginning as a benefit tax. The benefit is presumed to be represented by the various protective and economic services which the State renders to corporations and which help them to operate and to earn a net income. The net income is supposed to bear some measurable relation to those services.

This was the concept accepted by Wisconsin, Connecticut, New York, Massachusetts, and the other States which first adopted these taxes during the period 1911–19. This concept was also accepted in 1919 by the National Tax Association's Committee on a Model Plan of State and Local Taxation. This concept, I believe, is reasonable and is still the rule today.

Following World War II a trend away from the original method of application of the tax became more pronounced. Some Southern and Western States, in their search for additional revenue and in an attempt to impel more businesses to maintain permanent establishments within their jurisdiction, departed from this traditional approach to State business taxation. They amended their laws to permit the taxation of out-of-State corporations that did no more than solicit orders in the State through resident or nonresident salesmen. They changed their formula for allocating corporate income to a formula in which sales-by-destination was the major factor.

This new basis for business taxation, if applied generally, may have the most serious consequences for the national economy. Specifically, the following criticisms may be advanced:

1. The extension of State business taxation to out-of-State corporations is founded upon a concept of State jurisdiction to tax that is most equivocal, elusive, and uncertain. Indeed, the taxation of this kind seems to be largely no more than the reaching out by some States into the fiscal resources of other States.

2. The administration of the tax thereunder would present innumerable problems. Enforcement would necessarily be incomplete, accidental, arbitrary, and often discriminatory in addition to being costly. The inevitable increase in the opportunities for the exercise of discretion by State tax officials in the determination of the tax liabilities of companies would, in time, bring the administration of the tax into disrepute.

3. Compliance would become difficult for businesses having widely diffused markets. The costs of compliance would often be far in excess of the amounts of the tax extracted from the business.

4. Many businesses, especially of moderate and small size, would find themselves compelled to give up selling goods in some States out of fear of becoming liable for the tax not only on account of their current sales but, retroactively with penalties, for their sales of prior years. The net result would be a restriction of the operations of such firms to smaller territories and a curtailment of interregional competition.

5. In this and other ways, the free flow of interstate commerce would be impeded. For the first time in the 170 years since the Constitution abolished State tariffs, the unity of the national market, upon which our national economic efficiency and prosperity is built, would be impaired.

6. The opportunities for double taxation of the same corporate income would be multiplied. A temptation would even exist for a State to use both jurisdictional concepts and allocation formulas—one set for its own corporations and the other for out-of-State corporations—in order to collect the maximum possible revenue from both.

7. The use of conflicting jurisdictional concepts and allocation formulas would produce a wholly intolerable situation in which the States would be stepping on each other's toes. This would reflect adversely not only on the competence of the States to order intelligently and equitably their business taxes but also on their capacity so to order their other affairs and in fact, would tend to impair the moral prestige of State government generally.

SHOULD EXERCISE RESTRAINT

Accordingly, the States should exercise restraint in the adoption of this hazardous course of action and should take a new and broader view of their policies of business taxation. They should look beyond consideration of possible immediate gains in revenue and improvement in their economic position to evolve by agreement a system of State business taxation which would be to the advantage of the whole Nation. At the same time, however, it is acknowledged that

the past experience of the States in attempting to evolve a uniform allocation formula by agreement does not warrant too sanguine expectations along these lines.

In an article written (with Gerald J. Glasser) just prior to the recent Supreme Court decision,[1] I expressed the hope that the Supreme Court might recognize the seriousness of the threat to the free flow of interstate commerce inherent in this new type of State business taxation, and that the Court would declare this type to be unconstitutional. I do not need to add that I was disappointed by the decision and that I found the minority opinion's analysis much closer to the facts disclosed in my recent study than the majority's opinion.

At the same time, however, I pointed out that irrespective of the position which the Supreme Court might take, Congress, as the guardian of the Nation's economic health, has a responsibility of its own to provide a solution to this problem by laying down the conditions under which States may tax corporations engaged in interstate commerce.

Although the Supreme Court upheld the constitutionality (though not necessarily the economic wisdom) of State taxation of income of out-of-State corporations merely soliciting orders in the State, it did not establish how much selling activity and what manner of conduct constitutes "presence" for State taxing purposes. The clarification of this point requires much more consideration of economic facts than the Supreme Court can possibly provide.

Some people think that a solution may be found in returning to the original jurisdictional concept and allocation formulas; others that, on the contrary, it may be found in the universal acceptance of the new jurisdictional concept and of the sales-by-destination allocation factor; but I doubt that either of these answers will do. It is exceedingly unlikely that in the years to come the States will be able to achieve much uniformity in allocation when they have failed to do so in the past. The field is, therefore, open for Congress to clarify the problem.

CONGRESS HAS RESPONSIBILITY

Congress has a responsibility to examine thoroughly the economic issues involved in the problem and to establish by law such protection of interstate commerce against harmful State taxation as it may deem necessary. It seems to me inconceivable that the Supreme Court would invalidate any reasonable protective measures devised by Congress. Nearly a hundred years ago Congress, in the exercise of its powers of regulation of money, laid down rules under which States could tax national banks; and the Supreme Court did not hold them to be unconstitutional interference with State taxing powers. Similarly, Congress, in the exercise of its unquestioned powers of regulation of interstate commerce, can lay down the rules under which the States could tax the income of corporations engaged in interstate commerce. In doing so, Congress would undoubtedly wish to be guided by the broad precepts laid down in the Court's decision. Only if Congress should go far beyond these precepts might a conflict arise with the Supreme Court, in the course of which either Congress would have to modify its stand, or a constitutional amendment would be needed. This contingency, however, seems to me to be quite remote at this time.

Many Members of Congress have become justifiably alarmed over the implications of the Supreme Court decision. Eleven bills have been introduced recently in both Houses of Congress which in one way or another would prohibit the States from taxing the net income of out-of-State corporations derived solely from interstate commerce or otherwise limit their power to tax such income. Most of these bills would specifically prohibit State taxation of incomes of corporations which merely solicit sales in the State and have no office, warehouse, stocks, or other place of business in it.[2]

COMMISSION RECOMMENDED

The Senate Select Committee on Small Business held hearings on this problem in April, May, and June of this year. In its report released on June 30 last (S. Rept. No. 453, 86th Cong., 1st sess.) and approved by 16 of its 17 members, the committee has recommended to Congress the setting up of a special commission to make a comprehensive inquiry on the subject and it introduced a bill to that effect (S.J. Res. 113, SPARKMAN et al.). The proposed commission would be required to recommend to Congress by July 31, 1961 "legislation providing for the establishment of uniform standards which the States will be required to observe in imposing income taxes upon businesses engaged in interstate commerce."

Meanwhile, under the committee's bill, the States would be prohibited from imposing a tax on the income of any business engaged in interstate commerce unless such business during the year "has maintained a stock of goods, an office, warehouse, or other place of business in such State or has had an officer, agent, or representative who has maintained an office or other place of business in such State." The first part of the proposed minimum standard is sound, but the second part is weak. It may be interpreted as permitting imposition of a tax on out-of-State firms having merely part-time salesmen or commission agents in the State. Such taxation should not be permitted even on a temporary basis.

Various types of possible congressional action will need to be considered by the proposed Commission or by any other group set up by Congress to make the study, and a thorough testing of each of them should be made in consultation with State tax administrators, business executives, tax authorities, and constitutional experts. Some of these alternatives may be recapitulated as follows:

1. A Federal definition of a requirement of the minimum activity required to permit imposition of the tax.

2. A Federal allocation formula to be used by any State wishing to tax income of out-of-State firms. (Consideration may be given to including in such a formula, only property and payroll employed in the State and excluding from it sales in any form as an allocation factor. This could do away with one of the principal sources of double taxation of the same corporate income by the States.)

3. A Federal statute of limitations or other type of Federal statute preventing retroactive application of any taxes which could be imposed under the Supreme Court decision.

4. Adoption of a de minimis rule requiring sales in a State to exceed a certain amount before the State tax could be imposed (thus excepting companies making casual or insubstantial sales).

5. Prohibition on the States to tax income from interstate commerce where the firm merely solicits orders on the State through resident or nonresident salesmen or through mail and where it owns and operates no property and maintains no store of goods.

6. Federal preemption of taxation of income derived from interstate commerce with provision for allocation of the additional receipts among the States.

7. Provision of credits against the Federal corporation income tax for State corporate income taxes which comply with certain Federal requirements.

8. Requirement of Federal incorporation for all firms engaging in interstate commerce and at the same time such Federal preemption of taxation of income from interstate commerce as suggested under item 6 above. (This would be the most drastic solution, going far beyond the taxation problem and giving rise to many other fundamental issues.)

The need for congressional action seems to me to be urgent. Within 2 months of the Supreme Court's decision three more States, Idaho, Utah, and Tennessee, amended their laws to permit them to tax income of out-of-State corporations, and the legislative sessions of the coming season will undoubtedly see more States added to the group having such laws. Any major delay in congressional action will make the problem more complicated and more difficult to solve.

Mr. STEED. I thank the gentleman.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. STEED. I am glad to yield to my colleague.

Mr. CURTIS of Missouri. Mr. Speaker, I, too, want to commend the gentleman and his subcommittee as well as the full Committee on Small Business for adopting this resolution and urging the Committee on Ways and Means, on which I have the honor to serve, to look into this matter forthwith. I personally am most pleased to find that the committee has seen fit to endorse the general principles contained in the bill, which the gentleman from Texas [Mr. IKARD], who is also a member of the Committee on Ways and Means and I have introduced. I would like to say this. As serious as the point of small business failures is, as the gentleman pointed out, in my judgment, even more serious is the increased ratio of mergers and acquisitions of these small businesses by the larger corporations. We always have an economic process going on, which is a good process, I believe, where small businesses as they prove their worth grow larger. Indeed it is a proper dream, I believe, of the American businessman to become big business. That is healthy, but a great deal of these mergers and acquisitions we have seen in recent years, and the increased ratio of them, is derived not from what is

[1] "New Threat in State Business Taxation," Harvard Business Review, November-December 1958, pp. 77–91. See also the author's written statement to the Senate Select Committee on Small Business, of June 19, 1959, recommending the creation of a Federal Commission to investigate the question (committee hearing, pt. 3). The cases decided by the Supreme Coure on Feb. 24, 1959, were *Northwestern States Portland Cement Co.* v. *Minnesota* and *T.V. Williams* v. *Stockham Valves and Fittings, Inc.* (358 U.S. 450).

[2] The bills of this nature introduced up to July 2 are: S. 2213 by Senator BUSH, cosponsored by Senators BUTLER, and KEATING; S. 2281 by Senator SALTONSTALL cosponsored by Senators SCOTT and PROUTY; Senate Joint Resolution 113 by Senator SPARKMAN cosponsored by 15 other Members of the Senate Select Committee on Small Business (HUMPHREY, SMATHERS, MORSE, BIBLE, RANDOLPH, ENGLE, BARTLETT, WILLIAMS, MOSS, SALTONSTALL, SCHOEPPEL, JAVITS, COOPER, SCOTT, and PROUTY); H.R. 7757 by Representative MCCULLOCH; House Joint Resolution 431 by Representative MILLER (N.Y.); H.R. 7715 by Representative KOWALSKI; H.R. 8019 by Representative CONTE; House Joint Resolution 450 by Representative WALTER; H.R. 8061 by Representative HENDERSON; H.R. 7773 by Representative COLLIER; and H.R. 7894 by Representative RIEHLMAN.

fundamentally good economics, in my judgment, but rather it is derived from the tax structure that we have imposed upon our society. These are mergers and acquisitions that come about because of tax benefits that accrue. The Department of the Treasury, I regret to say, up to this time has not seen the merit of this proposal of the Ikard-Curtis bill because they claim they will lose revenue. I have suggested to them, and I think any analysis of the matter will show that the Treasury derives more revenue from big corporation "A" and small business "B" paying taxes as two separate tax paying entities than the Treasury derives from big corporation "A" having swallowed up small business "B" and paying taxes as one tax paying entity. Furthermore, I would say this, that the main miscalculations on the part of the Treasury Department over a period of many years, and we will cross over into other administrations so that we will not be talking about Democrats or Republicans, the miscalculations have come from the miscalculation of economic growth or from recessions. Take the last recession, for example. The miscalculation in revenue was about $8 or $9 billion, mainly because of the cutback in economic activity. And it is in the area of small business that we see the most economic growth. That is the theory of the Ikard-Curtis bill, which is what I have described as the seed-corn philosophy. When our pioneer ancestors came to this land, they saved out enough seed to plant two acres where they had one before. And it is from this principle of keeping back the seed corn so that they could grow that this great country has grown. Yet, today our tax structure actually imposes a tax upon the seed corn. It imposes a tax upon this growth. If we would be released from this tax so that it is plowed back into the economic growth, the country will derive a great deal more revenue. Certainly, we are going to have a healthier growth, as the gentleman so aptly pointed out, because it will come about through the traditional growth of the small and growing business concerns.

One final statement, Mr. Speaker, and that is this. Our small businesses depend upon financing their growth essentially from the plowback principle—from putting back retained earnings. They cannot go into the equity markets for capital as big business can. Nor, can they go to the banks to the same extent that big business can. Essentially, the small business of this country is dependent upon the plowed back earnings to finance their growth. If ever there is a need for encouraging economic growth, orderly good economic growth, it is now. I am satisfied that the primary impediment to economic growth in America today is the tax structure that is imposed upon small business, a tax that is placed upon the seed corn. For that reason, I am certainly pleased to note that the Small Business Committee has made this resolution to the Committee on Ways and Means. I am hopeful that our committee will look into this forthwith and pass it early in the next session and that we will actually have a bill on the floor of the House that will encourage the seed-corn philosophy and improve the economic growth of our country.

Mr. STEED. I thank the gentleman very much. I feel he has made a most valuable contribution to this discussion.

Mr. McINTIRE. Mr. Speaker, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Maine.

Mr. McINTIRE. Mr. Speaker, I want to join in commendation of the gentleman from Oklahoma and the subcommittee on which he has served as chairman, a subcommittee of the Select Committee on Small Business, in their resolution relative to the effect of taxation in this field.

My State of Maine has a great deal of its economy dependent on small business, and after having had the opportunity to observe the capital needs as expressed in the desire and the need for loans and the applications which I see by numbers are being made to the Small Business Administration, it becomes more apparent that as the gentleman from Missouri [Mr. CURTIS] has so well said, it is important that our tax on these small business units be such as will leave much of this capital available for them in their business.

Under date of February 22, I introduced a bill, H.R. 5005, which follows the same thought as that introduced by the gentleman from Texas and the gentleman from Missouri; and, may I say, I will follow with interest and support the efforts of the gentleman's subcommittee in its work in relation to appropriate legislation for small business by which they can retain some of their capital for their needed expansion.

I thank the gentleman.

Mr. STEED. I appreciate the gentleman's contribution.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

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

Mr. AVERY. I would like to join my other colleagues in congratulating the gentleman from Oklahoma on bringing this matter before the House this afternoon, and I would like to state also that the gentleman's interest in small business has not just suddenly come to light. Back in the 83d Congress, I find from reading the RECORD, he served on a subcommittee known as the Federal Taxation Subcommittee that was chairmaned by our former colleague from Connecticut, Mr. Seely-Brown. So we can look to the gentleman in the well of the House this afternoon as, shall I say, an expert on the taxation problems of small business.

I would like to make one or two observations here. Referring back again to the number of small business failures, and we all recognize that there have been too many small business failures, but it may be we all lose track of the fact that there have been more small businesses organized in the last 10 years, let us say, than in any other 10 years in our history; in fact, just last year we had the Administrator for the Small Business Administration before our Subcommittee No. 1 of the Select Committee on Small Business, and in the course of his testimony—and this was not referring to taxation matters particularly, but I remember specifically he said that we had a net gain of 50,000 small businesses a year. We would, of course, like to have an economic situation so that the 50,000 small business could survive every year; but even if that particular 50,000 should survive, unfortunately there are a certain number of failures, and in addition to the failures there is, as the gentleman from Missouri pointed out, a considerable percentage of mergers and absorptions that are not reflected in the business failures.

I would like to mention another phase of business which was introduced by the gentleman from Missouri and the gentleman from Texas [Mr. IKARD], and was also included in the bills relating to small business that were introduced by all of the members, I think all of the minority members, of the Select Committee on Small Business, and possibly this same provision was included in bills introduced by some members of the majority, and that is a provision which defines certain operations in the agricultural area, small farmers, as eligible to small business loans within certain limitations. Although there are several agencies available under the Department of Agriculture that have expended credit for certain types of farmers and certain needs of farmers, certainly I think that to be realistic about this we should not preclude a man engaged in the production of agricultural commodities from being eligible for a small business loan just because we do not immediately classify him as one of those located in a place of business up and down the main street.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. STEED. I am very happy to yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. The point the gentleman is making is very important. So often people cannot talk of business except in terms of corporations. The essential purpose of the Ikard-Curtis proposal is to deal with that subject because 70 percent of our business concerns are not under the corporate form, and the definition should be broadened and broadened so that it would include farm operations. It would be any kind of activity, and I think the point the gentleman is making needs to be stressed. I thank the gentleman for yielding.

Mr. AVERY. I thank the gentleman from Missouri for his contribution.

Just one final observation if the gentleman from Oklahoma will permit: If we review our economic developments let us say since 1940, beginning about the time when there was a dramatic growth in the extension of large corporations everywhere, analyze carefully our tax structure and the amendments to the Internal Revenue Code since that time and we can only come to one conclusion, that there certainly must have been a miscalculation somewhere in the application of the Internal Revenue Code as evidenced by the fact that the big corporations continue to get larger. There seems to be a ceiling. The small businessman can come up against the ceiling, but he cannot break through. I think that definitely reflects some sort

of erroneous analysis of the actual application of our Internal Revenue Code as presently written.

Then, Mr. Speaker, I would like to pay a tribute, if we may at this time, and I am sure the gentleman from Oklahoma will agree with me. It is most appropriate as a member of the Select Committee on Small Business to express appreciation for the bill brought to the House by the Committee on Ways and Means last year that made considerable advance in this direction but just did not go far enough in a few principal points included in the amendments to the Internal Revenue Code last year. They were certainly of much benefit to the small businessman.

I think it is highly important we take this further step, I will not say final, but one further step, to assist the small businessman in securing capital, whether it be equity capital or just conventional credit as every businessman must recognize is necessary.

I agree wholeheartedly with the premise that the most serious financial problem of the small businessman is the inability to plow earnings back into his business. This is the method by which the business structure of our Nation has grown and prospered.

In my opinion, we must have tax reform for small business if we are to encourage and strengthen this sector of our economy. Freedom of entry and incentive to grow, expand and modernize depend to a great extent on a favorable climate in the area of Federal income taxes.

In this critical period in our history with the ever-present necessity of keeping our national defense at the peak of strength and efficiency, we must not lose sight of the factors which make us strong. One of these factors is certainly the strength of our small business institutions which number over 4 million out of a total business population of approximately 4½ million.

Our small defense industries which are the reserve strength of our entire defense plant structure do not have an easy road to travel in this rapidly changing technological world machinery becomes obsolete faster than ever before. The demand to modernize and expand is not only essential to our national defense, but is also essential to the very existence of our smaller defense plants.

In the field of distribution whether it be in food or agricultural machinery; whether it be in soft goods or hard goods; whether it be a service establishment or merchandise establishment, the pressure is constant to serve efficiently and rapidly.

When we plead for tax reform for small business, we plead for the future of our entire economy. We plead for the future of our Nation. Small business must be permitted to plow earnings back into its business structure.

Many Members of the House have introduced bills incorporating the plowback feature. Among these are bills introduced by members of the Select Committee on Small Business. Members of the Committee on Ways and Means have also introduced bills to accomplish this proposal. We may disagree on details but the principle of tax reform is incorporated in most of the bills thus far introduced.

The important and vital consideration is that we seriously undertake the problem of tax reform for small business at the earliest possible moment.

Mr. STEED. I thank the gentleman, and I am particularly pleased that he mentioned the committee activity of some years ago, when our friend from Connecticut, Mr. Seely-Brown, was chairman. I wish it were possible for every Member of the House to read the hearings and the report that were prepared during that session of the Congress. There are some case history studies in there I think that would convince any Member that what we are saying here today is true in every respect, and that the time has long since passed when the Congress ought to do something in this very important field.

I ask unanimous consent, Mr. Speaker, that all Members may have permission to extend their remarks at this point in the RECORD on the subject just discussed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McDOWELL. Mr. Speaker, there is a growing recognition of the indisputable fact that the small businessman, and the family type farmer constitute between them the backbone of the American economy which is the hope and the promise of a good life for all the people of the world. It is our form of people's capitalism which, alone, can succor other peoples. The slave economies of the totalitarian bloc has miserably failed, for instance, to provide the amount of food necessary in Russia and China.

Yes, the small businessman and the family type farmer who is also a small businessman, is the word and the shield of our democratic way of life.

Many of us in the Congress have come to the conclusion that it is high time to move on from speechmaking about our free enterprise system, however, to the area of concrete action to make it possible for the small businessman to survive.

The Small Business Administration, in its ninth semiannual report for the 6-month period ending December 31, 1957, pointed to one of the major problems facing the small businessman today. The report says:

> Officials of the Small Business Administration in constant contact with small businessmen throughout the country hear daily of the problems of small business. Among the most prominent of the problems are the following:
>
> 1. The impact of taxes, which makes it difficult for some small businesses to accumulate working capital or capital for expansion.

Here in a nutshell is the number one problem facing the small businessman. The tax laws at present actually discriminate against the small businessman and favor the big businessman.

Under the present Federal tax laws, the tax rate is 30 percent on income up to $25,000. On incomes in excess of $25,000 the rate is 52 percent.

Obviously, it is basically unfair to tax 52 percent of the corporate income exceeding $25,000 without regard to whether the corporation earns $50,000 or $500 million.

The Select Committee on Small Business of the House of Representatives put this matter in proper perspective when it said in its final report to the 85th Congress, 2d session, that—

> The depletion of capital reserve on a taxable income of $50,000 at a rate of 52 percent is far more devastating than at the million dollar mark or higher.

A great corporation with an income of $500 million before taxes has a net income of nearly $250 million after taxes which it can use for business growth and expansion and for taking over small businesses which falter and fail because of the present tax schedules which impede the growth and expansion of small businesses. A small businessman with an income of only $100,000 a year has a net income of less than $50,000 after taxes which prevents him from meeting the increasing competition of big business as well as being insufficient for the growth and expansion of small business.

It is clear from this that our tax structure places the small businessman at a very definite disadvantage. The expansion of small business is hindered, and, at the same time, large businesses are favored.

This certainly was not the intent of the Congress when it enacted the present tax laws for there is nowhere any discussion of the point in congressional proceedings on the tax legislation.

In this connection it is important to note that the Joint Committee on the Economic Report said, in a study on Federal tax policy—February 5, 1956—that—

> The growth requirements of small and new companies frequently involve more extensive reliance on internal resources, particularly retained earnings, than in the case of other companies. A corporation income-tax rate structure which does not unduly limit the financial resources required to finance the growth of large, established companies, therefore, may prove extremely burdensome in this respect for small and new companies.

The Joint Committee on the Economic Report then recommended that—

> A greater differential in effective rates applicable to small and large corporate taxpayers should be given careful consideration.

The Select Committee on Small Business of the House of Representatives reached the same conclusion, not once but several times.

In House Report No. 1002 in the 83d Congress the committee said:

> If small business is to play its part in our economy, it is essential that the tax structure be amended to provide a healthier climate for the growth of new and established small business.

In fact, said the committee—

> A solution of these problems is vital to a sound competitive economy.

In the 84th Congress the House Small Business Committee recommended, in House Report No. 2970, that—

The Internal Revenue Code of 1954 be amended to effect a substantial reduction of the corporate income-tax rates on small corporations.

The Cabinet Committee on Small Business, appointed by President Eisenhower on May 31, 1956, made a number of recommendations in August of that year for tax aid to small business, but these recommendations were held up by the administration because of budget considerations.

The House Ways and Means Committee said—in House Report No. 2198, 85th Congress—that—

There is a need to allow such (small) businesses to retain more earnings after taxes to provide the funds necessary for growth.

This year 25 bills have been introduced by Members of the House, including myself, permitting small- and medium-sized enterprises the funds for expansion by authorizing them to retain more of their earnings after taxes than is now the case.

We are in agreement that this source of revenue is essential, since existing or new small businesses generally find that loans from banks and new equity capital are not readily available.

Bills such as H.R. 2 and my H.R. 7704, provide that any person engaged in a trade or business shall be allowed as a deduction for the taxable year an amount measured by the additional investment in such trade or business for the taxable year.

It further provides that the deduction for any taxable year shall not exceed $30,000 or an amount equal to 20 percent of the net income of such trade or business for the taxable year, whichever is the lesser.

These bills have been given strong support from both sides of the aisle, and I am confident this bipartisan support augurs well for the successful adoption of this significant legislation by this Congress.

It is high time that such legislation was enacted into law, because small business failures are occurring at an unprecedented and economically disastrous rate.

In its 10th semiannual report for the 6-month period ending June 30, 1958, the Small Business Administration reported that business failures, through June 30, 1958, numbered 8,071, as compared to 7,089 in the similar 1957 period. It is clear that the Pollyannish attitude on the part of big business and the administration reflects only the economic health and strength of big business, and perhaps some satisfaction that small business—due to the 14 percent increase in business failures on the part of small business reflected in these alarming figures—is rapidly becoming a smaller and smaller part of our economy.

While small business continues to suffer failures at an accelerated rate, we are faced with more mergers and the continued concentration of economic power which such mergers represent.

I am confident the House Small Business Committee is correct in saying that if small business is given a tax break they will more than repay any immediate tax losses through increased growth and expansion of this vital segment of our economy.

Mr. WOLF. Mr. Speaker, I wish to compliment the gentleman on his fine statement in support of a program which would provide a tax adjustment for small business and for persons engaged in small business. I, too, introduced similar legislation in January because I feel a vital need for tax adjustment to these beleaguered businesses.

The reasons for such a bill make good sense. Today, in most important areas of business there is a general trend toward both monopoly and oligopoly. This results in two dangerous consequences. First of all, control of price and production has nothing to do with the laws of supply and demand. That is, the prices are no longer market determined. Secondly, we, in fact, destroy the concept of free enterprise, thus disturbing an economic liberty which is basic to our way of life.

The plight of the small businessman is very serious. In 1957–58 there were more small business failures in the United States than at any time since 1933–34. There is among the small businessmen in this country a silent depression which goes unrecognized. If the Government refuses to take cognizance of this fact, the Federal Government will, I am afraid, be one of the grave diggers of small business.

Today the Federal tax bite is so great that it substantially reduces the amount of investment that is available to the small businessman for reinvestment purposes. Furthermore, another policy of the Government which hinders small business is the initiation and continuation of a tight money policy. The results of this policy are well known.

While small business is not able to receive adequate financing from bank and loan institutions, it is common knowledge among economists and discerning businessmen that a tight money policy does not affect the big oligopolistic corporations.

These groups always have unlimited credit and financing resources. They can easily pass on any money-costs increase to their customers or to the consumer. The small businessman is not in a position to do this. Hence, in order to restore a proper balance in our competitive system, I strongly urge that Congress pass legislation which will give small businessmen a break.

Unless such legislation is passed, many small businesses will fail and the ugly hand of monopoly will be strengthened.

When I introduced my small business bill, H.R. 2812, last January, I said:

By encouraging and aiding small businessmen to stay in business we are doing much to bolster our system of free enterprise and prevent monopolistic practices on the part of big business.

I repeat that belief today.

Mr. CUNNINGHAM. Mr. Speaker, I do not think it is necessary to belabor my colleagues with a recitation of the need for the type of legislation which the Small Business Committee has endorsed. The reaction I received from small businessmen to similar legislation I introduced in this Congress and also in the 85th Congress convinces me that the Congress has two choices in regard to small business:

First. Enact legislation such as has been recommended by the committee; or

Second. Reduce the types and rates of taxation drastically so that the small businessman can survive.

I fear the burdens of the cold war and the demands of the growing Nation will preclude such a tax cut. Thus, it behooves us to give our most earnest consideration to the reinvestment legislation recommended by the committee.

I would be pleased to give my full support to this legislation, and I hope it will come before this Congress in the near future.

WHY THE WAYS AND MEANS COMMITTEE'S "SENSE" RESOLUTION ON INTEREST RATES MAKES SENSE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 40 minutes.

Mr. REUSS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

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

There was no objection.

Mr. REUSS. Mr. Speaker, on July 8 the House Committee on Ways and Means approved a bill authorizing the Secretary of the Treasury to lift the 4¼ percent interest ceiling on U.S. bonds and expressing the sense of Congress that the Federal Reserve System should, where feasible, bring about needed future monetary expansion by purchasing U.S. securities, of varying maturities. In other words, the Ways and Means Committee, while giving the administration the maximum amount of elbow room, at the same time was recommending that the administration so conduct its monetary policy as to minimize the need for piercing the ceiling.

I believe deeply in the sense resolution I have just described, and because there has been some misunderstanding about that, I took the floor earlier today to call the attention of Members that I had negotiated a 40-minute special order, which now engages me, and I invited them to be present if they could be, and if not to send around any written questions they might have to my office so that once and for all we could clear the air on the sense resolution.

Let me first set forth three reasons why I think that the sense resolution makes sense.

First, since the earnings of the Federal Reserve System substantially revert to the Treasury, the sense resolution would result in a saving to the taxpayers of many millions of dollars. In the last 6 years, for example, the Federal Reserve has added $4.9 billion to bank reserves by successive reductions of member bank reserve requirements. Had the Fed brought about this increase in bank reserves by the alternative method of the sense resolution and

purchased U.S. securities, it would have resulted in savings to the taxpayers, at current interest rates, of around $200 million a year. For the future, assuming that the Federal Reserve adds to the money supply at about the rate it has indicated it will, at least $1 billion can be saved for the Treasury and the taxpayers in the next 10 years by following the method spelled out in the sense resolution, rather than by the further lowering of bank reserve requirements.

Let us take a look at the arithmetic of all this. The amount of bank reserves created by lowering bank reserve requirements, and the amount of bank reserves created by the method of purchasing U.S. securities, as suggested by the sense resolution, are identical.

Let us suppose, for example, that the Federal Reserve decides that, in a given period, the money supply, and bank reserves, ought to be increased by $1 billion.

If it achieves this increase by lowering bank reserve requirements, the banks would have, at the present 6 for 1 average ratio, $1 billion of additional reserves, on which they could create around $6 billion worth of credit, which they could either lend or invest in U.S. securities. If the Federal Reserve instead uses the method of expanding the money supply by buying U.S. securities, it would buy $1 billion of U.S. securities, which would also create around $6 billion worth of credit, leading to an ability by the banks to create $6 billion in credit, either for new loans or for buying U.S. securities.

The second method—that recommended by the "sense" resolution—results in the acquisition of $1 billion of U.S. securities by the Federal Reserve, and a break for the taxpayers, which is lacking under the first method, that of lowering bank reserve requirements.

Under either method, money creation is identical and bank earnings are identical. The only difference is that if the method of the "sense" resolution is used, the taxpayer and the Treasury get a break.

Second. It would moderate somewhat the downward fluctuations in the prices of U.S. securities, and thus make them less unattractive to investors.

To make the modest support effective, the sense resolution also recommends to the Federal Reserve that the U.S. securities it purchases be of varying maturities. In other words, this asks the Fed to buy bills, certificates, notes or bonds, whichever it can most effectively purchase. This would mean that the Federal Reserve abandon its present "bill only" policy, a policy recently described by the American Banker magazine as "silly." Vice Chairman Alfred Hayes of the Federal Open Market Committee has also opposed the doctrinaire character of the "bills only" policy.

Third. It would make Treasury financing more orderly by reducing the chances of attrition—where security-holders refuse to accept exchanges and instead demand repayment in cash.

Now, Mr. Speaker, having looked at the three advantages to the sense resolution, let us look at the objections. As far as I can make out, there seems to be five of them that have been made in the last few weeks.

Objection No. 1: It is said that this is inflationary and would create printing press money. That inflamatory phrase "printing press money" first entered the Nation's vocabulary in the famous letter dated July 14, 1959, by Federal Reserve Board Chairman William McChesney Martin to the Honorable RICHARD M. SIMPSON, Representative from Pennsylvania, who, incidentally, is chairman of the Republican congressional campaign committee. In that letter Mr. Martin said:

> Under present conditions I am convinced that this amendment, when stripped of all technicalities, and regardless of whether the language is permissive or mandatory, will cause many thoughtful people both at home and abroad to question the will of our Government to manage its financial affairs without recourse to the printing press.

The next day the Wall Street Journal took up the hue and cry in their issue of July 15. The Wall Street Journal reported that the sense resolution "will be interpreted both at home and abroad as a sign that the United States is going to resort to what Mr. Martin calls printing press money."

Later, of course, before the Joint Economic Committee, Mr. Martin was at considerable pains to deny that he had ever said that the sense resolution would ever cause printing press money. What he said he said was that thoughtful people might infer that it would cause the creation of printing press money. So far as I know, he made no effort to straighten out the Wall Street Journal and the other publications which were printing that Mr. Martin had said that the sense resolution would cause printing press money.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I thank the gentleman for yielding. It was primarily for a correction. Mr. Martin did not address a letter to Mr. SIMPSON as Republican congressional campaign committee manager; am I not correct?

Mr. REUSS. That is correct. The letter was addressed to the Honorable RICHARD M. SIMPSON, House of Representatives, Washington, D.C., and there was no designation of his office.

Mr. CURTIS of Missouri. The gentleman is fully aware of what Mr. SIMPSON's capacity is, and the reason the letter was directed to him. He is the ranking Republican member on the Committee on Ways and Means.

Mr. REUSS. That is entirely correct.

Mr. CURTIS of Missouri. Exactly. And the gentleman knows in context that is the reason it was addressed to him and had nothing at all to do with Mr. SIMPSON's duties as congressional campaign committee chairman.

Mr. REUSS. I completely accept the suggestion of the gentleman that this letter was addressed to Mr. SIMPSON in his capacity as ranking Republican member of the Committee on Ways and Means.

Mr. CURTIS of Missouri. There is one other point that I wish to develop.

I think that the gentleman is oversimplifying the statement of Mr. Martin. I think he did read the full context of his letter in the record and it should be there, but you cannot just take it out of context without giving the quite recent historical background that led up to that; and that is the reason why he made the remarks, as he very carefully explained to the gentleman from Wisconsin—I was present at the Joint Economic Committee hearings when the explanation was made—quite carefully explained to the gentleman that it was in the context of what had occurred that made him make the remark, that thoughtful people might interpret it in that manner. I happen to be among those who agree that thoughtful people will, and already have, and therefore that the Wall Street Journal or anyone else reporting on it was not in error in so reporting.

Mr. REUSS. The letter from Mr. Martin appears in the CONGRESSIONAL RECORD for July 30, pages 14835–14836. I have in no way plucked the portion I just read from its context, and I invite anyone to read the entire letter. I shall not burden the present RECORD with it, but I have just given the citation of it.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield for a clarification of my own?

Mr. REUSS. I am glad to yield.

Mr. CURTIS of Missouri. I did not mean that the gentlemen was taking a part straight out of the context of the letter, although I did want the full letter to be referred to. I was referring in context to other things that had transpired, the whole atmosphere under which the sense of Congress resolution was offered, which the gentleman and I have discussed many times and I know he is prepared to discuss later. But I shall not dwell on that.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Was there not also a discussion on this floor on July 16 in which the gentleman from Wisconsin made very clear that in his opinion the sense resolution was not to be interpreted as printing press money—at pages 13637 to 13641? Those thoughtful persons, it must be assumed, would be readers of the whole RECORD and not merely a portion of it. Therefore, we may assume that thoughtful people could also interpret this as not being printing press money, especially if they got a little help from the Federal Reserve, who may also be presumed to read the whole RECORD.

Mr. REUSS. I thank the gentleman. We attempted to extricate from Chairman Martin in the hearings before the Joint Economic Committee recently the names and addresses of some of these thoughtful people, so that we could set them straight. If those thoughtful people were capable of reading plain English, they must have realized the noninflationary character of the sense resolution. However, Chairman Martin has

not enlightened us with the names, so we are unable to set them straight.

Mr. COHELAN. Mr. Speaker, would the gentleman yield?

Mr. REUSS. I am glad to yield to the gentleman from California.

Mr. COHELAN. Is it not true that in the hearings recently held, Mr. Martin admitted that the method suggested by the gentleman from Wisconsin was a perfectly valid alternative to the system of reducing reserve requirements?

Mr. REUSS. I want to report with all the accuracy I can just what Mr. Martin did concede. He did concede that from the monetary standpoint, the end result of increasing reserves by the method he advocates, namely, further lowering of bank reserve requirements, and the method of increasing reserves as advocated by the sense resolution, is identical.

Mr. COHELAN. Mr. Speaker, if the gentleman will yield further in this regard, it has also been suggested, in using the technique of lowering reserve requirements, that it is wrong to say that the Treasury does not benefit, because the Treasury does get money in taxes—some 52 percent if it is a corporation, and so on. Would the gentleman care to comment on that in reference to the accrual that the Treasury might make using the alternative?

Mr. REUSS. Yes. I think this suggestion that the Treasury does not lose totally, but collects some back in taxes, is a complete red herring. One might as well advocate that the Treasury strip itself bare of every nickel it has, and bestow it on worthy people around the country every Thursday night, and it really would not cost very much because the Treasury would get a lot back in taxes. That, of course, evades the issue. The question is whether the interest payments on the national debt are paid to outsiders or are, to the extent that the national debt is acquired by the Federal Reserve, paid to the Federal Reserve, practically 100 percent of the profits of which revert to the Treasury.

Mr. COHELAN. I thank the gentleman and I am looking forward to his remarks on what Mr. Martin did say.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Of course, the gentleman is entitled to place his interpretation on the remarks of Mr. Martin, but in fairness the record is available, the record of the public hearings before the Joint Economic Committee at which the gentleman from Wisconsin interrogated Mr. Martin. I doubt very much that Mr. Martin conceded anything. As the gentleman states, he merely restated what I have heard him state many times before the Committee on Ways and Means to be his position. I think in fairness, and I hope the gentleman will put in the RECORD at this point, the actual remarks that Mr. Martin made before the Joint Economic Committee answer to the question the gentleman from Wisconsin raised, and I might state, the remarks that he made in answer to the questions of the gentleman from Missouri to bring this point out. Then, we would be in a position of your interpreting as you see fit. But, the way you have interpreted to date, I would certainly say I do not interpret it in that way and I think it is based on a misconception of what Mr. Martin said.

Mr. REUSS. I am more than willing to do that. In fact, I have done it. I refer Members once again to the CONGRESSIONAL RECORD for July 30, particularly pages 14837 and 14838, in which I have set forth at length the testimony of Mr. Martin on this very point, and particularly his admission, when pressed by Chairman Douglas, that there was no monetary difference between the two methods of increasing the bank reserves.

So much then, Mr. Speaker, for objection No. 1.

Let us turn to objection No. 2—that it is somehow wrong for the Congress to advise the Federal Reserve on important matters of monetary policy.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. CURTIS of Missouri. Will the gentleman from Wisconsin tell us who has ever advanced that theory? I have never heard it advanced except as a strawman by yourself and I saw in the press, by Speaker RAYBURN. Whoever has said that? I do not know of anyone who has maintained that the Congress should not tell the Federal Reserve what to do. The Federal Reserve is a creature of the Congress. Who has ever advanced such an argument?

Mr. REUSS. I am delighted to have the gentleman from Missouri, whose opinion I respect, agree with me. Of course he knows that the Congress has the power and the duty to coin money and regulate the value thereof, and while it delegates this power to the Federal Reserve, it does not abdicate. The Congress can, of course, advise and recommend to the Federal Reserve. Let me remind the gentleman from Missouri that in this Hall not so long ago, our colleague, the gentleman from Texas [Mr. ALGER] said that the Federal Reserve was independent of the Congress, and both the gentleman from Missouri and I, the gentleman from Wisconsin, then rose up and gave our separate differing views—that the Federal Reserve was not completely independent of the Congress, but that the Congress had the right to talk to the Federal Reserve. Thus, while I would wish it were a strawman, it is a strawman who is being danced with by some esteemed Members of this body.

Mr. CURTIS of Missouri. I am sure the gentleman will agree that Mr. Martin, himself, has said many times that he felt the same way. Of course, they said if the Congress wants to change this, they can and they should.

Mr. REUSS. The gentleman is exactly right. I hope out of this colloquy, the financial press, some of whom I hope are in the Press Gallery, will set it down that it is the view of the gentleman from Missouri and the gentleman from Wisconsin, and I believe the view of Chairman Martin——

Mr. CURTIS of Missouri. And of everybody else.

Mr. REUSS. And the view of Chairman Martin that the Federal Reserve is not an independent branch of the Government, like the judiciary, but may indeed receive the advice of the Congress, as the judiciary under our system should not. I would say to the gentleman, however, that the opinion of the gentleman from Texas [Mr. ALGER], which has been expressed here and the opinion of literally dozens of financial writers——

Mr. CURTIS of Missouri. But, I have not heard of any.

Mr. REUSS. The opinion of these people, as I was saying, is to the effect that there is something indecent about the Congress expressing an opinion to the Federal Reserve. Nothing would make me happier than to have this opinion really be a strawman, so that we could sweep it from the table and not have to take up our time with it.

Mr. CURTIS of Missouri. Let me say this to the gentleman about the statement of our colleague, the gentleman from Texas [Mr. ALGER]. I hope he is not using Mr. ALGER as the sole person to point to because Congressman ALGER right after he made his remarks had a little colloquy with me in which he said he was afraid he might have created the wrong impression. I said I thought he had, as a matter of fact, in his statement. But, actually, he was talking about the independence of the Federal Reserve, that it is created by an act of Congress. That is true. The Congress is the one who has created them. Of course, the Congress can at any time change the policies that it has directed the Federal Reserve to follow. So I am happy to clarify the record in behalf of Congressman ALGER. I certainly do not believe the gentleman can use that as an authority that someone has said that there is something wrong with the Congress telling the Federal Reserve. I am satisfied that it is a strawman built up by people who want to say that they are right on one of their answers to one of the criticisms.

So let us strike No. 2 from the list.

Mr. REUSS. I will lay it aside, and in the future I will refer financial writers, and other beaters-of-the-tub for the strawman, to the gentleman from Missouri as an expert on the subject.

Let us proceed hastily to objection No. 3, leaving the strawman on the floor. Objection No. 3 is that the resolution is not necessary, because really the Fed is doing what the Congress has asked them to do: It is in the process of increasing the supply of money by purchasing U.S. securities, and for all practical purposes it is no longer following the bills-only policy.

It is interesting to recall the statement attributed to Dr. Samuel Johnson: "He would have ravished her had she not, by her timely compliance, prevented him." However, it does not seem to me to be particularly true that the Fed has in fact abided, in advance, by the sense resolution.

Let us take first of all the question of lowered reserve requirements. I have set forth in the CONGRESSIONAL RECORD for June 4 of this year, at pages 9928 and

9929, a whole wealth of statements by representatives of the Federal Reserve in the hearings on the vault cash bill to the effect that the method of lowering bank reserve requirements is going to be their primary method of increasing the money supply. For example, at page 15 of the hearings it is set forth:

For purposes of monetary policy, reserve requirements of member banks do not need to be as high as they have been in recent years. Federal Reserve holdings of Government securities are large enough so that they could be reduced to absorb a substantial amount of reserves released, without impairing the ability of the System to perform its essential functions. Requirements, moreover, may be lowered in the course of time to release reserves needed to cover growing monetary needs of the economy. Some reduction in requirements could help improve the earnings and capital positions of member banks without impairing their liquidity or soundness (p. 15).

At the same hearing, C. Canby Balderston, Vice Chairman, Board of Governors, Federal Reserve System, testified:

Growth [in the economy] calls for increases in the money supply at a rate which we hope and believe will make for sustainable growth, and since the economy needs an increasing money supply over the long term, the chances are that the reserve requirements of the commercial banks may need to be lowered in the course of years, rather than raised.

I can illustrate that by pointing to the currency. We have had an increase in currency outstanding of about 1 percent per year. That calls for added reserves of, say, $300 million.

Likewise, the growth in the economy calls for increases in bank deposits of perhaps 2 or 3 percent per year, with a corresponding growth in required reserves. So, in taking care of added needs for currency and the money supply as a whole, the reserves supply will need to go up, perhaps half a billion dollars to a billion dollars a year. What I am saying is that the drift of reserve requirements will probably need to be downward in the course of time rather than upward (p. 54).

As recently as July 30, before the Joint Economic Committee, Chairman Martin once again reaffirmed this intention on the part of the Federal Reserve. I will quote a colloquy with Senator DOUGLAS:

Senator DOUGLAS. The Chairman has said that he prefers to get a longtime increase in bank credits through lowering reserve requirements, and he regards present reserve requirements as too high. I think that is the statement of the Chairman.

Mr. MARTIN. I said under present conditions we have tended to work that way.

And again, from the hearings of July 30, I call attention to the following colloquy between myself and Mr. Martin:

Representative REUSS. We got the impression from all the testimony of the Federal Reserve people and from the staff study that you are going to lower bank reserve requirements. That is how you are going to add to the money supply that everyone concedes is going to have to be increased over the years. Is that a wrong impression I have?

Mr. MARTIN. No. I have repeatedly testified here today and elsewhere that I think generally speaking bank reserve requirements have been higher than are necessary for the long-range development of the country.

The CHAIRMAN. Therefore you believe that they should be lowered?

Mr. MARTIN. When appropriate, yes.

The CHAIRMAN. That is the impression I had.

Representative REUSS. Our impressions were right.

I therefore think that the sense of Congress resolution we are talking about is not an unnecessary thing.

So the testimony of the Federal Reserve has been quite conclusive on the point that they intend to keep right on adding to the money supply by lowering bank reserve requirements.

As to the question of the bills-only policy, I would like to refer to the 1958 report of the Federal Reserve System which came to my desk last week, page 40, which says:

Operations for the System account in the open market, other than repurchase agreements, shall be confined to short-term securities (except in the correction of disorderly markets), and during a period of Treasury financing there shall be no purchases of (1) maturing issues for which an exchange is being offered, (2) when-issued securities, or (3) outstanding issues of comparable maturities to those being offered for exchange; these policies to be followed until such time as they may be superseded or modified by further action of the Federal Open Market Committee.

This is a minute of the Federal Open Market Committee setting forth their policy that purchases shall be confined to short-term securities, except in the correction of disorderly markets. So, both as to purchases and as to bills only, the clear indication of the Federal Reserve Board is to keep right on going against the sense of Congress resolution. Therefore, objection No. 3, that the resolution is not necessary, certainly disappears.

Objection No. 4: It is sometimes said that the "sense" resolution is inconsistent with the vault-cash bill recently passed by the Congress. This misreads the vault-cash bill. The vault-cash bill does not require that the Federal Reserve increase systemwide bank reserves by so much as 1 nickel. For example, if the reserve requirements of New York and Chicago city banks are lowered from their present 18 percent to 17⅛ percent and the reserve requirements of Reserve city banks are raised from their present 16½ percent to 17⅛ percent, systemwide reserves would be unchanged.

Similarly, to the extent that vault cash is counted, this can be offset by raising reserve requirements accordingly.

The legislative history of the vault-cash bill is clear that it requires no increase in total bank reserves. Therefore, the way is open for the Federal Reserve to make whatever increases in the money supply it feels are necessary by the method advocated by the sense resolution: Purchasing U.S. securities.

So much for objection No. 4.

The fifth objection which has been made to the sense resolution is that this should be an amendment to the Federal Reserve Act, the short answer to that is that, if enacted by the Congress, it would be an amendment to the Federal Reserve Act. I am assured by the very capable Mr. Charles J. Zinn, law-revision counsel of the Committee on the Judiciary, whose job it is to put the necessary titles on the laws that Congress passes, that that is precisely the tab he would put on the sense resolution—that it would be consigned to that section of the United States Code which has to do with the Federal Reserve System.

It is good to hear this, because the Ways and Means Committee, I think, deserves the commendation of all Members for the very faithful and industrious study which it gave this matter. There were 2 full days of open hearings, and there followed a series of executive hearings which lasted, I am told, for some 11 days. I am told by Secretary Martin, for example, that he attended 11 separate days' hearings before the House Committee on Ways and Means, contrasted with the zero days of hearings which he has attended this year before the House Committee on Banking and Currency, of which I have the honor to be a member. So I have the feeling that the House Committee on Ways and Means deserves not the sniffs and sneers of Members, but plaudits for the spendid, authoritative and painstaking job that was done by Chairman MILLS and Members on both sides of the aisle in giving this matter a full hearing.

The truth of the matter is that the administration and the Federal Reserve have been mismanaging the national debt, and that this truth has suddenly been brought home to them. But they do not like to admit it. I would be delighted to help the administration and the Federal Reserve to save face, but not when a billion dollars of the taxpayers' money is concerned.

I am hopeful that the administration and the Federal Reserve, whether the sense resolution gets any further than the Ways and Means Committee, which has put its stamp of approval on it by a majority vote, or whether it is adopted by the Congress as a whole, will pay heed to the precepts of sound monetary doctrine and the precepts of economy and efficiency in Government which are instinct in that sense resolution. If it does, we will be on the road to a much better and sounder management of the national debt.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I wish to commend the gentleman for taking up item by item the criticisms which have been made. I can assure the gentleman in my experience in talking with members of the administration I have received the identical impression he has with respect to the administration point of view.

As a member of the Banking and Currency Committee, and in working on the vault cash bill, I came to many of the same concerns as did the gentleman, especially as to why the Federal Reserve did not ask for additional power over reserve requirements. I was advised directly, and this is in the hearings, that the Federal Reserve did not now need such power, that if they needed it they would ask for it. Subsequently, in House action on the floor, amendments offered by the gentleman from Wisconsin [Mr. REUSS] did prevail by consent on both

sides and the power of the Federal Reserve to increase reserve requirements was raised from the present maximum of 20 percent to 22 percent.

Speaking for myself, I would have preferred that we give the Federal Reserve Board even greater power. I was distressed that the Federal Reserve showed no interest whatsoever in having their hand strengthened by way of power to increase reserves. I gather that the administration did not and does not contemplate using the power to increase reserve requirements as an anti-inflation device.

The history of the past decade finds that upon occasion the Federal Reserve had to put its foot down to the floorboard on its brake pedal of reserve requirements. Hence they ought to have been concerned. Evidently the administration's devotion to lower reserves is so great they cannot contemplate that Congress should consider giving them additional power.

It was only after their indifference, if not opposition, that this power was given to them. The same attitude of mind, which was evident in the discussion on the vault cash bill, obviously is the attitude of mind which stands against the amendment which the Committee on Ways and Means added to the proposal to raise interest rates. Because "the sense resolution," as the gentleman calls it—the amendment which expresses the sense of Congress in opposition to the policy which the Federal Reserve is pursuing—simply recognizes the evident record already made by the Federal Reserve and by the administration in this matter. It serves to remind the Federal Reserve that Congress gave it a variety of powers to use, and wishes that other powers than lowering reserves be used. It is clear that the position taken by the administration is that they do not intend to use any such power.

Now, the administration has made much of its concern about inflation, and yet here they are proposing to abandon an anti-inflation tool. They are prepared to fight, moreover, any effort on the part of Congress to suggest to it that there are other ways to be concerned about the problem of both the expansion of the money supply and inflation than the route which they have chosen to follow.

It seems to me it ought not to be necessary for the Congress to have to consider such an amendment. We ought to be able to expect that the persons responsible for the management of the monetary side of the economy, who hold from Congress very broad discretion, will use it wisely. We should assume that their exercise of discretion should be satisfactory.

But in this case the interest of the taxpayer, which we must also represent here, is completely ignored and completely neglected. The position taken, as the gentleman so ably points out, is contrary to the taxpayer's interest toward keeping the cost of the debt as low as possible, both in the manner which the gentleman describes, and in the far more significant manner of having the Federal Reserve provide an orderly market for Government bonds which would tend to hold the cost of carrying debt down. I think the resulting tax savings to the citizenry would be far greater than those which were outlined by the statement of the gentleman.

I hope that this discussion will be helpful in clarifying for those persons who are seeking to interpret what Congress is here trying to do. Let them now interpret what we are proposing to do in a manner which indicates that we are responsible persons, seeking to be fiscally responsible, to be responsible in the field of money management, but also to be responsible to the taxpayers, and responsible to the businessmen and others who are concerned about the rising price of money. I am against raising any price, including the price of money. I would be happy to be joined in this position by the administration but the Congress has no support from the administration at this point. Their opposition to increased prices does not extend to an increased price of money.

Mr. REUSS. I am glad the gentleman has pointed out the fact that the Federal Reserve, despite its protestations that it is against inflation and wants to do something meaningful about it, has allowed to rust unused what should be an important weapon in the anti-inflation armory, namely, the power to raise reserve requirements. The gentleman will remember that the Banking and Currency Committee, of which he is a member, on May 28, 2 months ago, formally requested the Federal Reserve to report promptly back to the Committee on Banking and Currency ways and means whereby the anti-inflationary reserve requirement-raising tool might be made effective. If there were rough edges, said the committee, tell us how we may buff them off so that this weapon may be restored to the armory.

I had occasion just a week ago to call to Chairman Martin's attention that 2 months had gone by, and the light was still burning in the window of the Committee on Banking and Currency, but we had not heard from him. He said they had a lot of things to do and they were working on this, but he could not promise any particular day when this information would be made available to us. I pointed out that Congress only had a few more weeks in which it would be in session, and that it would be very important, indeed imperative, that we have the benefit of the thinking of the body to whom we have entrusted our monetary policy on this vital question on how to work out an effective reserve-requirement-raising instrument. I hope we shall hear from the Federal Reserve, and I promised that the day we did I would move for hearings in the Committee on Banking and Currency so that we could present a well-thought-out program that would really meet the needs of a national anti-inflationary policy.

Mr. JOHNSON of Colorado. I also await with interest such a report. I also await with interest any evidence that the Treasury is concerned about the tax burden that a higher interest rate will pose. We have raised this year's tax burden for interest on the present debt by $500 million, by reason of increase in interest rates over the past 6 months.

If an increased interest rate on long-term bonds is approved by this Congress before we adjourn, and if the Treasury then floats long-term bonds under the power which would be granted them, and if the Federal Reserve fails to follow the sense of Congress as here proposed, I can envision easily this kind of costly situation. Billions of dollars of new purchases of long-term Government bonds at 5 or 5½ percent would be sold. A few years hence, interest rates will be back down to a more realistic and long-term level. I assume that the Treasury will not make the bonds callable because we have seen no indication that they desire that these bonds be callable.

Then the persons who were farsighted enough to have bought those long-term Government bonds will be in a position to have a tremendous capital gain, just as those who previously bought long terms, expecting that the Federal Reserve was going to help maintain the level of those bonds, took a capital loss.

Assume 40-year bonds at 5-percent rate could and would be sold. Every billion dollars' worth of such long-term bonds would cost us $2 billion in interest during the life of the bond. If long-term rates fell to 3 percent, the holders of such bonds would have a capital gain amounting to almost $800 million. If these bonds were traded that capital gain could be harvested at capital gains tax levels, thus further depriving the Treasury of income.

Those who cheerfully advocate high interest long-term Government bonds may be preparing for the greatest and most generous giveaway that this or any other administration has ever seen.

Let those who are eager to give up this power, even for 2 years, carefully count the cost. It is staggering. The taxpaying citizens deserve sober restraint, not careless abandon, at our hands.

The SPEAKER pro tempore (Mr. THORNBERRY). The time of the gentleman from Wisconsin [Mr. REUSS] has expired.

INTEREST CEILING ON GOVERNMENT BONDS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 15 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I took this time just in case there might be some points raised in the talk of Mr. REUSS that I wanted to have clarified, and there certainly are.

Of course, it is a very strange position I find myself in as a Republican, defending the policies of a former Assistant Secretary under a Democratic administration, Mr. Martin; and also I might say defending the actions of an independent organization such as the Federal Reserve—that is, independent of the executive branch of the Government and really a creature of the Congress. Furthermore, it is a strange position when I hear members of the majority party that controls both the House and the Senate almost 2 to 1, talk about the administration not doing this and

not doing that in an area where the Congress has the authority to act.

It is even more strange when two gentlemen from the majority party, members of the Committee on Banking and Currency, which has jurisdiction over this matter—not the Ways and Means Committee—talk about the Ways and Means Committee not moving ahead perhaps where they should or questioning when this committee says that this is not in their jurisdiction. It really is a strange situation.

I will say to the gentlemen, why do you not get the majority on your side to agree with all this economic philosophy of yours and then maybe you can get it through the Congress. But apparently the majority on your side—and I thank heaven for it, because I think your economic theories are wrong—the majority on your side of the aisle does not agree with you either in the Senate or in the House.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. REUSS. I just wanted to set the gentleman straight, Mr. Speaker. Far from criticizing the Ways and Means Committee I have been fulsome in my praise. I think the action of the Ways and Means Committee on July 8 by majority agreeing on the so-called sense resolution was one of the most statesmanlike actions accomplished by any committee of Congress in this entire session and I point out that the record will have to speak for itself, that the majority of the Ways and Means Committee by the way it acted on this does appear to agree with me in its approval and appreciation of the sense resolution.

Mr. CURTIS of Missouri. Mr. Speaker, inasmuch as the gentleman brought that in, I hate to deprive the Ways and Means Committee of that fine accolade, but unfortunately we cannot accept it, because the Ways and Means Committee wrestled with this thing and finally watered down the original proposal of the sense of Congress resolution where they thought it did not say anything; and then on the basis that it probably did not say anything and in order, frankly, to get a few votes, I think, because we could have voted the matter before us which had solely to do with the interest ceiling on certain Federal bonds that we are authorized to issue and had nothing at all to do with the monetary policy—but, in order to get that out of committee a few people who did not agree with the Reuss amendment voted for it.

I do not regard that as statesmanship; I regard it as plain, ordinary partisan politics, because what would have happened otherwise? Ten Republican members of the Ways and Means Committee and five Democratic members of the Ways and Means Committee would have voted out the bill, 15 to 10, without any "sense of Congress resolution" when the committee was controlled by 15 Democrats against 10 Republicans.

Now I do not blame the chairman of the Committee on Ways and Means and, in fact, I have great sympathy for his position of not wanting to report out the proper bill with Republican votes. But, I am afraid the gentleman is mistaken in thinking there is a majority who happens to agree with his sense of Congress resolution even watered down. Particularly, if the gentleman really means what he said on the floor, and I believe he does, that this sense of Congress resolution really does mean something.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. REUSS. I, of course, am not privy to the secret deliberations of the House Committee on Ways and Means, and I will have to accept the gentleman's exposure of that to the public record here. I do wish to make it clear that the sense of Congress resolution adopted by the majority of the Committee on Ways and Means on July 8 was the exact sense of Congress resolution word for word that the gentleman from Wisconsin presented many weeks before to the Committee on Ways and Means. So far as I know not a comma in it was changed—certainly, nothing of substance or of sense in it was changed. So that it will not do to say it was watered down. It was not watered up and it was not watered down. It is the same identical resolution.

Mr. CURTIS of Missouri. I will supply to the gentleman for his perusal two marked-up copies showing how we changed the original thing that was before us. Please do not take my word for all this. I know the gentleman can talk to others of his colleagues on the Committee on Ways and Means. I think he must be aware of the fact that most of the people on the Committee on Ways and Means feel that this sense of Congress resolution has no place in an interest ceiling bill, and that is probably the basic difficulty.

Now, Mr. Speaker, if I may get on to some specific points. Objection No. 1—of the possible inflationary aspects of this thing. I do not believe the sense of Congress resolution means anything. If it means nothing, then I do agree that it is not inflationary. But, I suggest probably it may mean something, to someone, Mr. Reuss and his followers among others. In that event it might easily be inflationary whether it is the result of psychology or what. The second point we have disposed of. No one has ever contested the right of Congress to tell the Federal Reserve, by law, what to do. Least of all the Chairman, Mr. Martin.

Third, the question is whether or not the sense of Congress resolution is necessary. Well, I agree if the gentleman is really trying to get the Congress to tell the Federal Reserve to change whatever policies it has followed in the past, it is necessary, if that is the case. But, that is the very reason the Secretary of the Treasury and the Chairman of the Federal Reserve Board have opposed it. They are afraid the people will think it is changing the policy. The Chairman of the Federal Reserve Board pointed out the Federal Reserve has purchased bonds from time to time. The gentleman was not exactly fair, in my judgment, in his reading what the Chairman said before the Joint Economic Committee because the Chairman pointed out that generally speaking—the gentleman did read the words "generally speaking," it is their policy to increase the monetary supply through lowering the reserves; but on specific occasions they bought bonds. Also the bill's only policy was not as the gentleman had at one time said a "wedded" policy. As the gentleman himself observed, some people say it is more honored in the breach. In the testimony Mr. Martin pointed out where the Federal Reserve occasionally buys into the long-term market. I remember one instance he mentioned at the time of the Iraq and Lebanon crisis, the Fed went in. The Chairman was constantly pointing out that he fully realizes the Federal Reserve can at times purchase bonds in the market and does do that. It is not a black and white proposition. But, the Chairman of the Federal Reserve Board said he thought he had properly used the various tools.

The gentleman from Wisconsin and the gentleman from Colorado tried to create the impression, I am afraid, that the Chairman of the Federal Reserve Board is just casting aside this tool completely. That is not his position. He says he utilizes the tools but he does not use them except in unusual circumstances. I think he actually used that word or "something that is out of the ordinary." He felt it was a tool of that nature, and he was afraid that having used that tool in the past under certain circumstances and having used these other tools, that if there were any such sense of Congress resolution that really did mean something it would, in effect, be saying, "Change your policies to be more inflationary than you have." He is afraid that is what the interpretation would be. I must confess I agree with him, having listened to the speeches of my colleagues here today and others in the past months on interest rates, as I pointed out, and having talked about the background under which this sense of Congress resolution comes. Looking at the background of the people who have been taking the floor of the House, and I think the gentleman is one of them, and I know the gentleman from Colorado was over a period of the past few months, and the gentleman from Texas [Mr. PATMAN]—talking against high interest rates. How they deplored high interest rates. How they were complaining about the interest rates that we were paying on the Federal debt. Never once under my challenges did they explain why if that were so did the Federal Reserve-Treasury accord of 1951 come about that switched the policy from the Federal Reserve pegging the market to the situation we have today where the Federal Reserve only goes into the market in a very selective fashion.

There is where your phony low interest rates came about; and the reason the Federal Reserve accord was made was because we found it was inflationary to have the Federal Reserve going in and pegging the bond market. Senator DOUGLAS himself said this on the floor of the Senate in 1951 in a speech dealing with the Federal Reserve accord. He

said that while they might save on interest rates they would pay for it through the Government as a purchaser going into the market and having to pay in inflated dollars for what it bought. He said you lose a great deal more, especially through the economic damage which is created.

So it is in this context that the sense of this same group of critics of interest rates must be considered when they introduce this sense-of-Congress resolution. It perforce includes all the implications, in spite of the pious protestations to the contrary, all the implications of wanting to go back to some of the things that existed before the Federal Reserve-Treasury accord in 1951.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I will yield to both the gentleman from Colorado and the gentleman from Wisconsin. I yield to the gentleman from Colorado first.

Mr. JOHNSON of Colorado. In the last special order which I took I tried to recite the history of the accord in order that it may be seen in its proper context, and I think the gentleman's remarks would be better if they would deal more in detail with the position I took at that time.

Mr. CURTIS of Missouri. I know the gentlemen did, a few days ago, and I appreciate those remarks; and, incidentally, as soon as I can get my desk clear of this highway bill and a couple of other things I intend to take the floor and will notify the gentleman, to discuss that thing.

Several months ago, I might say, the gentleman reiterated a philosophy which I took a great exception to, or a point of view, saying that this administration is not in favor of low interest rates. I assume that we all want to have the lowest interest rates possible, and the argument over how we get low interest rates stems from different economic theories. It is our theory, my theory at any rate, and I think in this instance I am in accord with the administration, that this is the better way to try to keep interest rates down, and it is our theory that really what has driven interest rates up and has created this situation of debt management is the great size of the Federal debt and the budget deficits. The spenders in Congress who are trying to get us to spend more and more money are the real cause of high interest rates.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. In just a minute.

We on the Ways and Means Committee have the same thing right now on the highway bill. A precious few of us voted against, but most of the members voted for, an acceleration and increase of the highway program back in 1958. I am one member of the Ways and Means Committee to stand on the floor here to say I could not be for it unless we were willing to pay for it. Those who voted to increase it are the very ones who even now will not vote to pay for it. There were a few—six the other day, eight today—who have voted to try to pay for the program in a way other than increasing the Federal deficit. I am willing to stand up here to try to cope with it.

Mr. REUSS. Perhaps we can help the gentleman.

Mr. CURTIS of Missouri. I will tell you how you can help. You can help by keeping these appropriation bills down. They are getting larger all the time. That is what you can do if you are really interested in keeping interest rates down. Otherwise, I can tell you, you are just talking a lot of nonsense and about a lot of useless monetary shifting, because it is the size of the Federal debt that has caused the trouble in managing it. This causes high interest rates. This creates the pressures that result in inflation.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

WHITE HOUSE CONFERENCE ON MENTAL HEALTH

Mr. LAFORE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HALPERN] may extend his remarks at this point in the RECORD and include the text of a bill relating to mental health which he introduced today.

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

There was no objection.

Mr. HALPERN. Mr. Speaker, today I have introduced a bill calling for the holding of a White House conference on mental health. I am motivated in doing this by the sobering realization that the gravest health problem in our Nation today is that of mental health. And, that furthermore, it is a problem—like the reaches of the human mind itself—that knows no geographical bounds and is worldwide in scope.

In view of the universality of the mental health problem, world leaders in the field have designated 1960 as World Mental Health Year, to "provide an opportunity to develop and carry out forward-looking activities aimed at giving added stimulus to all activities in the area of mental health, including research, with a maximum of international cooperation and exchange of ideas."

A White House conference would help develop an effectual program for America's participation in this world effort as well as initiate a pattern of national leadership in the field of mental health. It would stimulate the development and coordination of Federal, State, community, and private programs for the purpose of combating the problem most effectively.

Let me point up the seriousness of the situation.

An estimated 17 million people or about 1 in every 10 persons in the United States are suffering from some form of mental illness.

Mental illness fills more hospital beds than cancer, heart disease and tuberculosis combined. It is the greatest health problem in the world today. In countries with well developed health services, about one-half of the hospital beds are occupied by psychiatric cases.

This is a sobering and challenging situation. When one considers that an estimated 10 percent of public school children alone in this Nation are emotionally disturbed and that 1 out of 10 children born now will need mental hospital care during his life, one realizes that the mental health problem is of vital concern to ourselves and to all mankind.

In terms of money, the cost of mental disease is fantastic. Just maintenance and treatment in mental hospitals in the United States of America requires about $750 million a year; and this does not include construction or expansion. The strain on the individual taxpayer is illustrated by the fact that 28 percent of every tax dollar in the operating budget of New York State goes for the care of the mentally ill. If the cost of veterans' compensation is included, the total amounts to $3 million a day for the country as a whole. The loss to society is completely immeasurable.

Experience at State mental hospitals has proved that there is a way to bring eventual reductions to these mounting costs—and that is through intensive treatment of patients rather than mere custodial care. Real dollar savings to the taxpayer can be achieved and humanitarian purposes served through an earlier return of patients to society. When patients are cured instead of receiving just custodial care, the community saves money. The patient resumes his place in society, he becomes productive again, and he once more assumes the status of taxpayer rather than tax consumer.

To achieve this objective, however, requires steady dedicated effort and deeper understanding of the status of the factors which are necessary for the development of an increased number of cured patients.

Additional facts and figures in this regard emphasize the seriousness of this problem.

Mental illness is increasing. For instance, in 1957, about 673,000 people, or 51 percent of the 1,320,300 patients comprising the average daily hospital census were patients in psychiatric hospitals. And, as our population continues to expand, we can expect a larger number of mentally afflicted persons.

In addition, there is too much overcrowding and understaffing of mental hospitals. Psychiatric facilities are so overburdened that in many cases there are waiting periods of as long as 2 years. Our State mental hospitals—which comprise the largest proportion of such facilities—have only 45 percent of the physicians they need, 65 percent of the psychologists, 19 percent of the graduate nurses, 76 percent of the attendants.

It is estimated that between 10,000 and 20,000 more psychiatrists are needed and about 10,000 more clinical psychologists.

Another estimate is that there should be at least 1 clinic for every 50,000 in the population, or about 3,500 full-time clinics. Contrast this with the actual figure of some 1,350 clinics in the United States, including 65 VA clinics, and of these, about half give only part-time service.

Patients in mental hospitals are not receiving adequate care. The per capita maintenance expenditure in public non-Federal mental hospitals in the United States, in 1957, was $1,332.75 per year, or $3.65 per day. These figures are to be contrasted with the 1944 standards of the American Psychiatric Association of $1,825 per patient per year, or $5 per day.

This lack of funds, as well as lack of well-trained personnel, reduces the ability to give vitally important early care to patients. Such care is exceedingly significant because if treatment is begun early enough and intensively enough about 80 percent of mental patients can look forward to being cured.

Insufficient research is a disturbing element in the problem of mental health. While the States in 1958 were spending over $812 million in total maintenance expenditures for patients in public non-Federal mental hospitals, they spent less than 2 percent of this amount for research in mental illness. Again this is contrasted with the opinion of the National Governor's Conference on Mental Health in 1954, that 10 percent of each State's mental health budget should be allocated for research and training.

Approximately $44,580,000 is being spent for mental health research by the States and by the major Federal and National voluntary agencies interested in mental health. On the basis of some 673,000 patients in psychiatric hospitals in 1957, this works out to approximately $66 per individual patient, or about 26 cents annually for each man, woman and child in the United States. Mental illness is costing the Nation over $3.7 billion yearly in hospital and medical expenses, job absenteeism, production loss, and so forth. Yet the annual research investment to combat this toll is only about 1 percent of the enormous cost.

Has research thus far paid off? The new tranquilizing drugs together with greater expenditure per patient by States, and an increase in trained personnel have brought about a sustained annual reduction in State hospital populations and have returned cured patients to society much earlier.

New developments are being reported, as for instance, in the field of drugs which are effective against depressions.

Improvement in treatment methods and the increase in the numbers of patients who are being discharged from mental hospitals as a result of research are exceedingly welcome developments.

But when we realize that a large proportion of the patients in mental hospitals cannot yet be cured by known methods of treatment, the necessity for stepping up research is patently evident.

Progress has been considerable—but the problems are many—the need for more trained personnel, more facilities, including community mental health services, more funds, more research, the development of out-patient services, and a far greater dissemination to the public of information on mental health problems so as to increase understanding.

Fortunately, recognition of the seriousness of the mental illness problem is increasing. The 11th anniversary of the World Health Organization, on April 7 this year, was dedicated to the mental health of mankind.

And, through the efforts of the World Federation of Mental Health, an affiliate of the World Health Organization, 1960 will be observed as World Mental Health Year. All nations will be invited to increase their efforts in the prevention and treatment of mental illnesses. In the words of the Federation, "the purposes of World Mental Health Year are to provide an opportunity to develop and carry out forward-looking activities aimed at stimulating new scientific interest in the field of mental illness and mental health throughout the world." Five areas will be studied ranging from the mental health problems of children to the psychological problems induced by industrialization and including surveys of the multiple causes and distribution of mental illness.

World Mental Health Year will constitute a landmark in the battle against mental illness. Many of the fine private organizations in the United States in the field of mental health are working through a steering committee to develop ways and means for U.S. participation in the year.

Mr. Speaker, as I have indicated, in recognition of the gravity of the mental health problem in the United States and in view of the coming observance of World Mental Health Year, I have today introduced a bill to provide for the holding of a White House Conference on Mental Health to be called by the President with a tentative date of June 1960. I ask that a copy of the bill be printed in the RECORD at the conclusion of my remarks.

The conference would be planned and conducted by the Secretary of Health, Education, and Welfare with the assistance and cooperation of other departments and agencies represented on the Federal Council of Mental Health.

Provision for the conducting of similar conferences by the States in preparation for the White House Conference is included.

The purpose of the Conference would be to bring together representatives of Federal, State and local governments, professional and lay people who are working in the field of mental health, and of the general public.

My hope is that it will develop recommendations and plans for action which will serve the purpose of—

First. Stepping up the research programs designed to discover cures and better methods of prevention, care, and treatment of the mentally ill;

Second. Coordinating the interchange of ideas so that the findings of separate units can be combined to reduce duplication of efforts and expense and to effect the most productive methods in combating mental illness;

Third. Increasing the availability of adequate treatment and trained personnel for mental health patients so that they can receive the full benefit from the advances we have made thus far, thereby speeding up the process of recovery and increasing the likelihood of the patient's return to society as a productive member;

Fourth. Providing better chances for our youth to grow up in robust good mental health;

Fifth. Disseminating to the public more extensive information on mental health problems so as to increase the understanding of what is involved, to help relieve the social ostracism, and to indicate how an individual and a community might meet the needs of the mentally ill; and

Sixth. Encouraging U.S. participation in the activities and studies of the World Mental Health Year, 1960, and defining U.S. efforts in this field.

I have long had an interest in the problems of the mentally ill, Mr. Speaker. As a State senator in New York I had the honor of sponsoring the law establishing the New York Mental Health Commission and the one authorizing the current $350 million mental hospital expansion program. I am a director of the Queens County Mental Health Society. These years of study in the field have forcibly demonstrated to me the great need for a national, coordinated attack on the problem.

In the words of one of the experienced experts in the field, Dr. Paul Sivodan, "Mental diseases are the most curable and the most hopeless of all illnesses. The most curable because, if detected early, modern treatment will effect a cure."

Herein lies the basis for an understanding of the need for a nationwide program. Intensive treatment of patients requires more of everything—research, personnel, facilities, and understanding. But it means earlier return of the mentally ill to normal, productive lives with a consequent real dollar saving to the taxpayer.

Progress has been substantial. But much, much more has to be done. Mental illness is still a danger to society, but mainly to its pocketbook. Frugal authorities have come to understand that curing patients is the cheapest way of having none. Healthier citizens are a national asset of immeasurable value.

That is why, Mr. Speaker, I urge the Congress to consider fully the incalculable benefits in terms of human and material resources which can flow from a national conference which will provide the focal point for an assault on the illness which levies the heaviest toll on our country.

A bill to provide for holding a White House Conference on Mental Health to be called by the President of the United States in June of 1960, to be planned and conducted by the Secretary of Health, Education, and Welfare with the assistance and cooperation of other departments and agencies represented on the Federal Council on Mental Health; to assist the several States in conducting similar conferences on mental health prior to the White House Conference on Mental Health; and for related purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "White House Conference on Mental Health Act".

TITLE I—NEED FOR LEGISLATION; DECLARATION OF POLICY; DEFINITIONS

Need for legislation

SEC. 101. The Congress hereby finds and declares that the public interest requires the

enactment of legislation to formulate recommendations for immediate action in improving and developing programs to permit the country to secure the benefits of the skills of those mentally ill persons who can be cured and returned to normal society, to create conditions which will better enable this goal to be realized, and to further research on mental health because:

(1) Mental illness is the greatest health problem in the United States today, filling more hospital beds than cancer, heart disease, and tuberculosis combined. One out of every two hospital beds in this country is occupied by a mental patient.

(2) The problem of mental illness is increasing. As a result of larger population and more expert and earlier diagnoses, 1 out of every 10 children born now will need mental hospital care during his life as contrasted with 1 out of every 20 children born in 1934.

(3) There is too much overcrowding and understaffing of mental hospitals. Psychiatric facilities are so overburdened that in many cases there are waiting periods as long as 2 years. Our State mental hospitals have only 45 per centum of the physicians they need.

(4) There is cause for concern in the growing signs of social maladjustment among normal young people. An estimated 10 per centum of public schoolchildren in the United States are emotionally disturbed and need mental guidance.

(5) The effect of mental illness on patients brings with it a great deal of suffering and hardship to their families and to others who may become involved. When a person is severely ill mentally, he is lost to the community, and both the cost and the loss to society is immeasurable.

(6) Intensive treatment of patients effects real dollar savings to the taxpayer. With the proper treatment administered early enough, 80 per centum of the mental patients can be cured and returned to society as taxpayers rather than as tax consumers.

Declaration of policy

SEC. 102. (a) While the primary responsibility for meeting the challenge and the problems of mental health is that of the States and communities, all levels of government are involved and must necessarily share in such responsibility; and it is therefore the policy of the Congress that the Federal Government shall work jointly with the States and their citizens, to develop recommendations and plans for action which will serve the purposes of—

(1) stepping up the research programs designed to discover cures and better methods of prevention, care, and treatment of the mentally ill;

(2) coordinating the interchange of ideas so that the findings of separate units can be combined to reduce duplication of efforts and expense and to effect the most productive methods in combating mental illness;

(3) increasing the availability of adequate treatment and trained personnel for mental health patients so that they can receive the full benefit from the advances we have made thus far, thereby speeding up the process of recovery and increasing the likelihood of the patient's return to society as a productive member;

(4) providing better chances for our youth to grow up in robust good mental health;

(5) disseminating to the public more extensive information on mental health problems so as to increase the understanding of what is involved, to help relieve the social ostracism, and to indicate how an individual and a community might meet the needs of the mentally ill; and

(6) encouraging United States participation in the activities and studies of the World Mental Health Year, 1960, and defining United States efforts in this field.

Definitions

SEC. 103. For the purposes of this Act—

(1) the term "Secretary" means the Secretary of Health, Education, and Welfare; and

(2) the term "State" includes the District of Columbia, the Virgin Islands, Puerto Rico, and Guam.

TITLE II—WHITE HOUSE CONFERENCE ON MENTAL HEALTH

Time and purpose of Conference

SEC. 201. (a) A White House Conference on Mental Health to be called by the President of the United States in June of 1960 in order to develop recommendations for further research and action in the field of mental health, which will further the policies set forth in section 102 of this Act, shall be planned and conducted under the direction of the Secretary of Health, Education, and Welfare who shall have the cooperation and assistance of such other Federal departments and agencies as may be appropriate.

(b) For the purpose of arriving at facts and recommendations concerning the utilization of skills, experience, and energies of the mentally ill and improving conditions under which competent medical help may be obtained, the Conference shall bring together representatives of Federal, State, and local governments, professional and lay people who are working in the field of mental health, and of the general public.

(c) A final report of the White House Conference on Mental Health shall be submitted to the President not later than ninety days following the date on which the Conference was called and the findings and recommendations included therein shall be immediately made available to the public.

Grants

SEC. 202. (a) There is hereby authorized to be paid to each State which shall submit an application for funds for the exclusive use in planning and conducting a State conference on mental health prior to and for the purpose of developing facts and recommendations and preparing a report of the findings for presentation to the White House Conference on Mental Health, and in defraying costs incident to the State's delegates attending the White House Conference on Mental Health, a sum to be determined by the Secretary, but not less than $5,000 nor more than $15,000; such sums to be paid only from funds specifically appropriated for this purpose.

(b) Payment shall be made by the Secretary to an officer designated by the Governor of the State to receive such payment and to assume responsibility for organizing and conducting the State conference.

TITLE III—GENERAL PROVISIONS

Administration

SEC. 301. In administering this Act, the Secretary shall:

(1) Request the cooperation and assistance of such other Federal departments and agencies as may be appropriate in carrying out the provisions of the Act;

(2) Render all reasonable assistance to the States in enabling them to organize and conduct conferences on mental health prior to the White House Conference on Mental Health;

(3) Prepare and make available background materials for the use of delegates to the White House Conference as he may deem necessary and shall prepare and distribute such report or reports of the Conference as may be indicated; and

(4) In carrying out the provisions of this Act, engage such additional personnel as may be necessary (without reference to the provisions of the Civil Service Act) within the amount of the funds appropriated for this purpose.

Advisory committees

SEC. 302. The Secretary is authorized and directed to establish an Advisory Committee to the White House Conference on Mental Health composed of professional and public members, and, as necessary, to establish technical advisory committees to advise and assist in planning and conducting the Conference. Appointed members of such committees, while attending conferences or meetings of their committees or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not exceeding $50 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons in the Government service employed intermittently.

TITLE IV—AUTHORIZATION OF APPROPRIATIONS

SEC. 401. There is hereby authorized to be appropriated such sums as Congress determines to be necessary for the administration of this Act.

DEVELOPMENT OF WATER POWER RESOURCES OF TRINITY RIVER DIVISION, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. LAFORE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. UTT] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. UTT. Mr. Speaker, 2 weeks ago the House Interior Subcommittee on Irrigation and Reclamation considered my bill to provide for the joint development of the water power resources of the Trinity River division, Central Valley project, California, by the United States and Pacific Gas & Electric Co., to reduce expenditures of the United States, to increase revenues of the United States, to encourage the most widespread use of the power generated at the lowest possible rates to consumers consistent with sound business principles, and for other purposes.

In support of the joint development proposal Under Secretary of the Interior Elmer F. Bennett delivered one of the hardest hitting, most forceful statements which I have heard from any public official in quite some time. Though I will not attempt to summarize Mr. Bennett's statement, I will quote some passages illustrative of the definite ideas succinctly and accurately expressed therein:

H.R. 5499 and H.R. 5521, like their predecessor bills, are the outgrowth of the engineering studies and negotiations for the sale of falling water which, by the Trinity Reauthorizing Act of August 12, 1955, the Secretary of the Interior was "directed to continue to a conclusion" and to report thereon to the Congress. * * * The studies and negotiations convinced the Secretary, and he so reported them and in his 1958 appearance before your committee, that joint development was in the best interests of the Central Valley Project, of the area and of the United States. * * *

In originally authorizing the Central Valley project in the act of August 26, 1937, the Congress specified that the generation and sale of electric energy was to be a means of financially aiding and assisting the

other purposes of the project, of which, of course, irrigation was the principal one. The pending legislation is fully in keeping with and is a logical outgrowth of that 1937 directive of the Congress.

Under Secretary Bennett then stressed four points:

1. Irrigation development will be as well provided for under the proposed joint development as under all-Federal development. The Department's first concern was to make certain the irrigation development of the Central Valley project—which is its essential purpose—would not be adversely affected by joint development of the Trinity division. The report of the Commissioner of Reclamation states that water releases would be made in the same manner and in the same priorities as under all-Federal development.

2. Power in the Trinity project should assist and can be used to assist multipurpose water development rather than to become a financial drag on that development.

Power produced at the Trinity powerplants will cost more than 7 mills; in fact, the cost may well exceed 8 mills. If it is sold at less than 5 mills, under the anticipated Federal rate schedule, this power would not produce revenues to assist irrigation. On the other hand, the estimated earned surplus under joint development * * * is $188,822,000 greater than under the Federal development. * * * These substantially larger surpluses can be made an effective aid to water development in this region.

After observing that the Bureau has under study new Central Valley developments to cost over $1.2 billion, Mr. Bennett stated:

In view of the small surplus remaining under all-Federal development with San Luis added, it seems clear that further development probably means either water revenues or power rates will have to be increased if the Congress decides to authorize these additional extensions of the Central Valley project.

The pooled rate for all Federal power, while undoubtedly an acceptable operating procedure, only masks the loss represented by diluting 7-mill cost in a 5-mill sale. * * * The substantial impairment in surplus which all-Federal development brings about amply demonstrates that the sum of the Central Valley project whole is less than the sum of the project parts, if you add federally developed Trinity power facilities.

3. The financial gains to the Federal Government from joint development, both in tax revenues and increases in the project surplus, far exceed the increased power costs to Federal agencies. The increase in Federal income tax revenues under joint development is estimated at $83 million over the 50-year period. This is more than double the estimated increased power cost to Federal agencies. * * *

4. Joint development results in a reduction of $60 million in the required Federal appropriation for the project. Representing the Federal Government, we have deemed it our duty, particularly under existing budgetary requirements, to conserve Federal funds when this can be done consistent with proper plans for development. The current budgetary situation compels me to observe that $60 million less for the Trinity division may well mean $60 million more for accelerated construction of other projects.

Joint development, then, would reduce the capital investment necessary to accomplish the primary purpose—irrigation—of the Trinity division. In addition, joint development will produce income which can be used as further assistance to reclamation.

These four points, which have impelled our recommendations, are not, I would like to make it clear, based upon any broad generalizations concerning Federal, public, or private power. * * * Furthermore, no precedent for general application would be established here.

After briefly summarizing the more important conditions of the proposed joint development agreements, Secretary Bennett referred to the bill's provision which gives the Government an option to recapture the power facilities upon 2 years' notice:

However, upon such recapture we would have on our hands the liability of power costing 7 to 8 mills and a 5-mill pooled selling rate, so we would be eating into the project surplus to dilute the loss. Therefore, the longer the Trinity powerplants remain in possession of the company before recapture, the greater the earned surplus as compared with an all-Federal development from the beginning of operations.

Putting it another way, the earlier we recapture the power facilities the worse off the Central Valley project is financially. What more dramatic proof could there be of the drain on the Central Valley project of an all-Federal Trinity power development?

In urging early action on this legislation Mr. Bennett stated:

It is imperative that power facilities design be completed and generating equipment be ordered so that the powerplants can be placed in operation in an efficient and orderly manner. For every year after July 1, 1963, that the powerplants are not in operation, the Federal Government stands to lose in potential net revenues about $1,500,000 under all-Federal development and about $4,800,000 under joint development.

The above excerpts from Mr. Bennett's statement show conclusively the merits of the utility's proposal which this Congress should accept for the many sound reasons spelled out by the Interior Department's Under Secretary.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ELLIOTT (at the request of Mr. RAINS) on account of illness.

Mr. ALFORD (at the request of Mr. TRIMBLE) on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REUSS, for 40 minutes, today.

Mr. PORTER, for 30 minutes, on tomorrow.

Mr. HOFFMAN of Michigan, for 10 minutes, today, tomorrow, and Wednesday.

Mr. CURTIS of Missouri, for 15 minutes, today.

Mr. HEMPHILL (at the request of Mr. ALBERT), for 60 minutes, on Wednesday next, vacating his special order for today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. STRATTON and to include extraneous matter.

Mr. ROOSEVELT and to include extraneous matter.

Mr. PUCINSKI in two instances and to include extraneous matter.

Mr. SMITH of Kansas (at the request of Mr. VAN PELT) and to include extraneous matter.

Mr. SCHWENGEL.

Mr. JENSEN and include a statement.

Mr. RHODES of Arizona.

Mr. BOWLES.

Mr. JONAS, to revise and extend his remarks made in Committee on H.R. 8575 and to include tables.

Mr. HARRIS, his remarks in Committee of the Whole today on the District of Columbia Stadium bill and to include two itemized tables.

(At the request of Mr. ALBERT, and to include extraneous matter, the following:)

Mr. CELLER in two instances.

Mr. MCDOWELL.

Mr. MOELLER.

Mr. HÉBERT in two instances.

Mr. FLYNN.

(At the request of Mr. LAFORE, and to include extraneous matter, the following:)

Mr. ALGER.

Mr. SAYLOR in two instances.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 258. An act to provide for certain reductions in the reimbursable construction cost of the Kittitas division of the Yakima reclamation project, Washington; to the committee on Interior and Insular Affairs.

S. 713. An act to revise the boundaries of the Zion National Park in the State of Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1071. An act for the relief of Nettie Korn and Manfred Korn; to the Committee on the Judiciary.

S. 1081. An act for the relief of Arshalouis Simeonian; to the Committee on the Judiciary.

S. 1152. An act for the relief of Alicja Zofja Batukiewicz; to the Committee on the Judiciary.

S. 1429. An act for the relief of Magdaleno V. del Rosario; to the Committee on the Judiciary.

S. 1448. An act to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln Birthplace National Historic Site; to the Committee on Interior and Insular Affairs.

S. 1557. An act for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim; to the Committee on the Judiciary.

S. 1702. An act for the relief of Franciszek Roszkowski; to the Committee on the Judiciary.

S. 1731. An act for the relief of Pacifico A. Tenorio; to the Committee on the Judiciary.

S. 2021. An act for the relief of Irene Milios; to the Committee on the Judiciary.

S. 2238. An act for the relief of Kenzo Hachtmann, a minor; to the Committee on the Judiciary.

S. Con. Res. 38. Concurrent resolution to print for the use of the Committee on the Judiciary additional parts of certain hearings on administered prices; to the Committee on House Administration.

S. Con. Res. 39. Concurrent resolution to print for the use of the Committee on the Judiciary additional copies of certain reports submitted by it and the Subcommittee on Antitrust and Monopoly; to the Committee on House Administration.

S. Con. Res. 41. Concurrent resolution to accept the statue of the late Senator Patrick A. McCarran for placement in Statuary Hall; to the Committee on House Administration.

S. Con. Res. 42. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of the late Senator Patrick A. McCarran; to the Committee on House Administration.

S. Con. Res. 43. Concurrent resolution to print proceedings of the presentation and acceptance of the statue of the late Senator Patrick A. McCarran for placement in Statuary Hall; to the Committee on House Administration.

S. Con. Res. 48. Concurrent resolution to promote peace through the reduction in armaments; to the Committee on Foreign Affairs.

S. Con. Res. 55. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Esther Morris, of Wyoming, and authorizing ceremonies on such occasion; to the Committee on House Administration.

S. Con. Res. 56. Concurrent resolution accepting the statue of Esther Morris, of Wyoming, for placement in the Statuary Hall collection; to the Committee on House Administration.

S. Con. Res. 57. Concurrent resolution to print as a Senate document the proceedings incident to the acceptance of the statue of Esther Morris, presented by the State of Wyoming; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4243. An act for the relief of Peter Sergeevich Deryabin, also known as Theodore Stanley Orel;

H.R. 4405. An act to authorize and direct the Secretary of the Interior to conduct studies and render a report on the feasibility of developing the water resources of the Salt Fork and the Prairie Dog Town Fork of the Red River in the State of Texas;

H.R. 4644. An act to credit to postal revenues certain amounts in connection with postal activities, and for other purposes;

H.R. 5849. An act to amend the act of July 7, 1958, providing for the admission of Alaska into the Union, relating to selection by the State of Alaska of certain lands made subject to lease, permit, license, or contract; and

H.R. 8283. An act making appropriations for the Atomic Energy Commission for the fiscal year ending June 30, 1960, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1289. An act to increase and extend the special milk program for children;

S. 1455. An act to amend the Agricultural Adjustment Act of 1938, as amended, with respect to the preservation of acreage history and the reallocation of unused cotton acreage allotments; and

S. 1512. An act to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on August 6, 1959, present to the President, for his approval, a bill of the House of the following title:

H.R. 7454. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

ADJOURNMENT

Mr. JOHNSON of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 6 minutes p.m.) the House adjourned until tomorrow, Tuesday, August 11, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1290. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated July 13, 1959, submitting a report, together with accompanying papers and an illustration, on a survey of Jordan River Basin, Salt Lake City Streams, Utah, authorized by the Flood Control Act approved June 28, 1938. (H. Doc. No. 213); to the Committee on Public Works and ordered to be printed with one illustration.

1291. A letter from the Postmaster General, transmitting a report of overobligations of two budgetary allotments as of April 3, 1959 and one as of June 30, 1959, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

1292. A letter from the Acting Secretary of the Treasury, transmitting a report covering claims paid during the 6 months period ending June 30, 1959, on account of the correction of military records of Coast Guard personnel, pursuant to 10 U.S.C. 1552(f); to the Committee on Armed Services.

1293. A letter from the Administrator, General Services Administration, relative to a proposed disposition of approximately 2,050 long tons of low-grade chromite now held in the national stockpile, pursuant to the Strategic and Critical Materials Stock Piling Act (53 Stat. 811, as amended, 50 U.S.C. 98b(e)); to the Committee on Armed Services.

1294. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend section 866(c) of the act entitled 'An act to establish a code of law for the District of Columbia,' approved March 3, 1901, as amended, relating to gambling"; to the Committee on the District of Columbia.

1295. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Bureau of the Mint, Treasury Department, for the fiscal years 1956, 1957, and 1958; to the Committee on Government Operations.

1296. A letter from the Assistant Secretary of the Navy (Personnel and Reserve Forces), transmitting a report of all claims for damage caused by naval vessels which have been paid during the fiscal year ending June 30, 1959, pursuant to section 7624(b) of title 10, United States Code; to the Committee on the Judiciary.

1297. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill for the relief of American President Lines, Ltd., Nitto Shosen Co., Ltd., and Koninklijke Java-China-Paketvaart Lijnen N. V. (Royal Interocean Lines)"; to the Committee on the Judiciary.

1298. A letter from the Assistant Secretary of the Navy (Personnel and Reserve Forces), transmitting a report of all tort claims paid by the Department of the Navy during fiscal year 1959, ending June 30, 1959, pursuant to title 28, United States Code; to the Committee on the Judiciary.

1299. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to amend section 1(e) of the act of August 1, 1947 (Public Law 313, 80th Cong.) as added by section 12(c) of the Federal Employees Salary Increase Act of 1958"; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of August 6, 1959, the following bills and joint resolution were reported on August 7, 1959:

Mr. McMILLAN: Committee on the District of Columbia. S. 746. An act to amend the act entitled "An act to regulate the placing of children in family homes, and for other purposes", approved April 22, 1944, as amended, and for other purposes; with amendment (Rept. No. 804). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 1371. An act to repeal the act approved March 3, 1897, and to amend the act approved December 20, 1944, relating to fees for transcripts of certain records in the District of Columbia; without amendment (Rept. No. 805). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. Senate Joint Resolution 52. Joint resolution directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the establishment, construction, and operation of heliports within the District of Columbia; without amendment (Rept. No. 806). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 6585. A bill to amend the District of Columbia Teachers' Salary Act of 1955, as amended; with amendment (Rept. No. 807). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8392. A bill to amend the District of Columbia Stadium Act of 1957 with respect to motor-vehicle parking areas, and for other purposes; without amendment (Rept. No. 808). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8527. A bill to exempt certain pension and other trusts established in the District of Columbia from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income; with amendment (Rept. No. 809). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8225. A bill to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription; without amendment (Rept. No. 810). Referred to the House Calendar.

Mr. SHEPPARD: Committee on Appropriations. H.R. 8575. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 811). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted August 10, 1959*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 812. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 6888. A bill to amend section 4132 of the Revised Statutes, section 37 of the Merchant Marine Act, 1920, and section 2 of the Shipping Act, 1916; with amendment (Rept. No. 813). Referred to the House Calendar.

Mr. ROBERTS: Committee on Interstate and Foreign Commerce. H.R. 8238. A bill to prohibit the introduction into commerce of new motor vehicles which discharge substances in amounts found by the Surgeon General of the Public Health Service to be dangerous to human health; with amendment (Rept. No. 814). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on Research in CBR (Chemical, Biological, and Radiological Warfare); without amendment (Rept. No. 815). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 47. A bill to amend the Internal Revenue Code of 1954 to provide a personal exemption for children placed for adoption; with amendment (Rept. No. 816). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H.R. 2164. A bill to repeal the cabaret tax; with amendment (Rept. No. 817). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of Illinois: Committee on Ways and Means. H.R. 2573. A bill to amend the Internal Revenue Code of 1954 with respect to the application of the estate tax marital deduction to widow's allowance or award; with amendment (Rept. No. 818). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 4384. A bill to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes; with amendment (Rept. No. 819). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 4576. A bill to transfer to the free list of the Tariff Act of 1930 book bindings or covers imported by certain institutions; with amendment (Rept. No. 820.) Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 4586. A bill to amend section 4021 of the Internal Revenue Code of 1954; without amendment (Rept. No. 821). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 5270. A bill to authorize the Secretary of the Interior to convey to the Metropolitan Water District of Salt Lake City, Utah, all right, title, and interest of the United States in certain lands located in Salt Lake County, Utah; without amendment (Rept. 822). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 7456. A bill to extend for 3 years the suspension of duty on imports of casein; with amendment (Rept. No. 823). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANFUSO: Committee on Science and Astronautics. H.R. 6288. A bill to establish a National Order of Science to provide recognition for individuals who make outstanding contributions in science and engineering; with amendment (Rept. No. 824). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on Foreign Affairs. House Concurrent Resolution 369. Concurrent resolution expressing the sense of the Congress against the seating of the Communist regime in China as the representative of China in the United Nations; without amendment (Rept. No. 825). Referred to the House Calendar.

Mr. MORGAN: Committee on Foreign Affairs. H.R. 3180. A bill to extend for an additional 3 years the time within which the State of Michigan may commence and complete the construction of certain projects heretofore authorized by the Congress; with amendment (Rept. No. 826). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of August 4, 1959, the following bill was introduced on August 7, 1959:

By Mr. SHEPPARD:

H.R. 8575. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

[*Introduced and referred August 10, 1959*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H.R. 8576. A bill to amend the Tariff Act of 1930 to extend to residents of the United States who are crew members on vessels, aircrafts, and other conveyances arriving in the United States, within specified limits, the same exemptions from duty on personal and household articles as are granted passengers arriving on such conveyances; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 8577. A bill to amend the Federal Corrupt Practices Act, 1925, to provide that candidates for election to Congress shall appoint a campaign treasurer to receive and disburse campaign funds, and for other purposes; to the Committee on House Administration.

By Mr. BURDICK:

H.R. 8578. A bill to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions; to the Committee on Agriculture.

By Mr. CELLER:

H.R. 8579. A bill to amend section 67c of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. GEORGE:

H.R. 8580. A bill to provide for the establishment of the Huron Indian National Historic Site, in the State of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HALPERN:

H.R. 8581. A bill to provide for holding a White House Conference on Mental Health to be called by the President of the United States in June of 1960, to be planned and conducted by the Secretary of Health, Education, and Welfare with the assistance and cooperation of other departments and agencies represented on the Federal Council of Mental Health; to assist the several States in conducting similar conferences on mental health prior to the White House Conference on Mental Health, and for related purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KILGORE:

H.R. 8582. A bill to authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande River near Los Indios, Tex.; To the Committee on Foreign Affairs.

By Mr. METCALF:

H.R. 8583. A bill to amend the Internal Revenue Code of 1954 so as to permit charitable contributions, bequests, transfers, and gifts to the United Nations Children's Fund (UNICEF) to be deductible for income tax, estate tax, and gift tax purposes; to the Committee on Ways and Means.

By Mr. GEORGE P. MILLER:

H.R. 8584. A bill to amend section 4472 of the Revised Statutes to provide that the disposition at sea of certain explosives and other dangerous articles shall be subject to regulation; to the Committee on Merchant Marine and Fisheries.

By Mr. ROGERS of Florida:

H.R. 8585. A bill to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park, and to add certain donated lands to such park; to the Committee on Interior and Insular Affairs.

H.R. 8586. A bill to amend section 106 of title 38, United States Code, to provide veterans benefits for female members of telephone operating units, Signal Corps, who served overseas during World War I; to the Committee on Veterans' Affairs.

By Mr. SAUND:

H.R. 8587. A bill to provide for the equalization of allotments on the Agua Caliente (Palm Springs) Reservation in California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SCHWENGEL:

H.R. 8588. A bill to provide for the annual audit of bridge commissions and authorities created by act of Congress, for the filling of vacancies in the membership thereof, and for other purposes; to the Committee on Public Works.

H.R. 8589. A bill to amend the Employment Act of 1946 to make stability of prices an explicit part of the economic policy of the Federal Government; to the Committee on Government Operations.

By Mr. SHORT:

H.R. 8590. A bill to provide a program for an Operation Bootstrap for the American Indian in order to improve conditions among Indians on reservations and in other communities, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SPENCE:

H.R. 8591. A bill to amend section 7 of the Federal Home Loan Bank Act so as to authorize additional directors for Federal home loan banks under certain circumstances; to the Committee on Banking and Currency.

By Mr. CLARK:

H.R. 8592. A bill to amend the Internal Revenue Code of 1954 so as to provide ac-

counting procedures whereby dealers in personal property may exclude from gross income amounts withheld by banks and finance companies on notes purchased from such dealers employing the accrual method of accounting; to the Committee on Ways and Means.

By Mr. FRIEDEL:

H.R. 8593. A bill to amend the act of June 23, 1949, as amended, to provide that telephone and telegraph service furnished Members of the House of Representatives shall be computed on a unit basis; to the Committee on House Administration.

By Mr. HAGEN:

H.R. 8594. A bill to provide for stabilization and orderly marketing in the poultry industry; to the Committee on Agriculture.

H.R. 8595. A bill to direct the Secretary of Agriculture to formulate and to put into operation a food stamp program, utilizing normal channels of trade; to the Committee on Agriculture.

By Mr. KING of California:

H.R. 8596. A bill to amend the Internal Revenue Code of 1954 with respect to the application, payment, and refund of the tax on use of highway motor vehicles; to the Committee on Ways and Means.

By Mr. McGOVERN:

H.R. 8597. A bill to provide for the development of a comprehensive family farm program, to bring the production of agricultural commodities into balance with demand therefor, to enable farmers to secure fair prices, to better utilize agricultural abundance in the Nation's interest at home and abroad, and for other purposes; to the Committee on Agriculture.

By Mr. MEYER:

H.R. 8598. A bill to amend the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Agreement Act of 1937) to require that prices stated in milk orders issued thereunder be expressed on a per quart basis; to the Committee on Agriculture.

By Mr. PATMAN:

H.R. 8599. A bill to amend the Small Business Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. WALTER:

H.R. 8600. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to eliminate double liability in certain cases; to the Committee on Education and Labor.

By Mr. CELLER:

H.R. 8601. A bill to enforce constitutional rights, and for other purposes; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8602. A bill to increase the maximum rate of mileage allowance for U.S. marshals traveling on official business, and for other purposes; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 8603. A bill to amend the act of October 30, 1951, by placing an annual limitation on publishers' second-class mail subsidies; to the Committee on Post Office and Civil Service.

By Mr. STEED:

H.R. 8604. A bill to provide a program of tax adjustment for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. DENT:

H.J. Res. 490. Joint resolution relating to restoration of freedom to captive nations; to the Committee on Foreign Affairs.

By Mr. PUCINSKI:

H.J. Res. 491. Joint resolution relating to restoration of freedom to captive nations; to the Committee on Foreign Affairs.

By Mr. RHODES of Arizona:

H.J. Res. 492. Joint resolution for the establishment of a commission to study the nonmineral public land laws of the United States to facilitate the enactment of a more effective simplified and adequate system of laws governing the transfer of title to public lands to individuals, associations, corporations and to State and local governments or their instrumentalities; to the Committee on Interior and Insular Affairs.

By Mr. SPENCE:

H. J. Res. 493. Joint resolution making a technical correction in section 5136 of the Revised Statues (relating to national banks); to the Committee on Banking and Currency.

By Mr. FOLEY:

H. Res. 339. Resolution to discharge the Committee on the District of Columbia from further consideration of the bill H.R. 4630; to the Committee on Rules.

By Mr. FRIEDEL:

H. Res. 340. Resolution providing two additional assistants for the document room, Office of the Doorkeeper; to the Committee on House Administration.

By Mr. PRICE:

H. Res. 341. Resolution authorizing the printing of the "U.S. Defense Policies in 1958" as a House document; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

Mr. LIBONATI presented a memorial of the State of Illinois relative to amendments to the law relating to GI insurance, making it possible for veterans to convert such GI insurance to other types of insurance, which was referred to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GOODELL:

H.R. 8605. A bill for the relief of Gustaf A. Lawson; to the Committee on the Judiciary.

By Mr. HARDY:

H.R. 8606. A bill for the relief of Katherine O. Conover; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 8607. A bill for the relief of Madge Wisdom Collier; to the Committee on the Judiciary.

By Mr. RIEHLMAN:

H.R. 8608. A bill for the relief of Keiser Ruei; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

250. By the SPEAKER: Petition of the mayor, Las Vegas, Nev., urging enactment of "home rule" legislation for the District of Columbia; to the Committee on the District of Columbia.

251. Also, petition of the city clerk, Reading, Pa., requesting enactment of Senate bill 1046 and House bill 4488, pertaining to labor; to the Committee on Education and Labor.

252. Also, petition of the executive vice president, Texas Manufacturers Association, Houston, Tex., commending the Congress for any action taken that has had for its purpose the balancing of the Federal budget through reduction in expenditures, and urging the Congress and the Texas delegation to support any effort designed to control inflation without impairing or restricting the free, unrestrained operation of our private competitive economy; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Blackmail Picketing in a Velvet Glove

EXTENSION OF REMARKS

OF

HON. WINT SMITH

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. SMITH of Kansas. Mr. Speaker, tomorrow we are supposed to start debate on the so-called labor bill. I am sure every Member of this body is well aware of the deep issues involved. Every segment of our society has a vital interest in this proposed legislation because it affects all the elements of our complex economic life. It has much emotional appeal to the general public—because it affects every man who labors within or outside the unions.

Perhaps no one has a greater interest than the man who wants to labor and earn his wages free from the demands of coercive, racketeering, power hungry labor bosses—whose sole interest seems to be to get more money in the boss-controlled union treasury, so that he can get more power over his own members and the public at large by spending this money on controlling to a greater extent the political affairs of his community, State, and Nation.

Too many people are of the opinion that whenever a State adopts a so-called right-to-work law that this would solve all so-called labor problems. Such is not the case.

I trust that my colleagues will read the following letter written by a labor boss in Wichita, Kans. This is the new modern Teamsters approach for unionization of all employees. Read it carefully because this method and technique can be applied to any employer in America. The approach, as indicated in this letter, is clever and diabolical—another example of Hoffaism run wild. The letter shows the draftsmanship of a skiller operator who is sure of himself after being carefully advised by a sharp legal practitioner.

The form of this letter was initiated in Chicago and was used there on Chicago employers where it was highly successful.

Here is the letter as delivered to six trucking firms in Wichita, Kans. These firms are now being picketed as of this date—yet there is no strike, no contract negotiation, no nothing except blackmail of the rankest, foulest odor:

CHAUFFEURS, TEAMSTERS, AND HELPERS,
LOCAL UNION NO. 795,
Wichita, Kans., July 22, 1959.

DEAR SIR: Local 795, IBT, has decided to embark upon a campaign to organize your

office and clerical employees. To induce your employees to join this union, we shall begin to picket your establishment on or about the 27th of July 1959. We assure you that the picketing will be entirely peaceful. We have instructed our pickets not to threaten, intimidate, or coerce anyone. If there is any violation of those instructions, please advise us and we shall see to it that corrective action is taken immediately.

We wish to make it clear to you that local 795 does not at this time represent, and of course we do not claim to represent, a majority of your office and clerical employees. Local 795 does not ask you to recognize it as exclusive bargaining representative for your employees, or indeed, ask you to recognize it for any purpose at this time. The purpose of our picketing is solely to call to the attention of union members and supporters of organized labor that your office and clerical employees are not members of local 795.

We hope that the demonstration of support of local 795 in its efforts to organize, which this picketing will produce, will persuade your employees to become members of our local union. When they do, they will join the thousands of other employees who are affiliated with the great International Brotherhood of Teamsters. In engaging in this picketing campaign, we are speaking for the members of our organization who are employed in businesses like yours and who feel the brunt of the unfair competition of your unorganized employees.

This point we must emphasize. We are not making any demand upon your company at this time to agree to or execute any contract with our union covering any of your employees. Under the law your company is permitted to recognize and bargain with our local union only after a majority of your employees have authorized the union to represent them. Therefore, even if your company should now or hereafter offer to recognize our union or enter into collective bargaining with us our union would refuse such an offer and we would continue to refuse until your employees lawfully authorize us to represent them. Should your employees desire to join our union, they may apply for membership at the office of local 795, 417 East English, Wichita, Kans., or ask one of the pickets for a membership application card which they can fill out and return to him. When we have received applications from a majority of your employees, we will contact your company further.

You should also understand that it is your right under the Constitution of the United States and under the National Labor Relations Act to advise your employees of the economic detriment which you and they will sustain as a result of the withholding of patronage from your concern by union members and sympathizers as long as they remain nonmembers of our union.

You may, in the exercise of your lawful rights, explain these detriments to your employees and urge them to apply for membership in the union and thereby acquire for themselves and for your company the good will of our union and its friends. You may not, and we are sure that you will not, threaten to take economic reprisal against your employees, or grant them benefits, to coerce their choice in this matter. However, we feel sure that if your employees, who have been carefully taught to look to you for leadership on matters affecting their employment, are convinced that it is your sincere desire that they join the union, they will quickly realize that acquisition of union membership at the earliest opportunity is in their best interest.

Yours very truly,

S. E. SMITH,
President and Business Representative.

Mr. Speaker, now that you have read this blackmail letter—do you believe there are very many small businessmen in your district who can survive this sort of blackmail?

Briefly this is what the letter says:

"We know the law, and the law says we can picket you as an exercise of free speech so long as we do it peacefully.

"We know, also, that our picket at your door will put you out of business because you will not be able to move goods so long as our picket is there.

"We are under no necessity to sell the union to your employees because you will compel them to join our membership as quickly as the picketing shoe starts to pinch.

"There is no occasion for us to use force and violence and risk possible injunction proceedings against us because you, Mr. Employer, will do our job for us. You'll have to—or go out of business.

"We don't care about what your employees think or want. They will join our union or they won't work for you.

"We don't care, either, for the supposed constitutional or moral rights of your employees. They lost their rights when the lawmakers and the courts ceased to protect them and delivered their economic destiny into our hands."

This is the question every Member must answer: "Shall Congress submit to these blackmail evils?" Can a $2-a-day man, carrying a placard, close up a business—under the guise of "It's legal because it is peaceful." We hear much about Iron Curtains—the Bamboo Curtain—the great free world society—but what about a curtain set up by a $2-a-day picket?

UAR Interference With Suez Canal Free Passage Not To Be Tolerated

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. CELLER. Mr. Speaker, once again, Israel has been forced to lodge a complaint with the Secretariat of the United Nations on Egypt's interference with freedom of passage through the Suez Canal.

This is not a matter which concerns Israel alone. We are faced with an infringement of maritime rights and a flouting of an international decision on the part of the United Arab Republic, which has gone a long way in establishing a dangerous precedent in the significant area of the freedom of the seas. Basic principles of maritime rights are being violated. It must be kept in mind that it is not only a matter of seizing Israeli ships but of seizing any ships which carry Israeli cargo, such as was done with the barring of the *Ingetoft* from transit through the canal because it carried Israeli cargo. This is only one incident in a long line of incidents.

Yet, the World Bank is seriously considering lending to the United Arab Republic a large sum of money for the enlargement of the Suez Canal. Thus, by indirection, we are placing ourselves in a dangerous position of incurring the continued violation of maritime rights. The World Bank should make no such loan just so long as the Arab Republic is using the Suel Canal as a weapon against a free State in its effort to strangle the economy of Israel. At issue here is not the enlargement of the Suez Canal. The need to do so might very well exist. At issue, is whether international commitments of the right of passage can be arbitrarily violated, and whether such violation shall be encouraged by the granting of the pending loan. Neither the Constantinople Convention nor the United Nations Security Council decision are sufficient, it would appear, to prevent the United Arab Republic from using the Suez Canal for its own political purpose. That the United Arab Republic could impound unlawfully and with impunity, mail bags and scientific equipment taken off Norwegian ships bound for Israel, is hardly an act that can be passively viewed by any of the adherents to international law.

I emphasize again that any active encouragement, among which I would include the granting of a loan by the World Bank for the enlargement of the Suez Canal, aids and abets the establishment of a precedent, which will some day reach forward to shackle us.

Depressed Area Legislation Is Needed Now

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. SAYLOR. Mr. Speaker, to thousands of American citizens, depressed area legislation is just as necessary today as it was a year ago. More so, in fact, for there has been an accumulation of misery in the intervening months. Another year has been added to the period in which so many willing hands have been idle due to reasons beyond their control. Industrial stagnation, which has prevailed particularly in communities where products of mines and plants have been deprived of markets by goods imported from across the seas, simply closes the door to job opportunities. It is destructive of ambition, incentive, and morale. It stunts individual, community, and national development.

But Congress cannot in conscience continue to ignore these conditions. Democratic representatives and Senators are among those of us who have introduced surplus labor legislation and have appealed for its enactment. I suggest that these voices be raised with renewed vigor, for time is running out on another session without accomplishment in this direction. Unless legislation is forthcoming, the leadership in this Congress must accept responsibility for an incongruity in which it rejects its own recommendation of the preceding session.

Mr. Speaker, a year ago Congress passed and sent to the White House the so-called depressed area bill. While that particular version of needed legislation was obviously too unsatisfactory to expect the President to attach his signature, there was nonetheless implicit in the measure an acknowledgment—by both the House and Senate—that legislation to assist surplus labor districts was necessary.

In the ensuing 12 months an encouraging number of unemployed men and women have returned to work, resulting in a highly favorable revision of surplus labor statistics by the Department of Labor. Unfortunately, however, the figures show no significant economic gain in numerous areas which have suffered most and over the longest periods of time. Included in those regions of prolonged and critical business activity are the neglected communities in Pennsylvania receiving no apparent benefits of the Federal Government's multibillion-dollar defense program.

In view of the continued distress in the most gravely-affected communities, Congress has been delinquent in failing to act on an admitted obligation. The new 86th Congress was organized in January, but there was no departure from the leadership that decided on the need for depressed area legislation in 1958. The same party is again in charge of both houses. I hope that the strategy employed last year—when a totally unacceptable bill was rushed through in the closing days of the session—is not responsible for the current delay. Political philandery is especially deplorable when hunger and want are involved.

Let us have action, Mr. Speaker.

A Bipartisan Commission To Study the Nonmineral Public Land Laws of the United States

EXTENSION OF REMARKS

OF

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. RHODES of Arizona. Mr. Speaker, today I have introduced legislation to establish a Bipartisan Commission To Study the Nonmineral Public Land Laws of the United States. The Commission will be charged with the responsibility of recommending to the next Congress a more effective, simplified, and adequate system of laws governing the transfer of title to public lands. I am convinced that the alternative to a new and modern system of land laws is chaos.

Every Member of Congress from our public land States knows that there is something drastically wrong with present methods of transferring title to our public lands to individuals, associations, corporations, and to States and local governments. With ever-increasing frequency we receive letters from our constituents complaining about the delay, redtape, and injustices they have experienced after applying for a tract of the public domain under our existing laws. These complaints are duly relayed by us to the Bureau of Land Management, which administers the laws. I know of no more frustrating experience than that of being advised by the Bureau that the application from my constituent will be taken up in its turn, but because of the present workload action should not be expected for at least a year.

Modernization of our nonmineral public land laws is long overdue. As this Nation expanded it was to the interest of our Government to get the public domain into private hands as rapidly as possible. The Nation needed revenue, our land needed developing, and the country needed the crops such development produced.

Laws to facilitate the transfer of the public domain into private ownership were enacted to meet the needs of the times. Altogether, some 5,000 private and public laws have been passed by Congress for this purpose. Many of those laws are still on the books and as a result our Government and its citizens are confronted with a patchwork of conflicts and contradictions.

The multiplicity of these laws governing disposal of the public domain has created intolerable administrative difficulties.

For example, a single tract of unreserved, vacant public domain can be covered simultaneously by applications under the Desert Entry, Small Tract, Homestead, Private Exchange, Soldier's Script Rights, Public Sale, Recreation, and Public Purposes, or State School Selection Acts. The cost to the Government of resolving these conflicts, of deciding under which act the tract should be disposed of and to whom, vastly exceeds the value of the land itself.

Compounding the confusion created by this hodgepodge of law is the ever-increasing pressure from our citizens, local governments, and industry for acquisition or use of the public domain. Under present laws, each application must be considered separately. The land involved must be examined and classified. Protests must be heard. Appeals must be decided. Conflicts must be resolved. In 1954, the Bureau started the year with a backlog of 25,013 cases to be adjudicated. By 1958, despite generous increases in appropriations to expedite these cases, the backlog had increased to 54,725.

A large number of these cases are traceable to the operations of land locators. Taking advantage of the present complexities of our public land laws, they have led thousands of our citizens to believe that the public domain is theirs for the asking. Their clients are not told that before they can obtain title under the Desert Land Act, the land must be irrigated and put into agricultural production. Assuming that water is available—which in most cases is not—this requires an outlay of over $25,000. Yet these land locators continue to bilk the general public out of millions of dollars per year by filing applications which they know are doomed to rejection. The administrative burden this imposes upon the Government is tying up effective management or transfer of the public domain.

The study commission proposed in my bill would limit its consideration to nonmineral public land laws. I do not mean to imply that there are not conflicts in other public land use statutes. It is, however, in the field of public land disposition where administrative burdens imposed by conflicting laws are penalizing the individual seeking land, the Government, and the taxpayer.

The commission would be bipartisan, three members to be appointed by the Speaker of the House, three by the President of the Senate, and three by the President. A thoroughgoing study of our nonmineral land laws has been needed for years. The redrafting of these laws to meet present-day needs of our people is a must. Until this is done, effective and efficient administration of the public domain is impossible.

Restoration of Freedom to Captive Nations

EXTENSION OF REMARKS

OF

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. PUCINSKI. Mr. Speaker, I have today introduced a joint resolution which I hope will receive the approval of Congress before we adjourn this session.

This resolution calls for an affirmation by Congress that it is the intent of the Congress of the United States that the people of the captive nations of Europe be given a right to choose their own philosophy of government and their own rulers in a spirit of complete freedom.

I am enclosing an editorial which appeared in the Washington Star, commenting on the unprecedented reception given our Vice President by the people of Poland during his recent visit to that country.

The estimated 250,000 Poles who greeted the Vice President of the United States upon his arrival in Warsaw should demonstrate to the entire free world the very profound yearning and respect that these Polish people have for the United States and for the principles of freedom. This was not necessarily an expression for Mr. NIXON but, rather, it was the only way the Poles could demonstrate their admiration for America and their traditional hatred of communism.

As the Washington Star points out in its editorial of August 4—

> Directly and indirectly, the people of Poland have said many eloquent things in the extraordinarily warm welcome they have accorded Vice President NIXON. In marked contrast to their lukewarm, if not sullen, reaction to Soviet Premier Khrushchev's recent visit, they have left no room for doubt that their heart belongs much more to the United States than to the U.S.S.R.

I firmly believe that the United States should now go on record, as categorically as we can, that we in this country and

the people of the free world in general share with the people of the captive nations their longing for freedom.

The adoption of the resolution which I have proposed today would indeed be a heartening reassurance to these people that their great dedication to the principles of freedom, which they continue to maintain despite the fact that they have had to live under Communist rule forced upon them after World War II, is greatly respected by those of us fortunate enough to live in a free country.

I am one of those who views with great concern the pending visit of Soviet Premier Khrushchev to this country. I do not think that it will serve the purposes announced by those who have arranged this visit. However, since the Soviet Premier is going to be in this country, I think that it is incumbent on the Members of Congress to make known to the President of the United States that when the Soviet Premier does come here, the President should firmly impress on him that this Nation must continue to view all Soviet foreign relations with suspicion so long as these captive nations are forcefully held in the Soviet orbit.

It should be made clear to Mr. Khrushchev that there is a true road to peace, and that road leads through the captive nations, which must be given an opportunity to choose their own government in free and unfettered elections supervised by the United Nations before tensions in Europe can be eased.

It should be made clear to Mr. Khrushchev that you cannot take the noble nations of central Europe and plunge them under Communist rule against their will and expect lasting peace in Europe.

If the Soviet Premier sincerely wants peace, let him demonstrate it to the free world by releasing the captive nations from their forceful rule by Moscow and let these nations voluntarily pick their own form of government.

Mr. Speaker, the Washington Star editorial, which I mentioned earlier, follows. I believe that it eloquently speaks out for the cause of a free Poland and all the other nations now being held captive by the Communists:

[From the Washington Star, Aug. 4, 1959]

CATALYST IN POLAND

Directly and indirectly, the people of Poland have said many eloquent things in the extraordinarily warm welcome they have accorded Vice President NIXON. In marked contrast to their lukewarm, if not sullen, reaction to Soviet Premier Khrushchev's recent visit, they have left no room for doubt that their heart belongs much more to the United States than to the U.S.S.R.

This is a fact that may be stated quite objectively, without any desire to draw invidious comparisons. The Poles and the Russians, after all, have been at odds for centuries, often in the most bitter way—under the Czars as well as under the Communists. Mr. Khrushchev himself, who presumably okayed the Warsaw regime's decision to invite Mr. NIXON, is too good a student of history to have to be told about this, and we may assume that he has not been particularly surprised by what has happened—hurt perhaps, but not surprised.

The truth is, of course, that there is a unique affinity—historical and affectionate—between our country and the Poles. Since that long-ago time when men like Pulaski helped George Washington to achieve victory over the British in the American Revolution, great numbers of these people, over a period of generations, have emigrated to the United States and played an important part in building it to its present greatness. Small wonder, therefore, that Mr. NIXON has gone through a sort of triumphal march in Warsaw.

But the plaudits of the great Polish crowds have been addressed not simply to the Vice President, but to our entire country and to the free way of life it stands for. Mr. NIXON in that sense, by his presence over there, has been a kind of catalyst. Just the sight of him has been enough to move the people—hundreds of thousands of them—to cry "Bravo, America!" and to make clear that years of Communist control (somewhat less stringent than in most satellite lands) have not succeeded in eradicating their love of liberty and their pro-American views.

Knowing the Poles as they do, Mr. Khrushchev and his colleagues in the Kremlin probably have not been taken aback by all this. Yet, since the same sort of mood prevails in varying degrees throughout their satellite empire, they must sometimes wonder most seriously about the loyalty of that empire and their ability to hold on to it. This is one of the subjects that Mr. K. is likely to be challenged on repeatedly, and at great length, when he visits our country next month.

Khrushchev Would Feel at Home at TVA

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. JENSEN. Mr. Speaker, under leave to extend my own remarks in the CONGRESSIONAL RECORD, I include excerpts from a newsletter of August 9 by Mr. Thurman Sensing, executive vice president of the Southern States Industrial Council, of Nashville, Tenn., as follows:

As more or less of a postscript, we notice a Senator has written the President a letter urging him by all means to have Mr. Khrushchev include a survey of the TVA in his tour of the United States. Well, if the thought is to make him feel at home, we should say that is a pretty good idea—because he will certainly find no free enterprise there. But what is Mr. Khrushchev himself to think, when we parade the TVA before him with pride, than that we are already aping his philosophy of state ownership and state control—and that we are already on our way toward making his prophecy about our grandchildren come true? We all want peace, yes, but must we obtain it at the expense of consorting with Communists and by the loss of our self-respect?

Mr. Speaker, it is noteworthy, but not surprising, since the organization which Mr. Sensing represents is located in the heart of the Tennessee Valley Authority, that he would dare make such a statment; but the facts are, Mr. Sensing, like most every patriotic, deep-thinking American who lives close to the scene, knows full well that the final effect of that socialistic, autocratic empire within our free Republic will bring nothing but dictatorship and misery to the good people of that vast area who are at this very minute dominated by a board of three men not elected by the people.

One of the most important duties of Congress, now and in the near future, is to keep the Socialists from organizing the other great river valleys in the United States of America and prevent the same fate as has befallen the people in the Tennessee River Valley—for if that should be accomplished then 27 men not elected by the people would be in complete control of the lives and property of every American.

I hope every reader of this statement will write me requesting a copy of my speech of May 4 on this all-important subject.

H.R. 8575

EXTENSION OF REMARKS

OF

HON. CHESTER BOWLES

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. BOWLES. Mr. Speaker, I appreciate this opportunity to express in greater detail my concern over one aspect of H.R. 8575 which was passed this afternoon. The Appropriations Committee's action in denying funds in this bill for new barracks at the naval submarine base in Groton, Conn., came as a shock and a surprise to all of us who have followed this situation closely.

Probably no single weapon in America's arsenal of defense is more promising and more vital to our position in the free world than the Polaris missile and the nuclear submarines which will carry it. This Congress has consistently recognized the value of the Polaris weapons system. Time and again we have cut through confusing and conflicting interservice rivalries to grant the highest priority to the Polaris concept. The Congress has shown the way to a reluctant Executive by increasing administration recommendations for Polaris authorizations and appropriations.

Mr. Speaker, the item deleted by the Appropriations Committee is the very heart of this program. It would have provided for the men who will give life to the Polaris program. Specifically, it would have provided housing for the hundreds of skilled submariners who will constitute the two crews of each Polaris submarine.

To eliminate this item, previously requested by the Navy and authorized by the Congress, simply does not make sense.

The Polaris program, as advanced as it is, cannot be put into operation without men. These men will be trained at the submarine school of the naval submarine base in Groton, the most advanced school of its type in the world. In May of this year the Navy announced that it considered the training of Polaris crews of sufficient importance to assign two crews to each Polaris submarine instead of the usual one. One crew will be

in training ashore at Groton while the other crew is at sea. This precedent-shattering move indicates the importance the Navy attaches to the Polaris program. Yet the committee action in deleting funds for housing for these men will seriously hamper the entire training program.

Mr. Speaker, when the authorization bill for this construction was before the Armed Services Committee earlier this year, there was no question as to the importance of this item. When the House passed the authorization bill there was no question as to its importance. Now, apparently, because of a feeling that the Navy might be able to use Government-owned land in the Groton area for this construction rather than acquire additional land, the entire item has been deleted. If the Appropriation Committee's action is ultimately sustained, we shall have seriously stalled one of the most important phases of our national defense.

It has been suggested, Mr. Speaker, that sectional rivalries for the site of the Polaris training school entered into the decision of the committee. I am sure this is untrue.

As every Navy man knows, Groton, Conn. is the submarine capital of the world. Officers and men from every one of our allies which maintains a submarine force have been trained there. It represents a concentration of facilities and know-how unduplicated anywhere on the globe.

The Navy, itself, has long since acknowledged the preeminence of the Groton base.

I am sure that the committee's action was well intended and in keeping with its traditional diligence in assuring American taxpayers with the maximum return on their tax dollar. Nevertheless, I am also sure that this action could only have resulted from a failure to realize the consequences to the vital Polaris program. I think it is essential that the full amount of $2,269,000 be restored before H.R. 8575 reaches the President for approval. If not, we will have unwittingly struck a seriously damaging blow to our national defense.

Publishers' Second-Class Mail Subsidies

EXTENSION OF REMARKS

OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. HÉBERT. Mr. Speaker, I feel impelled to rise in reply to the recent remarks of the gentleman from Pennsylvania [Mr. RHODES] entered in the RECORD on July 28, 1959, in support of H.R. 8433, introduced by him on that date to place an annual limitation on what he calls publishers' second-class mail subsidies.

The gentleman takes the flat position that the present second-class rate structure affords an unjustified subsidy to newspaper and magazine publishers.

I think it is only fair to call to the attention of the House, at the outset, the fact that the cost statistics which ornament the gentleman's remarks are supplied by the Post Office Department, itself.

The publishers have time and again demonstrated the illusory character of the Department's cost-accounting system. But it is not necessary to rely on the publishers alone for this demonstration.

A study of the record will show that this House has long ago learned that it must guard itself against so-called Post Office statistics.

As recently as 1954, the Post Office Department conducted a survey based on over 2,000 interviews, the questions asked being, in the opinion of Congressman DAWSON, of Illinois, chairman of the Committee on Government Operations, so framed as to bring out what the Department wanted to prove.

In fact, Mr. Speaker, that committee found, as stated in its 1956 report—House Report No. 2914, 84th Congress, 2d session, page 9—that "the timing of the survey to coincide with congressional consideration of legislation proposed by the Post Office Department to increase postage rates," and the circumstances surrounding its confection, "strongly support the conclusion that the survey was made and distributed" in direct violation of title 18, United States Code, section 1913.

Perhaps, Mr. Speaker, the gentleman from Pennsylvania is not aware of the total unreliability of data supplied to the Congress by the Post Office Department, for he asserted categorically, in his remarks in support of his bill, that what he calls subsidies to the publishers—and I quote his own words—"are carefully hidden in the overall bookkeeping operations of the Post Office Department"—page 14544.

For my own part, Mr. Speaker, I am entirely satisfied that it is really the excess revenues received by the Post Office Department over the cost of handling second-class mail matter, which, in the words of the gentleman from Pennsylvania, "are carefully hidden in the overall bookkeeping operations of the Post Office Department."

The system of accounting employed by the Post Office Department simply does not give appropriate consideration to the relatively low cost of handling second-class mail, which a proper accounting system would show.

For instance, the Post Office accounting system fails to take into account, the fact that, to save time, many publishers themselves transport a large part of their newspapers from the place of publication thereof, to delivering post offices; so that the Post Office Department, while collecting second-class mail rates for the entire transportation service, performs no part of it whatever except minimal ultimate terminal delivery.

It must be remembered, Mr. Speaker, that the present system of high zone rates on second-class mail matter, had its genesis in 1917, as a measure to raise revenue for the First World War.

That bill was not referred to the Post Office Committee of this House for consideration. It went to the Committee on Ways and Means, as a revenue measure.

As stated by one of my distinguished predecessors from Louisiana in this House, the Honorable J. Zach Spearing, of New Orleans, the 1917 postal revenue statute "was a war measure to seek additional income from any and every source possible, including the Post Office Department"; and he said that the publishers were to be commended for their patriotic attitude, because they "did not, at the time of the increases, make any complaint"—volume 69, CONGRESSIONAL RECORD, page 5783.

But, Mr. Speaker, even at the time that the first of these measures to raise revenue through increases in second-class mail rates was being considered in this House, the principle of keeping those rates low to conform to our concept of a free press was being emphasized.

At that time, for instance, Congressman Mondell, of Wyoming, called the attention of the House to the fact that—

> We have here established a rule common to all English-speaking people the world over, common to democracies the world over of treating the dissemination of news, of ideas, of literature differently from the manner in which we treat the transportation of cotton and bacon and ham. (55 CONGRESSIONAL RECORD, 2769.)

At the same time, Congressman Mann, of Illinois, pointed out (55 CONGRESSIONAL RECORD, 2765–2766):

> We spend every year in the United States hundreds of millions of dollars in primary education and a very large amount in college education for the youths. But the great educational force of the country is in the newspapers and magazines. * * * Now, no one would suggest that we close our schools by taxation for this purpose and spend it on the war. * * * The circulation of the newspapers and magazines throughout the country, with their advertisements, has contributed more to the growth of business in this country, unparalleled in the world, than any other single factor. * * * We can raise sufficient money in other ways, without endeavoring to lay the heavy hand of taxation upon those influences which have worked from the start for the best interests of the country.

Mr. Speaker, there can be no question that proper accounting will show that present second-class mail rates, with their special zone rates on advertising, are substantially in excess of the cost of handling mail matter of the second class in the post offices of the country.

Advertising, Mr. Speaker, is the great force primarily responsible for the freedom and independence of our press from undesirable influences.

As conceded by the gentleman from Pennsylvania in his address to this House just a few days ago—page 14545—"actually, the subscribers to these magazines would eventually pay for the increased postage costs."

Mr. Speaker, it is the subscribers to the newspapers and magazines who are paying the tax presently levied in the form of excess second-class postal rates

on the advertising content of publications passing through the mails.

I submit, Mr. Speaker, that this tax on advertising is an infringement of the freedom of the press guaranteed by our Constitution to those subscribers.

And I submit further, Mr. Speaker, that any contemplated increase in overall second-class postage rates, even in the guise of a limitation on so-called publishers' second-class mail subsidies, would be an aggravated infringement of the same fundamental constitutional guarantee.

The Control of Inflation by Making Price Stability an Explicit Goal of National Economic Policy

EXTENSION OF REMARKS

OF

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. SCHWENGEL. Mr. Speaker, my studies on the causes of inflation and its impact upon the various segments of our economy, have led me to suggest several areas where the Government could take specific steps to curb the disastrous effects of inflation.

One of the most elemental of these is the statement of policy which the Federal Government should make to insure that reasonable price stability is an explicit goal of our economic policy.

To do this, I have today introduced a bill which would amend the Employment Act of 1946 so that price stability can be included as an integral part of the economic policy of the country.

In addition to promoting maximum employment, production, and purchasing power under the act, my bill would add the simple but all-important statement, "at reasonably stable prices." This would become the new declaration of policy under the Employment Act of 1946.

In that section of the Employment Act dealing with the Economic Report of the President, my bill would call for the report to set forth also "current and foreseeable trends in price levels prevailing in the economy, and other steps, if any, which have been taken to counter inflationary and deflationary pressures arising within the economy."

The legislation which I am introducing would also call upon the Council of Economic Advisers to include among its duties the recommendation of policies on purchasing power and maintenance of a reasonably stable level of prices.

The President has recommended in his state of the Union message this year that the Employment Act of 1946 be amended to include reasonable price stability as an explicit goal of the Federal economic policy.

The interim report of the Cabinet Committee on Price Stability and Economic Growth recommended that Congress give highest priority to the proposal outlined by the President.

My friends, this is one of the elementary things which Congress can do: speak out clearly on price stability and thus assure the people that it is our goal to fight inflation at this level by every means.

I do not recommend forced price controls. In many respects, they would be worse than our present situation. Price controls always lead to wage controls and the freedom of the individual and our economy both suffer. Such controls have been in force in war time, but certainly they should not be justified in time of peace. Peace stability can be implemented with the same force and direction that we give to maintaining as full employment as possible; or full production; or full purchasing power. The policy needs the direction which a specific national goal, backed by the administration and the Congress, can give it.

There comes a time in the implementation of our economic policy when we should give the consumer a break. I agree with my colleague, Congressman WALTER JUDD who helped draft the original Employment Act of 1946, and who also sees the wisdom of amending that act now so that price stability is covered.

Congressman JUDD feels that when the combined forces of industry and labor increase productivity, which usually results in an increase in wages and profits, there should also be some thought given to price reductions. I concur that one of the rounds in the wage-price spiral should veer off to benefit the consumer. Whenever possible, give him a reduced price to lower the cost of living and help improve his purchasing power. You can see how much we would broaden the base of purchasing power if we were to think in terms of reduced prices for the consumer once in a while.

At the present time one of America's largest industries is in the throes of a costly strike. Wages in the steel industry are high. Profits have been high also. There is no doubt in my mind that steel prices can be reduced and the normal workload carried on with a reasonable cost-of-living increase in wages, or comparable fringe benefits, and still give a tremendous boost to the average consumer who is seeing his purchasing power dwindle more each time there is a strike which increases wages and inevitably increases prices. What a great thing it would be to give the consumer a seat at the bargaining table and to consider his stake. We would really be combating inflation then.

I am also disturbed by the announcement that one of the major oil companies might increase the price of gasoline; only a cent a gallon to be sure, but, nevertheless, another increase. Nothing I have read or heard to date convinces me that there is any solid justification for an increase. We all know that it would spread to the other companies and the consumer would be nicked again.

This is the time to hold the line; to use every voluntary means of holding down prices. When we do this we halt the spiral; we improve the purchasing power of the average individual and we make a solid blow against the cruelest tax of all—inflation.

Congress has the power to act in seeing that price stability is forthrightly enunciated as one of the goals of our economic policy. This would be the opportune time to make the simple, but important, changes which we need to put the Federal Government on the side of those taking earnest steps to control inflation. Whether it is my bill, or one of similar intent, is not important. The important thing is to write this language on price stability into law so that our future programs will be governed by it.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. ALGER. Mr. Speaker, the following is my newsletter to constituents dated August 8, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

AUGUST 8, 1959.—The floor fight of the year in the House of Representatives is approaching; the subject—the controversial labor bill. Historically, the evolution of collective bargaining from countless local employer-employee agreements to nationwide and industrywide negotiations, from private settlement of differences of wages and working conditions to the mandate of Federal labor law, from a union resolution mailed to a legislator to all-out campaigning for and against lawmakers—all this and more will be a part of the debate. Unions have grown due to a recognition, by all, of workers' legitimate needs; but with that growth has come power and the not infrequent abuse of power. Growth often ended in monopoly, above and beyond reach of the Nation's laws—ended in cruel and greedy control of working people by dictatorial bosses. These facts and trends have been pointed up over and over again, beyond all dispute, by the McClellan committee hearings.

So what did Congress do? Last year, a weak and therefore worthless Kennedy-Ives bill was passed by the Senate and killed by the House. Later, politicians used their support or rejection of this bill to explain their position on labor legislation. The public, more curious than aroused, listened and voted. Even more labor-supported candidates were elected to Congress. Now an indignant citizenry expects labor legislation to be passed which will correct the outrageous abuses pointed up by the McClellan committee. A somewhat stronger labor bill was passed by the Senate this year. The House Labor Committee, however, reported a watered-down version, which I will call the committee bill. Unsatisfied with this, some members of the committee set to work drafting a bipartisan substitute bill (Landrum-Griffin) with "teeth" in it. This bill meets several of President Eisenhower's earlier requests of Congress for corrective labor legislation. Now the question is, can enough votes be mustered in support of this substitute bill from the Republicans (total 153) and the Democrats (256) to make a majority of 219?

The differences between the committee and substitute bills can best be summarized in these five basic areas, none of which was adequately covered by the committee bill: (1) Rights of union members: The substitute bill restores the bill of rights to union members (free speech, secret vote, fair dues, etc.); (2) union finances: The substitute bill requires all unions to make financial reports (committee bill would exempt 70 percent of unions from this reporting), the lack of which has cost union members approximately $10 million already in graft and corruption; (3) no man's land: Under present law many small unions and little businessmen with small troubles are denied access to the National Labor Relations Board and yet are prevented from seeking recourse to State courts or agencies. In this no man's land they can find no protection from racketeering elements; (4) blackmail picketing: The present unscrupulous use of picketing to (a) force recognition of a union which the employees themselves have rejected; or (b) force an employer to recognize one union while the law requires him to recognize another, would be barred by the substitute bill. Legitimate picketing would not be affected; (5) secondary boycotts (including hot cargo): Coercion by unions of other employees or firms, who are in no way involved in a labor dispute, in order to aline them against a business with whom the union has a disagreement would be prevented by the substitute bill. Violence and racketeering are particularly prevalent in this field, but the committee bill is all but silent on the subject.

The substitute bill is not punitive nor in any way harmful to legitimate union leaders and members, but rather protective of both. In fact, this is a minimum bill. Anything less, such as the committee or Senate bills, would be worthless. The great danger is a whitewash of the abuses of monopolistic and dictatorial power. My own belief is that a measure such as H.R. 8003, which I introduced, placing unions under the same antitrust sanctions applicable to everybody else, is necessary. (1) Restrictive trade practices, and (2) restraints of trade, forbidden by H.R. 8003, are areas only partially covered even by the substitute bill. Public pressure based on accurate understanding of the facts—facts that include: (a) The McClellan committee findings, and (b) the meanings of the various labor bills, and (c) the lobbying pressures on Congressmen—is necessary. As usual, the legislation that's passed will result from what the people want. It's up to John and Jane Doe now.

The adjournment date of Congress is still more uncertain, although it may be affected by Khrushchev's impending visit. Some Members of Congress, including me, do not welcome the thought of a speech to a joint session of Congress by the Communist boss.

Controversial pending legislation hangs in the balance. Some may be postponed to next year's session for action.

Some Observations on the Exchange of Visits With Khrushchev and Its Expected Impact on Our Foreign Policy

EXTENSION OF REMARKS

OF

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. STRATTON. Mr. Speaker, I know that many Members have given a good deal of thought to the exchange of visits between President Eisenhower and Soviet Premier Khrushchev, which will take place later this fall, and the implication which these visits may have on our foreign policy. In that connection, I ask unanimous consent to include in the RECORD my current newsletter to the people of the 32d Congressional District of New York, in which I outline my views on this important subject in some detail.

The newsletter follows:

While the House of Representatives waited last week for the all-important debate on labor legislation which is scheduled to begin on Tuesday, the second most important topic of conversation here has been the impending September visit of Prime Minister Khrushchev to the United States, and President Eisenhower's visits to the NATO countries later this month and to the Soviet Union in the fall.

In general, comment here in Congress on President Eisenhower's decision has been favorable although it has also been cautious. We recognize, of course, that the Geneva talks have ended in failure, with the Russians refusing to back down from their earlier demands that we get out of Berlin. We recognize too that this is the kind of visit which Mr. Khrushchev has always wanted to make, and which, until now, President Eisenhower has steadfastly opposed in the absence of any area of agreement at the lower foreign ministers level. To this extent Khrushchev seems to have won.

On the other hand, there has now been an exchange of visits by the Soviet Deputy Premiers Mikoyan and Kozlov in one direction and Vice President NIXON in the other. Most people on Capitol Hill, regardless of party, would agree, I think, that Mr. NIXON's visit to Russia and Poland has been an outstanding success. He conducted himself with great dignity and ability, and by defending American principles in open face to face no-holds-barred debate with Khrushchev he has succeeded in breaking through some of the formal diplomatic barriers that have surrounded so much of our dealings with the Russians.

Vice President NIXON is convinced himself that the invitation to Khrushchev has been a wise move. I'm inclined to agree simply because this visit will make it possible for Mr. Khrushchev, who has never been to this country before, to see for himself that the American people are solidly behind our Government in opposing communism and all communism stands for and that we have the determination and will to fight for what we believe in if need be.

One of the real dangers in the cold war, as most experts have recognized, is that the Soviets might make the same kind of fatal miscalculation about us and our intentions as the Japanese did when they struck at Pearl Harbor. A trip to the United States by Mr. Khrushchev ought to convince him we are not softies, as the Japanese leaders so foolishly thought. If we can convince him of this we may prevent any similar miscalculation by the Russians, with regard to Berlin or Formosa, or any other critical trouble spot.

If the Khrushchev visit does nothing more than this, it will certainly have contributed to our national security.

On the other hand, most people down here also recognize very realistically that the Khrushchev visit is not likely to alter the general situation in the cold war. Mr. Khrushchev is still the same brutal dictator he has always been. Showing him politely around Washington, New York, or other parts of our country does not by any means indicate that we subscribe to his actions in making prisoners of the captive peoples behind the Iron Curtain in countries like Poland, Lithuania, Czechoslovakia, and Hungary. Or just because Mr. Khrushchev may make a few bad jokes at a party in this country doesn't mean that we would be wise in backing down on our policy of firmness in Berlin. Even the face-to-face discussions between the Soviet dictator and President Eisenhower are not going to change the basic objectives and designs of Soviet policy, which are to spread communism over the world and bury capitalism, as Khrushchev has so often threatened to do. This is still their basic intention.

Nevertheless, these forthcoming trips by Preisdent Eisenhower are significant because they mean that the President is playing an increasingly more direct and personal role in the conduct of our foreign policy. Because of his wartime experience, and his admitted ability at dealing with people personally, I can't help but feel that these visits may help at least to clear the air, and give us the chance to look at the exact area of our differences from a slightly new angle. This in itself will be worth while, because, with the tremendous destructiveness of modern nuclear weapons, all of us must do our best to try to find a formula for peace.

I'm particularly pleased that President Eisenhower will be going abroad first to visit our NATO allies. This trip will underscore, before the Eisenhower-Khrushchev talks begin, our determination to keep our NATO alliance together, which seems to be the one thing which Mr. Khrushchev objects to most strenuously. I have just one suggestion for the President, and that is that he include in his visit a personal appearance in West Berlin. Berlin and the whole German question are still a major point of difference between us and the Communists, as Khrushchev has just recently made clear again. By making a personal visit to West Berlin, Mr. Eisenhower will underline in the clearest possible terms that Khrushchev's visit to Washington in no way reflects any change in our determination to stand behind the people of Berlin against the threat of Communist aggression. I hope Mr. Eisenhower will add this extra stop to his itinerary, because I am sure it will relieve the minds of many people who otherwise are seriously troubled over the Khrushchev visit.

Notice of Hearings on Proposed Legislation Which Would Provide an Exemption From the Antitrust Laws To Authorize Cooperative Associations of Milk Producers To Bargain With Purchasers Singly or in Groups, and for Other Purposes

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. CELLER. Mr. Speaker, as chairman of the Committee on the Judiciary, and as chairman of its Antitrust Subcommittee, I wish to announce the commencement of hearings on S. 753 and H.R. 7191, to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups, and for other purposes.

It is the Antitrust Subcommittee's intention to hold hearings on these bills August 20 and August 21, 1959. All persons who wish to appear and testify at hearings on these bills are requested to

notify Mr. Herbert N. Maletz, chief counsel, Antitrust Subcommittee, room 230, Old House Office Building, telephone Capitol 4-3121, extension 4853, as soon as possible.

Unrestricted World Travel by the People, as Well as Heads of Government, Can Only Bring About Better Understanding Between People Everywhere

EXTENSION OF REMARKS

OF

HON. HARRIS B. McDOWELL, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. McDOWELL. Mr. Speaker, unrestricted world travel by the people, as well as heads of Government, can only bring about a better understanding between people everywhere in a world which has grown really quite small.

It is the people, and especially the young people, who can learn and who can profit from travel and from living for awhile, be it ever so brief, among other peoples and in other nations, for they will be tomorrow's leaders.

There can be no strangers in this world since there are no longer faraway places in these days of the jet transport.

The free world must welcome the opportunity which the Vice President has opened up for further development of exchanges of people and of cultural programs.

In his Moscow television speech, Vice President NIXON declared:

> Both the exchange of persons and the cultural exchange programs should not only be continued but sharply expanded. The more Americans who visit and get to know firsthand the people of the Soviet Union and the more Soviets who do the same in the United States, the better understanding we shall have.

Both World War I and World War II grew out of basic miscalculations on the part of the leaders of Germany as to what the reaction of America and the free world would be. We cannot disarm, nor can we hope for peace until the leaders of the Soviet Union know America well enough to avoid similar miscalculations about our people and our iron purpose to maintain the freedoms which we consider essential.

The Eisenhower-Nixon policy of barnstorming exchanges between top Government leaders can be looked upon by the American people with approval if later developments do not indicate that it comes about only as a result of the failure of the Geneva Conference.

The gladhanding of top officials, however, can be misleading. We in the United States must remain firm as we calmly evaluate the newspaper headlines reporting the outward actions and words of the candidates for national and world acclaim.

It is unfortunate that we cannot know what goes on behind the closed doors of secret diplomacy. There must be no more Pearl Harbors for the American people to regret.

It is interesting to note that a spontaneous movement to promote closer relations between teachers of the East and West has developed in Washington, D.C., at an assembly of the World Confederation of Organizations of the Teaching Profession.

The New York Times of August 6, 1959, reports that the move came when delegates from several European nations offered to set up programs to exchange information with Asian representatives.

Dr. William G. Carr, secretary-general of the confederation, hailed the plan for exchanges. Dr. Carr, who is also executive secretary of the National Education Association, said that foundation support would be sought to make the exchanges possible. The organizations represented at the meeting in the Nation's Capital represents some 3 million teachers throughout the world.

I have recently introduced a bill, H.R. 7533, to amend the International Cultural Exchange and Trade Fair Participation Act of 1956 to authorize the President to provide for participation by foreign governments and citizens of other countries in artistic and cultural activities in the United States.

This bill amends Public Law 860, 84th Congress. This legislation, first, would make the President's special international cultural exchange program a true two-way exchange program which it is not at present; second, provide for the inclusion of students of and teachers in educational institutions in the United States and abroad. The major if not whole emphasis of this program at present is on the professional. Van Cliburn was a product of the Juilliard School of Music; Jaime Laredo, who won first prize recently in the Queen Elisabeth of Belgium International Music Competition, was a graduate of the Curtis Institute, yet these and other great American artists have not been included in the President's special international program.

Another provision of this bill, H.R. 7533, would enlarge the present Advisory Committee on the Arts in the Department of State from 9 to 21 members. The 12 members of the Advisory Committee on the Arts first appointed under the provisions of H.R. 7533 must be appointed by the Secretary of State from among persons nominated by the following organizations: the Music Educators National Conference, the American Educational Theater Association, the College Art Association of America, the National Art Education Association, the National Council of the Arts in Education, the American National Theater and Academy, the National Music Council, the American Federation of Arts, the American Institute of Architects, the National Education Association, the American Council on Education, the American Council of Learned Societies, the Association of American Colleges.

This bill, H.R. 7533, also provides that the Commissioner of the U.S. Office of Education shall be Vice Chairman ex officio of the Advisory Committee on the Arts of the Department of State.

If this administration is really serious about expansion of the exchange of persons and the cultural exchange programs it will strongly support my bill, H.R. 7533, and similar legislation which is before the Congress at this time which has been introduced by the gentleman from New Jersey [Mr. THOMPSON] and Senator HUBERT H. HUMPHREY, coauthors of the Humphrey-Thompson Act, Public Law 860, 84th Congress.

I include the text of my bill, H.R. 7533, a New York Times article, and an article by Doris Fleeson which appeared in the Washington, D.C., Evening Star of August 4, 1959:

H.R. 7533

A bill to amend the International Cultural Exchange and Trade Fair Participation Act of 1956 to authorize the President to provide for participation by foreign governments and citizens of other countries in artistic and cultural activities in the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3 of the International Cultural Exchange and Trade Fair Participation Act of 1956 (22 U.S.C. 1992) is amended by inserting "(a)" immediately after "SEC. 3." and by adding at the end thereof the following new subsections:

"(b) The President is authorized to provide for participation by foreign governments and by citizens of other countries in activities in the United States similar to those provided for in subsection (a) of this section and section 12 of this Act, except that he shall not provide for the participation of industrial or trade exhibitors or exhibits in trade and industrial fairs in the United States under this subsection.

"(c) (1) Students of and teachers in, educational institutions in the United States who are sent abroad, either individually or in groups, under the provisions of this Act shall be selected through the Institute of International Education or a comparable organization which shall also arrange for their tours abroad and for their participation and presentations in festivals, competitions, and exhibitions abroad.

"(c) (2) Students of, and teachers in, educational institutions in foreign countries who are brought to the United States individually or in groups under the provisions of this Act shall be selected through an agency of the government of the country in which they reside, or through the Institute of International Education or a comparable foreign organization. The tours in the United States of such foreign students and teachers and their participation and presentation in festivals, competitions, and like exhibitions in the United States shall be arranged for by the Institute of International Education or a comparable organization."

(b) Paragraph (1) of subsection (a) (as designated by subsection (a) of this section) of section 3 of such Act is amended (1) by inserting "professional or nonprofessional" immediately before "creative", and (2) by inserting immediately after "groups" the following: "(including individuals or groups from educational institutions)".

SEC. 2. Section 2 of the International Cultural Exchange and Trade Fair Participation Act of 1956 is amended (1) by inserting "(1)" immediately after "nations by", (2) by inserting "including cultural developments and achievements of students and teachers in educational institutions in the United States)" immediately after "people of the United States", and (3) by striking out "throughout the world;" and inserting in lieu thereof the following: "throughout the world, and (2) facilitating the presentation in the United States of the artistic

and cultural contributions and achievements of the peoples of foreign countries;".

SEC. 3. Section 5 of the International Cultural Exchange and Trade Fair Participation Act of 1956 is amended by adding at the end thereof the following new sentence: "Not less than 20 per centum of the funds appropriated pursuant to this section shall be expended to carry out the provisions of section 3(c)."

SEC. 4. (a) Subsection (a) of section 10 of the International Cultural Exchange and Trade Fair Participation Act of 1956 is amended (1) by striking out "from among its membership and nine other members appointed by the Secretary of State." and inserting in lieu thereof the following: "from among its membership, and a Vice Chairman ex officio who shall be the Commissioner of the United States Office of Education, and twenty-one other members appointed by the Secretary of State."; and (2) by inserting immediately before the period at the end thereof a comma and the following: "including national educational organizations in such fields".

(b) The twelve members of the Advisory Committee on the Arts first appointed to the offices created by the amendment made by clause (1) of subsection (a) of this section shall be appointed by the Secretary of State from among persons nominated by such organizations as the Music Educators National Conference, the American Educational Theater Associations, the College Art Association of America, the National Art Education Association, the National Council of the Arts in Education, the American National Theater and Academy, the National Music Council, the American Federation of Arts, the American Institute of Architects, the National Education Association, the American Council on Education, the American Council of Learned Societies, and the Association of American Colleges. The term of office of three of the members first appointed to such offices shall be one year, notwithstanding the provisions of section 10(d) of such Act.

SEC. 5. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately after section 104 thereof the following new section:

"SEC. 104A. There is hereby authorized to be appropriated for the fiscal year beginning July 1, 1959, and for each succeeding fiscal year, from the foreign currencies which accrue under this title, not to exceed the equivalent of $5,000,000 for financing the translation, production, and distribution of educational motion pictures and filmstrips abroad."

[From the New York Times, Aug. 6, 1959]

EDUCATORS PLAN WORLD EXCHANGE—OFFER OF ASIAN AND EUROPEAN DELEGATES INVOLVES BOTH TEACHERS AND PUPILS

(By Leonard Buder)

WASHINGTON, AUGUST 5.—A spontaneous movement to promote closer relations between teachers of the East and West developed here today at the annual assembly of the World Confederation of Organizations of the Teaching Profession.

The move came when delegates from several European nations offered to set up programs to exchange information with Asian representatives. The exchange, first, proposed by the Netherlands teachers' organization, would involve pupils as well as teachers.

Dr. William G. Carr, secretary-general of the confederation, hailed the plan. Dr. Carr who is also executive secretary of the National Education Association of the United States, the host organization for the assembly, said that at first the program would be limited largely to an exchange of correspondence and educational materials.

However, he said that foundation grants might be obtained later to make it possible for teachers from eastern and western countries to visit each other.

The confederation's resolutions committee met today to draft its report. It is expected to present a resolution tomorrow calling for condemnation of their treatment of teachers. The assembly ends tomorrow.

A special report submitted earlier to the assembly asserted that East Germany forced its teachers to promote communism in and out of the classroom and to spy and inform on pupils and parents.

The only Communist country represented at the assembly is Yugoslavia.

About 700 delegates and observers from 74 countries are attending the assembly, which is the first in this country since the world organization was established in 1952. The confederation represents, through it member groups, more than 3 million teachers.

Sessions are being held at the Mayflower Hotel and the headquarters building of the National Education Association.

[From the Washington (D.C.) Evening Star, Aug. 4, 1959]

CHANGE OF DIRECTION ON VISITS: INVITATION TO KHRUSHCHEV IS CALLED EMOTIONALLY DIFFICULT FOR SOME IN UNITED STATES

(By Doris Fleeson)

It was difficult to tell at his hastily summoned press conference whether President Eisenhower was relaxed and happy over his decision "to melt a little bit of the ice that seems to freeze our relations with the Soviets."

He spoke pleasantly enough, though showing a slight trace of irritation over the fact that so important a command decision should have been "one of the worst kept secrets of our time." This may have been only a reversion to his military days when such abundant leakage about so delicate a subject would have been unthinkable.

Certainly the President has had the green light from most political intersections for his exchange of visits with Soviet Premier Khrushchev. There can be little question that the people, not only of the United States but of the world, will go a long way in the name of peace. The new generations feel in their bloodstream the nuclear threat as older men and women cannot.

With the diplomatic instinct which served him so well during the war and can almost be said to have made him President, Mr. Eisenhower will see the major Western allies before the Soviet exchange. It was a commonplace at Geneva that General De Gaulle is happy about practically nothing touching upon the Soviet Union and that Chancellor Adenauer of West Germany is not far behind him.

Yet with all the Eisenhower support at home, and his sound intention of touching his bases before the face-to-face encounters with Khrushchev begin, the new project is one of those enterprises of great pith and moment whose currents may turn awry. The President has been a part of some great decisions that now can be defended only as a good idea at the time, such as allowing the Russians to reach Berlin first in World War II.

He also saw, and later became a part of, Republican use of the Yalta Conference failures in order to win elections at home. It is a wry irony, freely commented on in Congress after the President's announcement, that a Republican administration should now be heading toward conferences with the Soviet Premier, both here and in Russia, without even the excuse of a wartime alliance.

To make this possible, Stalin and Franklin Roosevelt had to die. Only Winston Churchill of the Yalta decision makers lives on, a stout champion of its validity in the context of its time. It could even be that John Foster Dulles would have had difficulty in adjusting to the present pace of East-West relations.

The Republican right wing is already showing some sensitivity to cloakroom jokes about Vice President NIXON'S "courtship of the Russians." This is the spot where the President's moves may be sourly regarded, but it is out of power in Congress and generally throughout the country.

Entirely apart from political considerations, there will also be Americans who find the change of direction emotionally difficult. Yet it seems clear that another watershed of history is here and demanding exactly the kind of direction the President proposes to give it.

The President emphasized that the Khrushchev exchange was for a "personal visit" and had no connection with a later summit meeting. He specifically disavowed negotiation and emphasized he could not speak for the Western Powers, only for the United States.

Yet in the light of the President's powers over foreign policy—the powers of which every President is most jealous—the Nixon journey is tourism and the Congress can do very little. And for his part, Khrushchev has repeatedly indicated that he would like to do a lot of business with the President of the United States.

The Khrushchev Visit

EXTENSION OF REMARKS

OF

HON. WALTER H. MOELLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. MOELLER. Mr. Speaker, I share with millions of my fellow Americans a feeling of profound disturbance over the press acclaim which has been given to the decision by President Eisenhower to invite Nikita Khrushchev to this country and to pay him a return visit later this year. I am more than disturbed, but I do not wish to be intemperate in addressing the Congress and so I will not reveal the full depth of my feelings when I think of this disgraceful affair.

I will try to be objective and to list dispassionately my reasons for opposing the plan to welcome the Soviet dictator as an honored guest of an American President. I do not say the guest of the American people, because in my heart I am convinced that the majority of Americans will not welcome him and that they wish wholeheartedly that he had never been asked to come here.

First, Khrushchev in his own person and as the representative of Communist terrorism comes to us with bloodstained hands and all of his smiles, his buffoonery, and his peasant charm will never cleanse them. The blood of Hungarians, of Poles, of Ukrainians, of Tibetans, of Germans, of the Baltic peoples, of Koreans, of Chinese, and of countless others will not wash away. Every American who looks upon him while he is here should take a good look at those hands and in his mind's eye picture them newly stained with our blood and that of our children, which is the avowed aim of his regime and of Khrushchev himself. This is the man we are asked to greet as

a representative of a friendly people. Let any Russian peasant or Russian worker come and we would welcome them for they too have suffered, but let us not be asked to extend the hand of friendship to their tormentors. The blood will inevitably cling to us from such a handshake.

Second, this invitation and this visit are a sign of a craven yielding to blackmail and nothing more. When Khrushchev voiced his threats against the free people of Berlin and their American, French, and British protectors the citizens of this country did not quiver in fear. It appears, however, that in spite of the brave words voiced by our leaders at that time there was some quivering among them. How else can we explain this evidence of irresolution? It will certainly be as plain to Khrushchev as it is to me and to any thinking American that when our President asked him to come here it was not because he was welcomed as a friend, but that it was to treat with him as a blackmailer who threatened our security. How much success do you think you would have in persuading a man with a loaded gun at your head to come to an agreement on your terms? Common sense tells us that you must first disarm him or face him with an equally dangerous weapon before he will agree not to pull the trigger. This man is more dangerous than any common robber. Why have we invited him into our house instead of locking the doors against him until he is able to convince us that he has reformed?

Third, this invitation is an act of betrayal of the captive peoples of Europe and Asia. They will look on it as nothing less and I look on it as nothing less. As each of these nations has fallen under the domination of the conspiracy in the Kremlin, we have promised them that America would never desert them and that we would take every possible opportunity to help them regain their independence. Again, these were brave words but how much brave action has been taken in their support? I do not speak of military action, for none of us want to precipitate a war. But I do speak of morally strong, diplomatic, economic, and social action. I speak of imposing sanctions against every move which appears to perpetuate Communist domination over the once free peoples of Europe and over the Asiatic nations who have lost the opportunity given them by the Western World to chart their own futures. Instead of that kind of sanction our sweet talk to their Communist rulers can only be taken to mean that we are now sanctioning continued despotic rule over these peoples by their most bitter enemies.

Fourth, this unilateral action by our President and his advisers can only drive a further wedge between us and our Western allies and the democratic regimes which we support in other parts of the world. A face to face private talk between Khrushchev and the President, at the President's invitation, is something different from a multilateral conference in which our strongest friends have active participation. The press has made a great show of ex post facto approval by the governments of these countries in support of this social get together. However, what lies behind the scenes? We know that with the possible exception of Great Britain there was no great enthusiasm in Europe even for a so-called Big Four summit meeting unless and until the Soviet Union had clearly demonstrated a willingness to recede from its aggressive stance. What happened at Geneva was just the opposite of this. Then how can we justify to the friendly nations of Europe, to their leaders and their citizens, this sudden about-face action on our part? Certainly it will create serious apprehension among them at the very least. I sincerely hope that the President on his coming visits to them will be able to allay their fears. More important, I hope that when he faces his unwelcome visitor in September he will not be taken in to the extent of agreeing on any action which will cause them further fear and lead to open distrust.

It is, of course, too late to retract this ill-timed gesture on the part of the President. I could wish that Mr. Khrushchev might be stricken with the same type of second thought which caused him to change his recent plan to visit the Scandinavian countries. However, this is too much to hope for in view of the great tactical victory he has achieved in being invited here. This being the case, I suggest that it is up to the American people to make clear to him just what our attitude to him and to his cohorts is, and just how strong is our determination to oppose his godless philosophy and his inhuman system at every turn. This is no time for egg throwing and insults, which show only an immature response to the great issues with which we are faced. The proper way to receive this man is in cold silence. I hope and pray that no great crowds will turn out to greet him with cheers and flag waving. I shudder at the thought that the streets of our Nation's Capital might be hung with the hammer and sickle as he is paraded before us. Let him see instead the Stars and Stripes of this great citadel of freedom. Let him see displayed at every hand the flags of the nations he and his kind have brought under the heel of the most despotic dictatorship in the history of mankind. Let him not see smiles of welcome but the stern faces of a people determined that freedom and democracy will triumph over brutality and oppression no matter what the cost.

Tribute to Jule Styne in Recognition of His 25 Years as Top Producer and Composer

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. ROOSEVELT. Mr. Speaker, a few weeks ago the Friars Club, along with leaders of show business, initiated a commemoration of the Jule Styne 25th anniversary in show business—a year-long commemoration of this noted composer's multiple contributions to the world of entertainment. I am grateful for the opportunity to bring to the notice of my colleagues some of the great accomplishments of Jule Styne and invite them to join with me in paying tribute to a man whose contributions to the American cultural scene are most deserving of such an honor.

Jule Styne's name looms large and strong in the annals of show business. His current noteworthy musical contribution, "Gypsy," starring Ethel Merman in the musical-biography of Gypsy Rose Lee, auspiciously launches Jule Styne's 25th anniversary in show business.

The genius which is Jule Styne will live long in the hearts and minds of people everywhere, for his art has made impact in all branches of show business—motion pictures, television, radio, recordings, ballet and the stage. He has achieved success as a producer as well.

The life story of the man who gave music to millions to sing and dance to is as dramatic and stirring as any of the shows he has produced or composed for. He was born in London, England, on December 31, 1905. His musical inclinations came to the fore at the age of 3, when, sitting with his parents in a music hall in London, he jumped to the stage from a box seat to join Sir Harry Lauder in singing "I Love a Lassie." As a child entertainer, he danced and sang at parties and small shows.

In 1913, Jule and his family came to America and settled in Chicago. He was 8 years old and rapidly becoming a fine classical pianist. Jule won a scholarship to the Chicago College of Music, where he won the Mozart Award. Later he appeared with many symphony orchestras as a child prodigy.

His interest in popular music was awakened when he found the kids in school clustered around a jazz pianist who played very badly, but who played what the kids liked. Jule went to a music store and bought some popular songs to learn. Not having the money to pay for them, he worked out a deal to play at the store on Saturdays to pay for the music. The store was owned by Jack Kapp, later to become one of the greats of the recording industry. Learning to play popular music was the turning point in his musical career.

He matriculated at Northwestern University, but soon had to drop out because of financial difficulties at home. Later taking a job making metal coat hangers, he almost lost a finger as a result of an accident on one of the machines. He could not play for a year, practically losing his musical technique. Turning to pop music, he formed an orchestra, a success shortly in Chicago, the orchestra then became in demand throughout the country. Such greats as Bix Beiderbeck and Benny Goodman played in his bands.

While in Florida with Arnold Johnson's band, he wrote his first song, a beautiful melody called "Sunday." That night, at the Hollywood Beach Hotel, where he was appearing, Al Jolson and

Irving Caesar called him over after hearing the song and encouraged him to pursue the songwriting career.

He came to New York and became a coach for singers and a writer of special material. Jule wrote for Sophie Tucker and many of the other vaudeville greats of the time. Soon he became musical director for Harry Richmond and made his first trip to Hollywood. There Darryl Zanuck hired him to coach at 20th Century-Fox Studios such stars as Tony Martin, Shirley Temple, Alice Faye, among others. After a year of this, he told Zanuck he wanted to be a song writer. Zanuck said "fine, but not here." He sent him to Republic Studios. Cy Feuer gave him a job there at a salary of $150 a week—he had been making $950 a week at 20th Century-Fox as a music coach. Determined to make it as a song writer, he teamed with Frank Loesser and soon he was on his way. Loesser and Jule went to Paramount where their first effort was the smash, "I Don't Want To Walk Without You Baby." When Frank Loesser went into the Army, Styne teamed up with Sammy Cahn, and in 9 years this great team wrote over 500 songs. Fifty of them were on the "Hit Parade," of which 20 songs achieved No. 1 status.

Jule Styne, looking to new fields to conquer, then turned to theater. His first show in 1947, "High Button Shoes," he did with Sammy Cahn. Later he teamed with Leo Robin to write "Gentlemen Prefer Blondes." In 1950, he wrote "Two on the Aisle," with Betty Comden and Adolph Green. Back in Hollywood soon after, Zanuck hired him to do the score for a Betty Grable picture, "Meet Me After the Show."

He came back to Broadway after this film chore and won the drama critics' award with his revival of "Pal Joey." Following this, Jule produced "Hazel Flagg," "Will Success Spoil Rock Hunter," and brought Sammy Davis, Jr., to Broadway in "Mr. Wonderful."

Starting in 1943, Styne, along with various lyricists, was responsible for most of the Sinatra hits.

With Sammy Cahn, he wrote the memorable song, "Three Coins in a Fountain," title song of the 20th-Century Fox picture, and which won for the noted team the coveted Academy Award "Oscar."

Styne has many hobbies, most of which he works at. He is an excellent cook and delights in preparing unusual meals. An "80" golfer, he does not get a chance to play as often as he would like to. He is a fine rider and someday plans to have a horse breeding farm here in the East. Jule's vocation is writing songs and his avocation is producing shows. He gets a great deal of satisfaction in helping young performers, composers and lyricists.

Jule Styne has two sons, Stanley, 28, who is employed as a publicist at Columbia pictures and Norton, 18, who is a student at Syracuse University.

This is the brief life story of Jule Styne, who, currently at the peak of his career, maintains the same enthusiastic attitude toward show business he had during his struggling years. Success has not dimmed his ardor nor his talent. The world will have many more songs, music and shows from this man, truly one of the greats of all time in show business.

Over the past 25 years, this versatile and talented American—Jule Styne—has written hundreds of songs, many of them which will long remain a permanent part of the American culture. He has composed the musical scores for many great American musical shows which, too, have become a permanent part of Americana: "High Button Shoes," "Gentlemen Prefer Blondes," "Two on the Aisle," "Hazel Flagg," "Peter Pan," "Bells Are Ringing," "Say, Darling," "Gypsy."

He has written the musical scores for the following ballets: "Wallflower," "Side Show," "Cops and Robbers Ballet."

He has won many great honors for his accomplishments as a producer, including the Donaldson award and the New York critics' award for "Pal Joey." As a producer, Jule Styne gave to the American theatrical world the following noteworthy productions: "Say, Darling"; "First Impressions"; "Make a Wish"; "Pal Joey"; "In Any Language," coproduced with George Abbott; "Hazel Flagg"; "Will Success Spoil Rock Hunter?"; "Mr. Wonderful."

Among the many motion-picture scores Jule Styne composed are the following: "Anchors Aweigh," "Tonight and Every Night," "The Umpire's Daughter," "Two Guys From Texas," "It's a Great Feeling," "The Kid From Brooklyn," "It Happened in Brooklyn," "The West Point Story," "Two Tickets to Broadway," "Don't Fence Me In," "Macoa," "Pink Tights," "My Sister Eileen," "Living It Up."

Jule Styne's songs, which have brought happiness and great entertainment to peoples everywhere, include the following: "I Don't Want To Walk Without You, Baby"; "I Said No"; "Come Out, Come Out, Wherever You Are"; "I've Heard That Song Before"; "There Goes That Song Again"; "Saturday Night Is the Loneliest Night"; "I'll Walk Alone"; "Poor Little Rhode Island," official State song; "Three Coins in the Fountain"; "Five Minutes More"; "Let It Snow, Let It Snow"; "What Makes the Sunset"; "I Begged Her"; "I Fall in Love Too Easily"; "The Charm of You"; "It's Been a Long, Long Time"; "Can't You Read Between the Lines"; "Every Day I Love You"; "Fiddle Dee Dee"; "It's a Great Feeling"; "Time After Time"; "I Believe You"; "You Love Me"; "Papa, Won't You Dance With Me"; "I Still Get Jealous"; "You're My Girl"; "Bye, Bye, Baby"; "Diamonds Are a Girl's Best Friend"; "The Closer You Are"; "The Worry Bird"; "That's the Tune"; "Baby, You'll Never Be Sorry"; "You Kill Me"; "Talk to Me Tomorrow"; "Ocean Breeze"; "Catch Our Act at the Met"; "There Never Was a Baby Like My Baby"; "Give a Little, Get a Little"; "Hold Me, Hold Me, Hold Me"; "Everlasting"; "So Far, So Good"; "If You Hadn't, but You Did"; "How Will He Know?"; "How Do You Speak to an Angel?"; "I Feel Like I'm Gonna Live Forever"; "Salome"; "Think How Many People Never Find Love"; "You're Gonna Dance With Me"; "Willie"; "Money Burns a Hole in My Pocket"; "A Little More Heart"; "My Wild Imagination"; "Every Street's a Boulevard in Old New York"; "Everybody Loves To Take a Bow"; "Laura De Maupassant"; "Captain Hooks Waltz"; "Distant Melody"; "Never, Never Land"; "Wendy"; "Just in Time"; "The Party's Over."

Jule Styne has been termed a virtual "Christopher Columbus" of show business—inasmuch as he has been responsible for discovering new talent. It has been a project close to his heart to reach out and search for young artists and give them their opportunity to make good in their chosen profession of show business. Jule Styne's great interest in finding new stars of the future and giving talent and opportunity has contributed many present-day stars to the entertainment world. The list of people he has helped in this way include Doris Day, Nanette Fabray, Carol Channing, Sheree North, Jayne Mansfield, Sandra Church, among others.

The lives of Americans throughout our land as well as the lives of people throughout the corners of the world have been enriched by the artistry and genius of Jule Styne. As an American, he has bought great credit to his country—the United States of America.

It is, therefore, fitting and proper for his fellow Americans to pay tribute to Jule Styne on the occasion of his 25th anniversary in show business. His accomplishments have been great—the position he holds in the hearts and minds of his fellow Americans is just as great.

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. SAYLOR. Mr. Speaker, in the past several weeks I have received a great deal of mail from teachers in my district with respect to H.R. 22. I particularly welcome this correspondence at this time, when our great newspapers are devoting increasing space to the dangers of inflation, and when our people are becoming progressively more indignant at the wanton extravagance of the Federal Government.

H.R. 22 would add fuel to the raging fires of inflation by further destroying the value of the dollar under a smokescreen of care and consideration for our schoolchildren and their teachers. I submit that, if the bureaucrats have any love at all for our youth and those who guide them scholastically, then they will take their greedy hands out of the Federal Treasury and make more tax money available to those who earn it. Our States and communities are finding it difficult to meet expenses for schools and all necessary services primarily because taxpayers are being victimized by a voracious bureaucracy that drains off so much income that there is little left for meeting local costs. Instead of propos-

ing new schemes to expand Federal agencies and offices, Congress should dedicate itself to reducing expenditures in every way possible in order that embezzlement through inflation will be discontinued and the economy will be returned to a sound fiscal basis.

I have pointed out that interest alone on the national debt amounts annually to more than the total revenue collected from 20 million taxpayers each contributing the sum of $400. Congress can make its greatest contribution to the economic stability of this Nation by trimming expenses wherever possible and applying such savings to reducing the national debt and cutting taxes. A 10 percent reduction in the debt, with a subsequent savings on interest, would make more than $800 million available each year to taxpayers for building schools, increasing salaries of teachers, and for whatever other uses the citizenry would choose to make of it.

H.R. 22 would have a directly opposite effect. Further inflation would boost interest rates and lessen the buying power of everyone's dollar—the parent, the teacher, the butcher and the baker. Retired teachers and other pensioners would find means of subsistence even more elusive, what with their monthly checks having less and less value.

Mr. Speaker, we cannot afford to allow the Federal Government to exact tribute for another expensive activity that would add to our already excessive tax burdens. Furthermore, we cannot afford to allow the Federal Government to get a foot in the door of our local schools. Subsidization breeds control, and anyone familiar with bureaucratic ambitions and operations recognizes that the threat of Federal management of our educational system is inherent in H.R. 22. The Federal Government has already usurped too much power and responsibility. We must be alert to any attempt—regardless of how innocuous it may appear—to nationalize our public school system.

H.R. 22 is inimical to the national welfare. As for its treatment of individual States, Pennsylvania taxpayers resent the provision that would require us to contribute millions of dollars to the schools of Texas and other States currently enjoying a far greater degree of economic prosperity. H.R. 22 would take a total of $313,824,000 from Pennsylvania in the specified 4-year period. In return Pennsylvania would receive $267,450,000. However, the State of Texas would pay in $186,292,000 and take out $270,450,000. Is there any justification for this inequitable arrangement? With this great flow of revenue siphoned out of Pennsylvania in return for the lesser contribution of the Federal Government, our State and our communities would find less and less money available to carry out our responsibilities to our schools and teachers.

Mr. Speaker, the whole philosophy of this program is so irrational that it should never come to the floor of this legislative body. Our major domestic responsibility at this time is to reduce Government expenditures and return this country to a safe fiscal status. Under the guise of aid to education, H.R. 22 is nothing more than a raid on education. It should be rejected by everyone who values our schools and respects our teaching profession.

Why I'm for the Shelley Bill, a Labor Reform, Antiracketeering Measure

EXTENSION OF REMARKS

OF

HON. GERALD T. FLYNN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. FLYNN. Mr. Speaker, I speak out to call attention of the House to the fact that powerful lobbies, aided—I trust, unwittingly—by the President of the United States, are trying to stampede this body to legislate against the democratic rights of America's working men and women.

The "tough labor bill" under the guise of putting an end to abuse which all of us oppose, is a cynical attempt to take from union members some of the essential tools of democratic unions.

"Secondary boycott" has become an infamous phrase in the hysterical lobbying which inundates the Congress today; but what are the facts about secondary boycotts?

It is already illegal under the Taft-Hartley Act, section 8(b)(4)(A), for employees of one firm to strike or refuse to work to force their employer to stop doing business with some other employers.

But some employers and unions have signed agreements which, in effect, say that the employer will not insist that his employees work on goods which come from an employer who has a dispute with the union. Is this wrong?

Abuses of these "hot cargo" clauses have been one springboard from which the tough labor bill has been launched.

The tough bill pressure groups spew out scare words and cite examples of "extortion" or "blackmail picketing." But they do not stop at urging us to pass a law which outlaws these practices. The fact is the Shelley bill and the Elliott bill, as well as the Griffin-Landrum bill, specifically outlaw these practices and provide heavy criminal penalties for violators. The Landrum-Griffin bill, however, exploiting the deep concern of the American people about the abuses widely publicized by the McClellan committee, goes beyond the correction of abuses; it abridges basic rights of working people: The right to bargain freely, the right of a worker to refuse struck work, the right to peacefully picket a struck plant.

It seeks to limit legitimate collective bargaining agreements where no abuses have been cited.

In the needle trades industry, for example, union workers and employers commonly agree not to do business with sweatshop subcontractors. By outlawing such agreements, the Griffin-Landrum bill would deprive honest, clean democratic union people of this most proper and time-tested device to improve working conditions in that industry.

It forces strikebreaking by innocent workmen against their will.

The Supreme Court has said that employees of one firm may refuse to do work farmed out to them from a struck firm. Under the Landrum-Griffin bill, however, this right of workingmen is removed except in cases where the second employer has a contract to perform the work for the first employer and the refusal is limited to services which would ordinarily be performed by the striking employees. This requirement bores a loophole in our labor law big enough for every strikebreaking employer to completely evade the intent of this section of the Taft-Hartley Act. The Griffin-Landrum bill, in this particular, is clearly an instrument to coerce workers to help employers break strikes in situations in which even the Taft-Hartley law now protects them from this degrading servitude. It legalizes collusion between employers to break strikes while outlawing the most fundamental human act in the democratic labor movement—the refusal to join the boss in punishment of other workmen.

It outlaws fundamental picket action in a primary labor dispute. The most vicious effect of the Griffin-Landrum section 705 will result from its elimination of concerted conduct from the concept of the secondary boycott. Under Taft-Hartley, what is outlawed is inducing concerted action by employees not to perform work. Under Griffin-Landrum if a striking worker appeals to a single other worker not to cross the picket line, he violates the law. Gentlemen, no Member of Congress can at once be devoted to the American system of collective bargaining and subscribe to this strikebreaking language.

I should like to call your attention to the fact that the Senate, in its consideration of the bill, earlier this session rejected a provision substantially the same as the one here proposed by Griffin-Landrum.

Griffin-Landrum outlaws union's free speech educational picketing.

On the ground that retailers of products from a struck firm were being restrained, a union could—under Landrum-Griffith—be deprived of its right to urge the public through newspaper ads, radio, and the mails, not to buy from a struck firm. Here again the remedy goes far beyond the correction of coercive practices and indeed goes so far as to take rights away from workers to the detriment of the institution of American industrial relations.

I believe that every friend of labor in this House, and there are many of us, who will take the time to look behind the scare words and the extreme example of the tough bill proponents—and read the bill—will recognize that this section deprives workers of rights. It does not protect them or the public from racketeering or collusion. It was not written here to punish crooks, but to hobble labor.

Landrum-Griffin will encourage collusion between corrupt management and union leaders.

Mr. Speaker, as I read section 705 of the so-called tough labor bill, I am appalled to find that the authors of the bill

have become so reckless in their "get labor" binge that they have written an unmistakable invitation to the racketeer and the unscrupulous employer to join together to prevent honest unions from organizing.

Organizational picketing is prevented where the employer has lawfully recognized another labor organization or where a valid election has been held during the past year. What this means is that either by agreement or the device of a quickie election, the employer can influence the choice of a union for his employees, then for a 12-month period a legitimate union cannot legally picket to begin its organizing campaign even though it was not involved in the previous election. At the end of the 12-month period, without one day's time given to the intervening union to organize with this traditional technique, the employer and his union can be almost certain of continuing this relationship.

I say to the tough bill proponents on this one, your motives are showing. You are cooperating with management and labor crooks, you are outlawing the honest organizer and giving the green light to the most corrupt agent exposed by the McClellan committee—the union boss who will sell out the workers to sign a dues collecting contract with the boss.

Mr. Speaker, there are other ways in which the Griffin-Landrum bill exceeds the just demand of the American people for labor reform. I am not going to describe all of them, but any one of these punitive sections I have described should be enough to turn this Congress away from this measure. This bill—to the extent it goes beyond the Shelley bill—will not protect workers or their unions; it will steal from them their legitimate tools of organizational bargaining.

Unfortunately, moderates and liberals in the House, recognizing on one hand the clamor of the American public for labor reform and, on the other hand, the readymade position of labor's enemies to easily exploit this sentiment, have seen fit to bring out a bill which, although it is not nearly as punitive as the Landrum-Griffin bill, nevertheless, makes concessions to the enemies of labor in an attempt to appease and accommodate and, let us be honest, to legislate. I do not impugn the motives of the sponsors of the Elliott bill. I believe they are friends of labor who believe some sacrifice of honest labor's interests must be made as a price for sufficient support for passage of labor reform legislation in this session of Congress.

Tactically, these good colleagues may be right. I hope they are wrong. But, on principle, they cannot be right. It is a dishonor to the House to pass legislation nominally written to protect labor but which, in fact, is in part written to punish labor as a price for its support.

The Elliott bill is inequitably easy on employer reporting; it foolishly invites misuse of union membership lists and effects no democratic reform or other advantage for the list giveaway; it restricts organizational picketing and "hot cargo" clauses, although not nearly as dangerously as does Landrum-Griffin, still unnecessarily. Without principled correction of the weaknesses or assurances that these failures can be taken care of in conference, the House should not support this bill.

The Shelley bill does not go to excess. It does the job of labor reform and does not do a job on labor.

I implore the House: Do not let the anti-labor lobby din make you misread your mail. The American people want labor reform—there can be no argument about that. But the American people want strong unions—able to do the job workers built them to do. The American people are not hysterical on this issue. They write us to tell us to "get tough with the crooks"; and I agree we should do this. But they expect us to keep a level head, to make the law meet the abuses, to legislate for corrective action, not punitive action against the innocent democratic labor movement which these same American people embrace.

The need is for anti-racketeering legislation. The Shelley bill is 69 pages of just that. Most provisions are the same as those proposed by the Senate committee and by last year's Kennedy-Ervin bill. It is an honest, unemotional bill, tough on crooks but respectful of the democratic American free labor movement, the same labor movement which has made such a significant contribution to the greatness of America and has, moreover, led the Congress in waging war against Communists, corruption, and racketeers by cleaning its own ranks by exposures and expulsions.

"Red" Blaik, Army's Illustrious Former Coach, Brings a New Freshness to Football Reporting and Recognizes Validity of Brains and Leadership in the Game by Establishing a Worthwhile Foundation

EXTENSION OF REMARKS

OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. HÉBERT. Mr. Speaker, it was with deep regret that those of us who had admired the contribution of "Red" Blaik to modern football as coach of Army's "Black Knights of the Hudson" learned of his resignation early this year.

It is now with much pleasure that we learn that "Red" Blaik's talents have not been lost entirely to the world of football.

I am directing the attention of the House to the announcement that Colonel Blaik has consented to write on the subject closest to his heart—football.

With the permission of the House I am including in these remarks the first article written by Colonel Blaik for the Associated Press which tells the full story.

I have no apologies to make for my position that our service academies, Army, Navy, and Air Force, should be represented on the gridiron and in other fields of sports with the strongest talent available. I have done everything I could to assist each Academy in this endeavor and I will continue to lend my cooperation because no American should be satisfied with anything less than the best for our service academies.

I have long advocated participation of the service academies in bowl games and feel some satisfaction in the small part which I have been privileged to play in bringing about participation in such bowl games. Such participation has stimulated interest of the Nation's youth in our military service and the consequent benefits resulting to the Navy and Air Force has been beyond accurate measurement.

It is to be regretted that the Army has failed to take advantage of the chance to participate in any bowl game although the opportunity has been theirs. I sincerely hope that this shortsighted policy will soon be adjusted. Refusal of the Army to participate in a bowl game has even been in defiance of a policy adopted by its own board of visitors in 1954 and also contrary to the desires of its own coaches and players.

I am further concerned over reports coming to me that the Army is going to further limit its football program, placing it on an Ivy League status. This would indeed be a tragedy. "Red" Blaik brought the Army's teams to hitherto unscaled heights and thrilled a grateful American public with brilliant teams befitting the U.S. Military Academy. Now to tear down what Blaik has built after he has departed would be inconceivable. The American people deserve better treatment from the U.S. military authorities. The leadership developed on the football is not only reflected by the Army but by all schools participating in the game.

As Members of Congress we should do everything to preserve the great athletic tradition of the service academies and accept no less on the athletic field than we have come to expect in the field of education. The two go hand in hand. We should alert ourselves against any change in policy which would make West Point second and inferior to other like institutions in the Nation.

When the Navy participated in the Sugar Bowl and later in the Cotton Bowl it brought honor and glory to all hands in the Navy.

When the Air Force Academy defied the prophets and fought its way into the Cotton Bowl last year it captured the hearts and imagination of the American people and added prestige to the youngest of our services.

All this and more was denied the Army because it turned deaf ears to bowl invitations.

Today the Army, of the three services, is fighting for its life and its existence in the field of survival among the services.

Unless the Army's attitude in the athletic arena is changed it will find itself standing on the side of the road looking at the procession, led by the Navy and Air Force, go by.

But back to "Red" Blaik and his future activity in the football world. Read this opening article and statement of policy and intent and I am sure you will

find in it the freshness to which I have referred and an excellent contribution to a better understanding and fuller recognition of the fact that football players are intelligent and students as well as athletes:

BLAIK HOPES TO HELP FOOTBALL BY WRITING

(By Col. Earl H. (Red) Blaik, former Army football coach)

When I retired from coaching last January 13, after 25 years—18 at West Point and 7 at Dartmouth—I said it was unthinkable to overstay a career. But it would be just as inconceivable for me to sever completely my connections with the greatest of American games, which has been inseparable from most of my 61 years. That is why I was pleased and challenged when the Associated Press invited me to write two articles a week for the newspapers of the country.

While one is coaching, he is necessarily preoccupied with the football problems of one school. Although he is aware that the college game, like any human operation of which the dollar sign is part, is not without its weaknesses and requires continuing revaluation and modification. The individual coach is in a position to contribute relatively little, much as he would like to do more.

In this invitation, I see an opportunity to try to help college football, not in any one school or area or within one peripherized philosophy, but in a broad, objective manner to help all colleges everywhere. College football today, while not without some abuses, has reached a plateau of excellence in its general conduct, unmatched in any era of the past. This emphatically bespeaks the love of and concern for the game by all its levels of administrators everywhere, and they deserve, therefore, every measure of encouragement and help. I hope to contribute in this way.

WON'T DUCK CONTROVERSY

My articles will very frequently be of a controversial and critical nature. But I assure you the controversy will be real, not fabricated, and that the criticism will always be constructive. It never will be directed at an individual but at something I feel stands correction and improvement. I repeat, I am concerned with what is good for all the colleges, remembering that what is good and practical in one area is not always so in another.

The articles I am preparing to appear between now and Friday, September 18, the eve of the first major Saturday of play, will appraise the strength of teams and players in various sections, but they also will treat of changes of trends, good and bad, affecting the game both on and off the field. Each Friday, beginning September 18, I will analyze where I believe the strength lies in the big game of the next day, yet more often than not I plan to include in the analysis a controversial or behind-the-scenes factor that has a relation to it.

Once the season is under way on Saturday, September 19, the articles appearing in the Tuesday papers will deal with colorful and dramatic highlights, backgrounds and, again, trends and controversies developing on the college scene, either nationally or from a sectional point of view that has some impact nationally.

Whatever financial remuneration I receive for these articles will be used to help college football. I am establishing eight fellowships for postgraduate work. They will be awarded to those eight boys, one from each of the National Collegiate Athletic Association districts, who have been adjudged as best meeting the following four qualifications:

They must be seniors. They must be leaders in academics as well as football. They must exert a fine influence on their campuses. They must be stanch in their devotion to the welfare of amateur sports.

The fellowships will be administered by the National Football Foundations Awards Committee, headed by Vincent Draddy. The foundation committee will be assisted by an awards committee from each of the eight NCAA districts, each nominating a candidate from its district.

These fellowships should help project what I believe to be a fact about college football, yet one seldom emphasized: That championship performance and superior scholarship are entirely compatible.

Little City, Dream Community for the Mentally Retarded

EXTENSION OF REMARKS

OF

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 10, 1959

Mr. PUCINSKI. Mr. Speaker, it gives me extreme pleasure today to include in the CONGRESSIONAL RECORD a speech recently made by my colleague, the Honorable JAMES ROOSEVELT, at the dedication ceremonies of Little City, a dream community for mentally retarded youngsters, which is being built on the outskirts of Chicago's great Northwest Side.

I should like to associate myself with the penetrating remarks of Congressman ROOSEVELT and congratulate those wonderful people of Little City, Inc., who have undertaken this great project of mercy for the mentally retarded children of America. To these fine sponsors of this project go the heartfelt thanks of parents throughout this country who so frequently recognize the problems of a retarded youngster but tragically are unable to find adequate facilities for relief.

I am proud that Little City lies practically in the shadow of my district, and I am sure that in due time, from its humble beginning will rise an institution of mercy for the mentally retarded youngsters of America who need help so urgently.

Mr. Speaker, Congressman ROOSEVELT's remarks follow:

LITTLE CITY, DREAM COMMUNITY FOR THE MENTALLY RETARDED

Ladies and gentlemen, Little City is a magic word for all of us here today. For some it represents weeks and months and years of planning and hard work. For many this community is a single avenue of hope in an otherwise gloomy landscape. For still others like myself, Little City represents a monumental achievement, a soul-lifting experiment.

Today we humbly dedicate this new community. I stress the word community for this is not merely a home, a hospital, a school, or a center, but a little city for mentally retarded children. This city will not limit its assistance to the 50 or 60 children who will enter this fall. Plans have already been made to expand the facilities to care for 500 children. The opportunities for research in this environment will extend the benefits of this community to countless numbers of mentally retarded children and their families in this and other countries.

These 60 acres of land on Algonquin Road will be a paradise for mentally retarded youngsters. Here they will be able to develop to the fullest extent their abilities in a sheltered and peaceful atmosphere. This community as part of the larger community will be a testimony to the shared responsibility of individuals in our society for this problem. Three out of every one hundred children in this country are born retarded, and the parents of these children will know that they now have the assistance and support of others. They have already accomplished so much through their own volunteer organizations, and I think it is high time that such a project be undertaken by the whole community.

I was very much interested in learning about a study conducted by the Public Institutions Committee of the National Association for Retarded Children. May I quote a passage from the foreword of this 1958 study. It states:

"It is bitter irony to tax parents for the unavoidable misfortune of having a retarded child. We must wonder if it is consistent with American social philosophy to require that parents of mentally retarded children pay taxes to support public education facilities which exclude their children, when there is a price tag on their attempts to obtain equal benefits for their children in public institutions."

This study revealed that only 3 States make no financial charge for the care, training and treatment of persons in State institutions; that 2 States allow for voluntary charges; and that the other 42 States having such institutions levy charges. The study further showed that most parents of handicapped children expect to assume financial responsibility for the basic support of their child. However, they need assistance in meeting some of the extraordinary demands created by the handicapped condition. Often the financial strain of meeting costs of needed services before placement in a State institution leaves the family resources well drained. Many feel that the care and training of a person in an institution should be regarded in lieu of public school education.

These facts are not new to those of you here today. I am sure you have struggled with these realities and attempted to put across your points of view to public and private groups. May I say that I am encouraged each year to find that the public awareness of these problems is constantly increasing. The very achievement of this dream community is an indication of greater understanding by the community as a whole of the needs of the mentally retarded.

One of the most inspiring aspects of Little City from my point of view is that here at last the total needs of the mentally retarded will be met. So many of the existing programs are what we have been accustomed to term "half a loaf" programs. That is they go part of the way in meeting a special problem, but then they stop. For instance, a family may be able to provide their mentally retarded child with a little education. But this is not enough if proper medical care and vocational guidance cannot be obtained. To turn to another example, much excellent research is currently being carried on in mental retardation. If this research is conducted in an ivory tower or does not reach the people who can use it, the efforts will have been largely wasted.

In Little City these problems will not be present. Here mentally retarded people of all races and creeds will have a home as long as they need or desire it. There will be no fear of expulsion upon reaching a certain chronological age which may bear no relation to individual development.

Every individual will learn at his own rate, will set his own pattern, will live in a community where his behavior is the norm. No

longer the outsider, he will participate as a member of his own little city. Fields, orchards, and gardens for some to cultivate; schools for those who can benefit or a home tutoring service when this is more profitable; community church, movies, square dancing, playground—all these will make up a rich and full life for these youngsters.

Of course, these plans require financial support, and many of you have already been asked to contribute or have solicited others for funds. It is my belief that this is one project which sells itself. The ingenuity and intelligent planning of such persons as Mrs. Deliah White, Ben Sears, and the many others who have so carefully thought through every detail of this program, will be rewarded, I feel certain, by the wholehearted support of the entire community.

Your Federal Government has also shown its special concern for the mentally retarded in a number of ways. Today I would like to discuss with you some of these programs. It seems to me that constant awareness and recognition of these activities are essential to their continued successful operation. Only through the enlightened experience of citizens and parents such as you who are present will we be able to judge whether the programs on a national scale are meeting the real needs of the mentally retarded, are being efficiently administered, and are generally available to those who need them.

The very existence of governmental programs to aid the mentally retarded is open acknowledgment by the national community of their responsibilities in this area. These programs are prompted by the same kind of civic spirit which has moved you to build Little City. There are nearly 5 million mentally retarded individuals in this country and they cannot and must not be ignored. To use the words of the Department of Health, Education, and Welfare in describing its various programs:

"From a number of standpoints progress is being made in the field of the mentally retarded as outgrowths of an increased public awareness and understanding of the problems both in Government and in private life with individuals and voluntary organizations and the increasing advances being achieved in medicine, welfare, education, rehabilitation and related fields. The cross-fertilization and collaboration of many disciplines are also bringing to pass the more effective knowledge concerning the prevention of the handicaps together with improved understanding, treatment, care, and prognosis of those who manifest the several difficulties in the functional sphere."

Responsibility for the Government programs aiding retarded individuals is lodged in the several agencies of the Department of Health, Education, and Welfare. You here in Little City are blessed with the opportunity of meeting nearly all the demands of the children who will come under your care. Unfortunately the Department can in no way approach this goal for all the mentally retarded children throughout the country. They have attempted to utilize their existing programs in the best possible way to assist these handicapped children. Legislation over the years has continued to increase the responsibilities of the Department in various areas.

The Department is most conscious of the need to have a balanced approach to mental retardation. They have formed a departmental committee composed of representatives from various operating agencies to cooperate in and coordinate their programs.

I, and a large number of my colleagues, have found these governmental programs most encouraging and we have continual reports of their fine accomplishments. Many of you have had direct contact with some of these programs and for you I hope that what I have to say will not be too repetitious. It is my hope that a description of the national impact of these programs may be of interest and that perhaps there will be some aspect of these activities with which you are not familiar and about which you would like to be informed.

The Federal Government has been especially active in five areas: education, vocational rehabilitation, medical research, Children's Bureau assistance to the States, and direct benefits under social security. These programs correspond to certain of the needs of the mentally retarded. Needless to say, it is difficult to categorize them, and it is perhaps more meaningful to talk about some examples of their activities.

The Office of Education of the Department of Health, Education, and Welfare has performed a vital task in preparing, collecting, and distributing information on all exceptional children as well as mentally retarded and has prepared exceedingly valuable reports on curriculum and classroom methods as well as numerous other aspects of education of the mentally retarded. This is an attempt to aid the State and local school programs by making available to all the very latest developments in this rapidly growing field.

The second major responsibility of this department and one which is important in all phases of work with the mentally retarded is the securing of qualified personnel. No amount of knowledge on modern teaching methods, no increase in the number of facilities will compensate for the lack of qualified personnel. The closing days of the 85th Congress were exciting days for those interested in this problem, for with the passage of Public Law 85-926 came the authorization for a program to train personnel to teach the mentally retarded. One million dollars for this program was included in the President's budget for fiscal 1960 and this sum has been appropriated by Congress. The Office of Education has been actively engaged in preparing to administer this project and three conferences with interested parties have already been held. This program will go a long way in narrowing the glaring inadequacies in the provision of education for mentally retarded children in this country.

In another area, that of vocational rehabilitation, mentally retarded individuals have been eligible for Government services since 1943. It is estimated that in the next 2 years alone, over 2,600 persons will be rehabilitated into gainful employment. This is a difficult task but the Office of Vocational Rehabilitation is constantly striving to meet the challenge of rehabilitating the mentally handicapped. Cooperative programs with State vocational rehabilitation agencies and public school systems have been important. In two States "halfway houses" or "rehabilitation houses" have combined rehabilitation with living arrangements. Of course the mentally retarded children who come to Little City will have all this and a lot more. Perhaps some of the results of your experience will be an inspiration to the Federal programs.

In the field of rehabilitation too, there has been a shortage of qualified personnel. To meet this problem, the Office of Vocational Rehabilitation is granting funds to educational institutions all over the country for the training of personnel in this field.

Among the most encouraging activities in this field are those being carried on in Bethesda, Md., at two of the National Institutes of Health—the Institute of Neurological Diseases and Blindness and the Mental Health Institute. Here research scientists are struggling with the perplexing problem of what causes mental retardation. I feel certain that all of you in the audience today await a more complete answer to this question with bated breath.

Surgeon General Burney has recently announced a 5-year survey of 40,000 women to find the causes of mental retardation and kindred defects. Already investigators in Puerto Rico have recorded brain damages in monkeys cut off from a supply of oxygen at birth. This has prompted intensive study of the relationship between asphyxia and mental retardation. Scientists are also studying the effects of encephalitis and German measles in the causation of mental retardation. Geneticists are studying family records to determine the influence of congenital malformations.

The National Institute of Mental Health is conducting a valuable research program through the awarding of research grants to qualified applicants. Approximately 50 different projects are now being supported. The Institute is also a central point for the collection of data on patients in resident institutions for the mentally retarded throughout the country. This information has been tremendously useful, and, as a matter of fact, formed the foundation of the study of the National Association of Retarded Children which I mentioned earlier. The Institute also carries on training programs and provides assistance to the States and communities through its Community Services Branch.

The Children's Bureau also aims to help the States and communities. Activities include public information, consultation, and the provision of grant-in-aid programs to encourage the extension of existing State and local service. Demonstration projects have been especially useful in showing the kinds of services needed for the preschool child. These have included casefinding, evaluation and diagnosis, followup care and home training.

Finally, I turn to a Federal program which has filled a desperate need for financial assistance for so many families. This is the protection available under social security for the mentally retarded. According to the provisions of various States, the mentally retarded receive assistance under the program of aid to the permanently and totally disabled under the public assistance program. Coverage under old-age and survivors and disability insurance is also an important source of assistance. The 1956 and the 1958 amendments to the Social Security Act broadened coverage to make childhood disability benefits available for seriously disabled persons whose disability began before age 18 and has continued without interruption since that time, and whose parents died insured or are receiving retirement benefits. Mentally retarded persons are heavily represented among those who qualify for these benefits. The importance of making the public aware of these provisions cannot, of course, be overestimated.

So at the national level, as in Little City itself, a variety of professional disciplines and resources are being used to meet the tremendously complex problem of mental retardation. For much of this century retardation was a wholly neglected field. Mental retardation was assumed to be a single disease entity largely determined by heredity and unresponsive to treatment. Today we know these precepts to be false. At last we are building up our community services, our institutions, our educational facilities. Little City is a bright star in this development. You are in the vanguard of progress, and let us hope that you will soon be followed by many others.

You have understood the message of Mrs. Pearl Hurwitz, a leader in the field of mental retardation, who, writing in the Radcliffe College Quarterly for February 1957, attempted to explain the great upsurge of popular interest in mental retardation. She said: "It is because the world is very much with us today. We know (many of us subconsciously) that if our way of life is to survive, every individual, be he handicapped or whole, be he white or black, be he a privileged American or an underprivileged peas-

ant in India, every individual must be counted an individual and accorded his place in the sun.

"For every person who is discounted, by so much do we allow for the spread of discontent; for every person whom we help to attain his life stature, by so much do we prevent the spread of strife.

"We are becoming aware that preventive hygiene must expand beyond total inoculation from communicable disease to total service for every disabling condition, or we are liable to be afflicted by the consequence. The social loss or the social gain is shared by all."

Today we dedicate Little City, a living example of the shared responsibility of many for the needs of the mentally retarded.

SENATE

TUESDAY, AUGUST 11, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God our Father, safely to another week with its toiling days Thou hast brought us on our way. May the way we take be Thy way for our feet in these tense times. We need Thy presence every passing hour.

In spite of rude and bitter winds of opposition to our designs for world betterment, in this land of the free may we keep the torch of hope blazing for the distressed and disinherited across all the frontiers of want and woe.

Save the Republic we love, and whose servants we are, from policies without principle, from pleasures without moral or spiritual control, from labor uninspired by a sense of honor, from a level of life in which the servants of the soul become its masters.

In this garish day so rich in things and poor in soul deliver us from the tyranny of the tangible. May the sacred temple of our inner lives harbor nothing unworthy of our high calling in Thee.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 7, 1959, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of August 7, 1959, the following report of a committee was submitted:

Mr. HUMPHREY, from the Committee on Foreign Relations, on August 10, 1959, reported favorably, with an amendment, the bill (S. 1711) to promote the foreign policy of the United States and help to build essential world conditions of peace, by the more effective use of U.S. agricultural commodities for the relief of human hunger, and for promoting economic and social development in less-developed countries, and submitted a report (No. 632) thereon.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 7, 1959:

S. 1928. An act to provide for the participation of the United States in the Inter-American Development Bank.

On August 11, 1959:

S. 906. An act to amend section 1622 of title 38 of the United States Code in order to clarify the meaning of the term "change of program of education or training" as used in such section;

S. 1110. An act to amend the act of August 4, 1955 (Public Law 237, 84th Cong.), to provide for conveyance of certain interests in the lands covered by such act;

S. 1694. An act to extend the existing authority to provide hospital and medical care for veterans who are U.S. citizens temporarily residing abroad to include those with peacetime service-incurred disabilities;

S. 2153. An act to authorize the Coast Guard to accept, operate, and maintain a certain defense housing facility at Yorktown, Va., and for other purposes; and

S. 2183. An act granting the consent of Congress to interstate compacts for the development or operation of airport facilities.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1371) to repeal the act approved March 3, 1897, and to amend the act approved December 20, 1944, relating to fees for transcripts of certain records in the District of Columbia.

The message also announced that the House had passed the bill (S. 746) to amend the act entitled "An act to regulate the placing of children in family homes, and for other purposes," approved April 22, 1944, as amended, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 137. An act to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes; and

H.R. 451. An act to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 7508) to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. FORAND, Mr. KING of California, Mr. SIMPSON of Pennsylvania, and Mr. MASON were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7629) to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. GRANT, Mr. HOEVEN, and Mr. DAGUE were appointed managers on the part of the House at the conference.

The message further announced that the House insisted upon its amendment to the amendment of the Senate numbered 45 to the bill (H.R. 7453) making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. NORRELL, Mr. KIRWAN, Mr. CANNON, Mr. HORAN, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 6585. An act to amend the District of Columbia Teachers' Salary Act of 1955, as amended;

H.R. 8225. An act to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription;

H.R. 8392. An act to amend the District of Columbia Stadium Act of 1957 with respect to motor-vehicle parking areas, and for other purposes;

H.R. 8527. An act to exempt certain pension and other employee trusts from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income; and

H.R. 8575. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1289. An act to increase and extend the special milk program for children;