SENATE

THURSDAY, MAY 5, 1960

The Senate met at 11 o'clock a. m., and was called to order by Senator MIKE MANSFIELD, of Montana.

Dr. Lawrence D. Folkemer, minister, Lutheran Church of the Reformation, Washington, D.C., offered the following prayer:

Almighty and merciful God, under whose divine governance come all the governments of men, grant that our Nation may faithfully reflect Thy will and authority. Be present this day with each of our Senators, that in all their actions and legislation they may be high in purpose, wise in counsel, and unwavering in the sense of duty. In the administration of their solemn charge, may they wholly serve Thy will, uphold the honor of our Nation, secure the protection of our people, and advance every righteous cause. Protect them from the subtleties of selfish interest, and grant them the satisfaction and joy of unselfish endeavor. If anything be done here this day contrary to Thy purpose, bring it to none effect; whatever is done pleasing in Thy sight, uphold with Thy almighty power. Through Jesus Christ, our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 5, 1960.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 4, 1960, was dispensed with.

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 the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 1328. An act for the relief of Parker E. Dragoo;

S. 1408. An act for the relief of Ronald R. Dagon and Richard J. Hensel;

S. 1410. An act for the relief of Jay R. Melville and Peter E. K. Shepherd;

S. 1466. An act for the relief of Sofie N. Sarris;

S. 2173. An act for the relief of Mrs. John Slingsby, Lena Slingsby, Alice V. Slingsby, and Harry Slingsby;

S. 2234. An act for the relief of the estate of Hilma Claxton;

S. 2309. An act for the relief of Gim Bong Wong;

S. 2333. An act for the relief of the heirs of Caroline Henkel, William Henkel (now deceased), and George Henkel (presently residing at Babb, Mont.), and for other purposes;

S. 2430. An act for the relief of certain employees of the General Services Administration; and

S. 2507. An act to relieve Joe Keller and H. E. Piper from 1958 wheat marketing penalties and loss of soil bank benefits.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

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

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Internal Security Subcommittee of the Judiciary Committee, the Committee on Interior and Insular Affairs, and the Committee on Post Office and Civil Service were authorized to meet during the session of the Senate today.

THE AREA REDEVELOPMENT BILL AND MEDICAL CARE FOR THE ELDERLY

Mr. JOHNSON of Texas. Mr. President, the House action on the area redevelopment bill will be good news for those who are living in areas which have been bypassed by good times.

I think the House and the Senate will be able to work out their differences without too much trouble. The important thing is that we act. Solutions for this pressing problem have been too long delayed. This is the kind of action which should appeal to all Americans. It is not a dole; it is not charity; it is not relief. It is, instead, the kind of progressive, farsighted measure which helps people to help themselves.

The areas which are affected generally have resources and trained manpower. What we should be doing is investing some money into putting those men and those resources into productive work. Such action would strengthen the Nation both financially and morally.

The final measure must, and will, represent our collective judgment as to what is wise and prudent action.

I express the hope that the measure will become law, because I believe our people need it.

Mr. JAVITS. Mr. President, on this subject, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I shall be glad to yield as soon as I finish my statement.

Mr. President, it is encouraging that at last the administration has submitted a program to help our elderly citizens with medical care. This is firm recognition of the fact that the need for such a program is now recognized by the leaders of both parties.

Of course the program will have to be worked out by Congress. At this time I would not comment in detail on the merits of the administration's program, because many factors which will require careful study are involved. But once a need is recognized, usually it is possible to find a solution; and a great deal of credit is owed to the Members of Congress of both Houses who have brought this situation to public view and have paved the way for action.

Mr. President, at this time I am glad to yield to the Senator from New York.

Mr. JAVITS. Mr. President, I was going to ask the majority leader, in regard to the so-called depressed areas bill—in which I have a great deal of interest, too, inasmuch as there are such areas in New York—whether, in view of the difficulty encountered in the other body with the Rules Committee, it is contemplated that in the Senate we will follow some other procedure, rather than simply seek a conference—for instance, perhaps concur in the House amendments, or in some other way proceed to avoid the roadblocks which developed in the other body.

Mr. JOHNSON of Texas. I was in the House on yesterday, and I observed that Members of both parties were trying to keep the bill from being passed, and other Members of both parties were trying to pass the bill. In the statement I made a moment ago I tried to cover that matter as best I could at this time, when I said I think the Senate and the House will be able to work out their differences. Just how they will be worked out, we shall have to spell out a little later.

I know the Senator from New York is much interested in this field. He is one of the more progressive and very able Members of this body, and I know he has made important contributions to bringing about progressive legislation in this field, as well as in the field of medical care.

I hope that before the Congress adjourns sine die, we shall have completed action on both of these measures, and that they will have become law.

Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Texas.

REPORT OF SHOOTING DOWN OF U.S. PLANE IN THE TURKISH REGION

Mr. JOHNSON of Texas. Mr. President, I wish to make a brief statement

about an incident referred to in a statement issued by Premier Khrushchev.

I do not have too much knowledge about the U.S. plane which Khrushchev claims was shot down in the Turkish region. It has been reported that it was a plane of the National Aeronautical and Space Administration. I have asked the Administration to give us full particulars.

I do know that for some time the National Aeronautical and Space Administration has been using high-flying aircraft—Lockheed U–2—for upper-air-weather studies in various portions of the world, in connection with its areonautical responsibilities.

If I am correctly informed, a National Aeronautical and Space Administration plane which now is missing was on a flight last Sunday. The flight started from the Adana region of Turkey, and apparently the plane was being used for the conducting of these high-altitude weather studies. The pilot reported oxygen trouble, and was heading back toward Adana, when he lost contact; and since then he has not been reported.

I note that Mr. Khrushchev's statement says the plane which was shot down was unmarked. If I am correctly informed, all National Aeronautical and Space Administration planes are clearly marked, and are on strictly peaceful missions. It may be that Khrushchev is simply using this incident in an attempt to apply leverage for the coming summit meetings.

Other than that, until I have full particulars, I have no more to add.

Mr. MANSFIELD. Mr. President, there are many questions about the plane incident which Khrushchev did not face. For example, we would hardly send a single-engined one-man reconnaissance plane over the border if our intention was to frighten the Russians, as he contends; nor would we paint out its markings. Furthermore, did the Russians who shot down the plane first order it to land, as any civilized people might be expected to do? Did it occur to Mr. Khrushchev that the plane might have been engaged in perfectly legitimate pursuits, and might inadvertently had gone off course and over the border? If the Russians are going to shoot first and complain later, then, indeed, the prospects for the coming summit meeting are grim. It is they who are being provocative, and it is they who are jeopardizing the prospects for peace.

While we are asking questions, however, we need to ask a few of our own administration. If, indeed, the plane was ours, what was it doing close to the Soviet border at a time like this? First reports indicate that the President had no knowledge of the plane incident. If that is the case, we have got to ask whether or not this administration has any real control over the Federal bureaucracy. Can any agency of this Government, without the knowledge of politically responsible officials, assume for itself the right to probe for scientific or whatever purposes along a dangerous border and, hence, endanger the policies of the President? If that is the case, we had better get an administration which is able and willing to maintain controls over the bureaucracy, if we intend to act as a responsible, free government in regard to the basic questions of war or peace which are clearly involved in incidents of this kind.

As for the political shifts and the economic changes which Khrushchev announced, first reports suggest, if anything, that transitions in the Soviet Union are becoming more routine and orderly, that Khrushchev's personal power is more stable than ever. We had better face the fact that the Soviet system is not just going to fade away, but, rather, that the Russians are probably improving the techniques for giving continuity to their institutions.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON COMMODITY CREDIT CORPORATION SALES POLICIES, ACTIVITIES, AND DISPOSITIONS

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report of the General Sales Manager, concerning the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Commodity Credit Corporation owns or which it is directed to support, dated January 1960 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON STRATEGIC AND CRITICAL MATERIALS STOCKPILING PROGRAM

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on the strategic and critical materials stockpiling program, for the period July 1 to December 31, 1959 (with an accompanying report); to the Committee on Armed Services.

PUBLICATION OF NOTICE OF PROPOSED DISPOSITION OF CERTAIN KYANITE-MULLITE

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 7,326 short dry tons of kyanite-mullite now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

SANITARY SEWER TO CONNECT THE DULLES INTERNATIONAL AIRPORT WITH DISTRICT OF COLUMBIA SYSTEM

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system (with an accompanying paper); to the Committee on the District of Columbia.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, HELENA VALLEY UNIT, MISSOURI RIVER BASIN PROJECT, MONTANA

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Helena Valley Unit, Helena-Great Falls Division, Missouri River Basin project, Montana, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

WARTIME RELATIONSHIPS BETWEEN FEDERAL AVIATION AGENCY AND DEPARTMENT OF DEFENSE

A letter from the Acting Administrator, Federal Aviation Agency, Washington, D.C., transmitting a draft of proposed legislation to amend section 302(e) of the Federal Aviation Act of 1958 (72 Stat. 747), to establish wartime relationships between the Federal Aviation Agency and the Department of Defense (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

COLLECTION AND DISSEMINATION OF INFORMATION ON FLOOD HAZARDS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to provide for the collection and dissemination of information on flood hazards (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the Panama City-Bay County, Fla., Chamber of Commerce, favoring the enactment of legislation to repeal the excise tax on transportation; to the Committee on Finance.

MENTAL HEALTH—PROCLAMATION

Mr. JAVITS. Mr. President, the cause of mental health is attracting increasing concern and attention throughout the country. The mounting strains placed upon the individual by our increasingly complex civilization have made the problems enormous in getting under way comprehensive programs to combat mental illness. I call attention to a proclamation issued by Gov. Nelson A. Rockefeller of New York proclaiming May 1 to 7 as Mental Health Week, and ask unanimous consent that it be printed in the RECORD.

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

"MENTAL HEALTH WEEK—PROCLAMATION

"The place of mental health in our lives today is a crucial one—in our economy, our social structure, even in world affairs. We see about us every day the devastating effects and the tremendous toll of mental illness.

"Mental hygiene is the largest single function of State government, requiring a third of the State's total operating budget and more than a third of its employees.

"Our program to combat mental illness and promote mental health is a four-pronged one—including a comprehensive spectrum of psychiatric services; both formal and in-service training of urgently needed personnel in the various mental health profes-

sions; a many-faceted program of public education; and a broad statewide complex of integrated research activities.

"Progressive action in legislation arising out of my recommendation to the 1960 legislature embraced the simplification of admission procedures permitting routine admission to a State hospital on the certificate of two physicians rather than through court certification. Also of note concerning mental health was the administrative recommendation for the establishment of regional committees to integrate mental health services of communities and State institutions.

"It is gratifying to report substantial progress in the recent past and the encouraging prospect of even greater progress in the near future. Our plans for that future are geared to rapidly changing concepts of care and treatment with increasing emphasis on community facilities closely integrated with State hospital operations. The success of these plans will depend very largely on community support and cooperation and ultimately on the willingness of the community to accept the mental patient as a functioning, contributing member of society who can be treated for certain phases of his illness without being removed from the social scene.

"We are fortunate that organizations such as the National Association for Mental Health and its local affiliates are devoting themselves to promoting the cause of mental health in the country and in this State.

"The New York State Association for Mental Health, in cooperation with the National Association for Mental Health, has designated the first week in May as National Mental Health Week, focusing public attention on the needs in this field.

"Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim May 1 to 7, 1960, as Mental Health Week in New York State and urge all of our citizens to support the work of the New York State Association for Mental Health and local mental health associations throughout the State."

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 25th day of April in the year of our Lord 1960.

NELSON A. ROCKEFELLER.

By the Governor:

WILLIAM J. RONAN,
Secretary to the Governor.

YOUTH FITNESS WEEK—PROCLAMATION

Mr. JAVITS. Mr. President, the future of a nation lies in its youth, and the proper physical development of our young people is an objective of many governmental programs. Youth Fitness Week, which is being celebrated May 1 to 7, is a laudable effort to encourage all aspects of this program. I ask unanimous consent to have printed in the RECORD, a proclamation issued by Gov. Nelson A. Rockefeller, of New York, designating May 1 to 7 as "Youth Fitness Week."

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

"YOUTH FITNESS WEEK—PROCLAMATION

"One essential function of modern government, as we see it in the Empire State, is to help our young people to meet the challenges that may confront them in a rapidly moving world.

"Fitness is not a single concept. It pertains to the functioning of an individual as a whole. Fitness has many facets—physical, social, emotional, intellectual, and spiritual.

"The government of New York State, through the department of education, pursues a well conceived program for meeting this responsibility. Our schools play a dominant role in helping every young person to reach his or her utmost in health, physical development, vocational and social competence, cultural and intellectual growth, self-expression and moral character.

"They seek to provide a daily program of physical education which includes exercise, games, rhythms, athletics, and other activities.

"The program for health and safety education includes the development of practices and attitudes for healthful living; the study of factors involved in physical, emotional and social adjustment and the responsibility of the individual for the health and safety of himself, his family and his community.

"More than half of the school districts in New York State have organized recreation programs. This represents a substantial effort toward meeting responsibilities which the State and communities have for the development and maintenance of youth fitness.

"Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim May 1–7, 1960, as 'Youth Fitness Week' in New York State, and I call the attention of parents throughout the State to the well-considered program established by the State department of education."

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 21st day of March in the year of our Lord 1960.

NELSON A. ROCKEFELLER.

By the Governor:

WILLIAM J. RONAN,
Secretary to the Governor.

RESOLUTION OF WISCONSIN STATE MEDICAL SOCIETY

Mr. WILEY. Mr. President, in carrying out their legislative duties, Congress and its committees need occasionally to stop and take stock of what best serves the public interest.

During the recent hearings of the Senate Antitrust and Monopoly Subcommittee and also on the floor of the Senate there has been, in the last few days, discussion and disagreement on whether the subcommittee should hear evidence relating to the safety and efficacy of specific drugs—particularly oral drugs used by those suffering from diabetes.

Generally, it is my belief that the people are entitled to hear the facts relating to any matters which affect their health and security.

Yet, at the same time, it has been stressed by medical authorities that any open debate relating to the efficacy of drugs may have a detrimental effect upon the patients using such drugs, and upon the doctor-patient relationship. It has been suggested that such discussions may produce unwarranted fear and doubts in patients to whom such drugs have been prescribed. It has, therefore, been urged that discussions relating to the efficacy and safety of drugs should be behind closed doors and should be conducted by medical experts—rather than legislative committees.

This problem is of great concern to the members of the Antitrust and Monopoly Subcommittee. I believe this is a problem that merits our careful study and consideration. This problem has also been of concern to many medical people all over the country. Yesterday, I received a telegram from the Wisconsin State Medical Society dealing with this subject. The State Medical Society is a very responsible organization and their comments should be carefully studied. I ask, therefore, that this wire be printed in the RECORD.

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

MILWAUKEE, WIS.,
May 2, 1960.

SENATOR ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

The State Medical Society of Wisconsin urges your serious consideration of the following resolution adopted May 1 by its council:

"Whereas current hearings before the Kefauver committee studying the pharmaceutical industry have produced conflicting testimony on the indications and contra indications of specific drugs by trade name; and

"Whereas reports of this nature confuse the public by causing concern, doubt, and hesitation on the part of the patient in accepting the recommendations of the physician as to proper treatment: Now, therefore, be it

"*Resolved,* That, the Council of the State Medical Society of Wisconsin, in the interest of public health and welfare, urges that these hearings be conducted in such a fashion as to avoid public controversy concerning specific drugs whose merits may in themselves be controversial among scientists and physicians; be it further

"*Resolved,* That the press of Wisconsin be commended for its reserve in handling similar intraprofessional discussions which are published regularly in the Wisconsin Medical Journal or as a result of the postgraduate programs of the State medical society, both of which are essential to the continued scientific growth of the profession."

JAMES C. FOX, M.D.

STABILITY FOR SHRIMP INDUSTRY WITHOUT DOLE OR SUBSIDY—RESOLUTIONS

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by the Commissioners Court of Brazoria County, Tex., of April 11, 1960, and by the Propeller Club of the United States, Port of Brownsville and Port Isabel, Tex., of February 18, 1960.

Both of these resolutions urge congressional passage of pending bills establishing country-by-country quotas on shrimp imports.

As cosponsor of S. 3204, with the distinguished Senator from Louisiana [Mr. ELLENDER] and others, I am working for this plan to help stabilize the industry, protect American shrimpers, and to help promote better relations with our neighbors, particularly Mexico.

The resolutions were forwarded to me by Robert W. Coleman, vice president of Port of Brownsville-Port Isabel Propeller Club, and by Judge Alton C. Arnold of Brazoria County, Tex.

There being no objection, the resolutions were order to be printed in the RECORD, as follows:

RESOLUTION OF THE PROPELLER CLUB OF THE UNITED STATES, PORT OF BROWNSVILLE-PORT ISABEL

"Whereas the largest fleet of deep-sea shrimp trawlers in the world is operating out of the ports of Brownsville and Port Isabel, in Cameron County, Tex., and the shrimp industry is an important segment

of the economy of this entire area and of the State of Texas and of the United States; and

"Whereas shrimp is reported to be present in fantastic quantities off the coasts of Pakistan, India, Japan, and other countries of the Far East, and labor in such countries is cheap, and shrimp from such countries can be brought into the United States at a greatly reduced price with which the shrimp industry of the United States with its high standards of living conditions cannot compete; and

"Whereas, through funds made available in such Far Eastern countries (much of which originates in the United States), modern fishing boats equipped with up-to-date nets and fishing equipment have been made available, and large freezing plants have been constructed and are under construction, and the flood of cheap shrimp from such countries is already depressing the markets in the United States: Now, therefore, be it

"Resolved by the board of governors of the Propeller Club of Port of Brownsville-Port Isabel, Tex., in meeting duly assembled on the 18th day of February 1960, a quorum being present and voting, on motion duly made, seconded, and carried, That said Propeller Club hereby endorses H.R. 8769, now pending in the Congress of the United States, which places a country-by-country quota on shrimp imports, and urges all Senators and Congressmen of the State of Texas to give such legislation their full and active support."

In witness whereof said Propeller Club has caused this resolution to be signed by its vice president, Robert W. Coleman, and to be attested by its secretary, W. E. Plitt, Jr.

ROBERT W. COLEMAN,
Vice President.

Attest:

W. E. PLITT, Jr.,
Secretary.

"RESOLUTION OF THE COMMISSIONERS COURT OF BRAZORIA COUNTY, TEX.

"*Be it resolved,* That the Commissioners Court of Brazoria County, Tex., go on record approving H.R. 8769, the shrimp imports bill, as being a fair approach to the problem of providing stability for the world shrimp industry without Government dole and subsidy; be it further

"*Resolved,* That a copy of this resolution be spread upon the minutes and that a copy hereof be furnished to the Honorable WILBUR MILLS, chairman of the House Ways and Means Committee, Honorable CLARK W. THOMPSON, our other Texas Congressmen, and Honorable LYNDON B. JOHNSON and RALPH YARBOROUGH, Members of the Senate of the United States."

Passed and approved this 11th day of April 1960.

Attest:

H. R. STEVENS, Jr.,
County Clerk, Brazoria County, Tex.

Mr. YARBOROUGH. Mr. President, there has been some misapprehension about the pending legislation; namely, that it would harm the good relations between our country and Mexico. However, the distinguished senior Senator from Florida [Mr. HOLLAND], is, I believe, a cosponsor of the Ellender bill, and is thoroughly familiar with this problem.

I point out that articles in official wildlife organization publications issued during the last 30 days state that the shrimp industry on the west coast of Mexico is said to be faced with bankruptcy unless that industry receives a subsidy from the Government of Mexico. That situation has developed because of the production of shrimp in the Far East. Those articles refer to the fantastically large production of shrimp off the coasts of Pakistan and numerous other countries in the Far East, and discuss the problem posed thereby to our good neighbors to the south of us, as well as to our own country.

ELIMINATION OF OBSCENE MATTER FROM THE MAIL—RESOLUTION

Mr. COTTON. Mr. President, the New Hampshire State Court of the Catholic Daughters of America, at its annual convention, has adopted a resolution calling on the Congress to complete action on H.R. 7379, and to take other steps to eliminate obscenities from the U.S. mails.

I fully agree with the views expressed in the resolution and hope that the Senate Committee on Post Office and Civil Service will soon report H.R. 7379 so the Senate may act on it.

I ask unanimous consent that the resolution be printed in the RECORD and referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

NEW HAMPSHIRE STATE COURT,
CATHOLIC DAUGHTERS OF AMERICA,
April 28, 1960.

The Honorable NORRIS COTTON,
The U.S. Senate,
Washington, D.C.

MY DEAR SENATOR: At the New Hampshire State convention of the Catholic Daughters of America, which was held in Hanover on April 24 and 25, the following resolution was adopted by the nearly 4,000 members:

"*Be it resolved,* That the U.S. Senate be asked to favorably consider H.R. 7379 and that Senators and Congressmen explore the need for Federal legislation to ensure the elimination of obscenities from the mail and newsstands and prohibit the use of mailing lists for the dissemination of obscene literature."

Very truly yours,

MARIE A. MURPHY,
State Secretary.

VETERANS' LEGISLATION RESOLUTIONS ADOPTED BY NORTH DAKOTA CONVENTION OF THE DISABLED AMERICAN VETERANS

Mr. YOUNG of North Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD, as part of my remarks, a series of most commendable resolutions which were adopted at the recent North Dakota Convention of the Disabled American Veterans.

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

NORTH DAKOTA SOLDIERS' HOME

Whereas membership at the North Dakota Soldiers' Home at Lisbon, N. Dak., has steadily increased on an average of nearly 20 percent per year during the past 3 years; and

Whereas in 1960 the said Home has been filled to capacity for male veterans, with a waiting list; and

Whereas laundry facilities at the Home have been inadequate and unsatisfactory for many years, and are now unable to meet demands due to increased membership; and

Whereas the need for occupational therapy and recreational facilities are great, there being nothing more than lounging facilities for the veterans, which condition is further aggravated by the increased membership: Now, therefore, be it

Resolved by the State convention of the Disabled American Veterans of North Dakota, That we sponsor and encourage legislation to the end that additional facilities may be constructed at the soldiers' home providing for new laundry facilities, space for occupational therapy, and new barracks facilities to accommodate at least 50 additional beds; and be it further

Resolved, That a copy of this resolution be transmitted to the commandant of the North Dakota Soldiers' Home, William A. Cole, Sr., by the adjutant of the Disabled American Veterans of North Dakota.

RESOLUTION ON RATING EXAMINATIONS

Whereas the Veterans' Administration, in requesting examinations for rating purposes, usually requests a general medical examination and a special examination directed at the compensable service connected disability; and

Whereas in many cases the veteran complains of other noncompensable service-connected disabilities at the time of the general medical examination and frequently residual findings are shown on the general medical examination; and

Whereas when the situation arises it has been the habit of the Veterans' Administration to slide over the noncompensable disability, which may be symptomatic by either medical findings or complaint at time of examination, it is, in effect, not examining them completely: Now, therefore, be it

Resolved, That the Disabled American Veterans, department of North Dakota, is hereby going on record in requesting the Veterans' Administration examining physicians be instructed, by a change in regulation if necessary, to, in all cases wherein a veteran complains of difficulty with a service-connected disability which may or may not be scheduled for special attention on the request for examination, furnish a complete special examination for that particular disability, with all necessary laboratory and X-ray work, in order that the disability can be properly evaluated by the rating board.

Whereas it is the responsibility of the Disabled American Veterans to foster and support such programs as will bring full employment and economic security to our disabled veterans and to veterans of all wars; and

Whereas the Veterans Employment Service of the United States Employment Service and the affiliated State employment services have been mandated by Congress to render adequate job assistance to veterans in the field of gainful employment; and

Whereas it is recognized by the Disabled American Veterans that it is the continuing responsibility of Congress to provide the necessary funds for the efficient administration of the Veterans Employment Service and its affiliated services from time to time, consistent with the need for job assistance to veterans, and particularly disabled veterans: Now, therefore, be it

Resolved by the Department of North Dakota, Disabled American Veterans, in annual convention assembled at Fargo, N. Dak., Thursday, Friday, and Saturday, April 28, 29, and 30, 1960, That Congress be commended for its consideration of veterans in providing through the several acts, the maximum of employment assistance to veterans, and this

convention urges that adequate funds be provided for its continuance; and be it further

Resolved, That a copy of this resolution be forwarded to all members of our congressional delegation.

RESOLUTION SUPPORTING AND RECOMMENDING PASSAGE OF HOUSE RESOLUTION 9591 TO PROVIDE A VETERAN WITH THE PRIVILEGE OF TAKING HIS CLAIM TO A JUDICIAL COURT

Be it resolved, That this convention of the Disabled American Veterans, Department of North Dakota, assembled in Fargo, N. Dak., on April 28, 29, 30, 1960, hereby respectfully requests and urges our Senators and Congressmen to support H.R. 9591.

RESOLUTION TO URGE CONGRESS TO PASS HOUSE RESOLUTION 4305

Whereas the purpose of this bill is to provide a 1-year period to enable certain veterans to apply for National Service Life Insurance: Therefore, be it

Resolved, That the Disabled American Veterans in convention assembled at Fargo, N. Dak., April 29 and 30, 1960, request that a copy of this resolution be sent to our Senators and Representatives of the 2d session of the 86th Congress, asking for their support in regard to this legislation.

RESOLUTION TO URGE CONGRESS TO PASS HOUSE RESOLUTION 113

Whereas the purpose of this bill is to attain a degree of permanency and stability in the matter of service-connections through prohibiting the severances of a service-connection in effect 10 or more years, except for fraud: Therefore, be it

Resolved, That the Disabled American Veterans in convention assembled at Fargo, N. Dak., April 29 and 30, 1960, request a copy of this resolution be sent to our Senators and Representatives of the 2d session, 86th Congress, asking for their support in regard to this legislation.

RESOLUTION TO URGE CONGRESS TO PASS HOUSE RESOLUTION 10123

Whereas the purpose of this bill is to permit for 1 year the granting of national service life insurance to veterans with service-connected disabilities and to permit for 1 year veterans with service-connected disabilities less than total to obtain disability income protection under national service life insurance: Therefore be it

Resolved, That the Disabled American Veterans in convention assembled at Fargo, N. Dak., on April 29 and 30, 1960, request that a copy of this resolution be sent to our Senators and Representatives of the 2d session, 86th Congress, asking for their support in regard to this legislation.

RESOLUTION TO CREATE A SENATE VETERANS' AFFAIRS COMMITTEE

Whereas in the Senate today, by far the greater part of veterans' legislation is considered by two major committees, both of which have many other responsibilities of a complex and controversial nature. As a result, veterans' legislation is of secondary or low priority consideration. The veterans' program is large, costing approximately $5 billion a year and it is felt that the cost and purpose of the program merit consideration that now cannot be given it because of conflicting responsibilities; and

Whereas during the 1st session of the 86th Congress, four Senate resolutions proposing a Senate Veterans' Affairs Committee were introduced. These resolutions were referred to the Senate Committee on Rules and Administration which has initial jurisdiction. The chairman of the Rules and Administration Committee, appointed a subcommittee to consider the resolutions. After hearings and due consideration on the resolutions, the subcommittee recommended to the full committee that a resolution be approved, embodying the proposals and intent of the resolutions considered: Therefore be it

Resolved, That with over 22 million veterans in the Nation and the vast expenditures involved in present veterans' benefits programs, it is of great national importance and warrants the special attention of a standing committee adequately equipped with full-time staff specialists and experts; and

Resolved, That the Disabled American Veterans in convention assembled at Fargo, N. Dak., April 29 and 30, 1960, ask our Senators and Congress in general, to create legislation that would establish a separate Veterans' Affairs Committee in the Senate of the United States for the consideration of all legislation dealing with veterans' affairs and that a copy of this resolution be sent to our Senators of the 2d session of the 86th Congress, with the least possible delay.

Whereas it is the policy of the Disabled American Veterans to have all disabled veterans and their dependents treated equally and correct any and all discriminatory legislation; and

Whereas under existing laws and regulations of the Veterans' Administration, veterans that receive 50 percent or more disability compensation receive additional allowance for dependency; and

Whereas veterans rated from 10 percent to 40 percent receive no dependency allowance, also, the veteran rated 50 percent or more receives no addtional allowance for more than three children: Therefore be it

Resolved, That this convention of the Disabled American Veterans assembled at Fargo, N. Dak., April 29 and 30, 1960, hereby request and urge Congress to amend Public Law 887, 80th Congress, to provide that dependency allowance be paid to all service-connected disability veterans from 10 percent to 100 percent, also, that additional amounts be paid for over three children in the family; and be it further

Resolved, That a copy of this resolution be forwarded to all members of our congressional delegation at Washington, D.C.

Whereas it has been the policy of the Disabled American Veterans to have all disabled veterans treated equally and correct discriminatory legislation; and

Whereas under existing laws and regulations of the Veterans' Administration regarding tuberculosis, a veteran that has arrested tuberculosis receives the graduated rating for 6 years and if no residuals are present after the 6 years he is automatically entitled to the statutory award of $67; and

Whereas another veteran with tuberculosis which has resulted in rib resection, removal of lobe, etc., is entitled to the graduated scale for tuberculosis for 6 years and if his tuberculosis is determined to be far advanced or moderately advanced, he receives a permanent rating of 20 percent or 30 percent or is entitled to the statutory award of $67. Since this $67 amounts to more than he would receive for the 20 percent or 30 percent he is granted the greater amount but receives no additional compensation for the residuals: Now, therefore, be it

Resolved, That this convention of the Disabled American Veterans of North Dakota assembled in Fargo, N. Dak., on April 28, 29, and 30, 1960, hereby respectfully request and urge Congress to amend Public Law 141, 73d Congress, to provide that where adequate medical evidence is shown of residual disability from tuberculosis that the veteran be granted a rating for this residual disability plus the statutory award.

RESOLUTION TO ENABLE SERVICE-CONNECTED DISABLED VETERANS WHO ALSO HAVE SUFFICIENT IMPAIRMENT PRESENT FROM ALL CAUSES, REGARDLESS OF SERVICE ORIGIN, TO QUALIFY FOR A PERMANENT TOTAL RATING FOR PENSION PURPOSES, TO RECEIVE THE FULL AMOUNT OF HIS COMPENSATION BENEFITS AND ALSO THE FULL AMOUNT OF PENSION OTHERWISE PAYABLE

Whereas veterans compensated for service-connected wartime disabilities naturally have an understandable pride in their special classification and they should not have to waive their compensation rights in order to receive the greater pension benefits: Now, therefore, be it

Resolved, That a service-connected disabled veteran should be entitled to receive his full compensation payments as well as full pension payments authorized for non-service-connected disabilities; and be it further

Resolved, That this convention of Disabled American Veterans assembled at Fargo, N. Dak., April 29 and 30, 1960, request legislation to make this resolution possible and that a copy of this resolution be sent to our Senators and Representatives of the 2d session of the 86th Congress, requesting that they submit a bill and support same in order to make this resolution a reality.

RESOLUTION TO INCREASE COMPENSATION BENEFITS FOR ALL SERVICE-CONNECTED DISABLED VETERANS

Whereas the last increase in compensation for disabled veterans was October 1, 1957, at which time the disability compensation was increased 24 percent for those veterans drawing 100 percent compensation, and increased 10 percent for those drawing less than 100 percent; and

Whereas the cost of living has increased continually since that date; and

Whereas all non-service-connected pensions were increased effective July 1, 1960; and

Whereas the service-connected disabled veteran was not considered for any increases in compensation, but the cost of living is as high for him and his family as it is for everyone else: Therefore be it

Resolved, That Congress take immediate action to correct this injustice and pass legislation that would increase disability compensation for all disabled veterans 20 percent straight across the board; and be it further

Resolved, That the Disabled American Veterans in convention assembled at Fargo, N. Dak., April 29 and 30, 1960, urge our Congress to provide the legislation asked for in this resolution, and that a copy of this resolution be sent to our Senators and Representatives of the 2d session of the 86th Congress asking them to present and support this legislation requested.

RESOLUTION ON MILITARY HONORS AT NATIONAL CEREMONIES

Whereas the Federal Government does not at the present time maintain a detachment of military personnel at national cemeteries for the purpose of providing military rites at the burial of deceased veterans in said cemeteries; and

Whereas the task of providing such military rites must of necessity fall upon the members of veterans organizations; and

Whereas the Disabled American Veterans in the areas are unable, through the economic necessities of their members, to furnish such honor guard for all burials; and

Whereas the Disabled American Veterans chapters in the outlying areas are unable, due to the time element and transportation factor, to provide such military rites for members of their chapters being interred at national cemeteries: Now, therefore, be it

Resolved, The State department of North Dakota, Disabled American Veterans, in convention assembled April 28, 29, 30, at Fargo, N. Dak., does hereby request and petition that the Government of the United States, through the Department of Defense, establish and maintain at national cemeteries a detachment of military personnel sufficient to properly perform and furnish military honors to deceased veterans being interred in said cemeteries; and be it further.

Resolved, That this resolution be presented to the department of Minnesota, at their annual State convention, and to the Members of Congress from North Dakota, and to the Secretary of Defense.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, without amendment:

H.R. 9818. An act to provide for the conveyance of certain real property of the United States to the State of Florida (Rept. No. 1336).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with amendments:

S. 2977. A bill to amend the Farm Credit Act of 1933 to provide for increased representation by regional banks for cooperatives on the Board of Directors of the Central Bank for Cooperatives (Rept. No. 1335).

By Mr. YOUNG of North Dakota, from the Committee on Agriculture and Forestry, without amendment:

S. 3070. A bill to provide for the removal of the restriction on use with respect to certain lands in Morton County, N. Dak., conveyed to the State of North Dakota on July 20, 1955 (Rept. No. 1337).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Richard H. Puckett, and sundry other persons, for appointment in the U.S. Coast Guard; and

Warren O. Nilsson, and sundry other persons, to be chief warrant officers, W-2, in the U.S. Coast Guard.

BILLS INTRODUCED

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

By Mr. MANSFIELD (for himself and Mr. MURRAY):

S. 3480. A bill to further amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for 1 year the authority under such act; to the Committee on Interior and Insular Affairs.

By Mr. YARBOROUGH (for himself and Mr. MCCARTHY):

S. 3481. A bill to amend the National Defense Education Act of 1958 in order to make student loans under title II of such act available to teachers attending summer sessions in institutions of higher education; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. MCCARTHY:

S. 3482. A bill to amend the Postal Field Service Compensation Act of 1955, as amended, with respect to position descriptions, salary, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. MCCARTHY when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 3483. A bill to make the antitrust laws and the Federal Trade Commission Act applicable to the organized team sport of baseball and to limit the applicability of such laws so as to exempt certain aspects of the organized professional team sports of baseball, football, basketball, and hockey, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. HRUSKA:

S. 3484. A bill for the relief of Joan Discallar Beasely; to the Committee on the Judiciary.

By Mr. MCCLELLAN (by request):

S. 3485. A bill to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the United States, and for other purposes;

S. 3486. A bill to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes;

S. 3487. A bill to amend the antikickback statute to extend it to all negotiated contracts;

S. 3488. A bill to authorize the Secretary of Commerce to procure the services of experts and consultants;

S. 3489. A bill to amend section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484 (j)), to provide that the Department of Defense may allocate surplus property under its control for transfer under that act only to educational institutions conducting approved military training programs;

S. 3490. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to permit conveyances and grants to States, counties, municipalities, or other duly constituted political subdivisions of States of interests in real property which are needed for an authorized widening of a public street, highway, or alley, and for other purposes;

S. 3491. A bill to repeal that part of the act of March 2, 1889, as amended, which requires that grantors furnish, free of all expenses to the Government, all requisite abstracts, official certifications, and evidences of title;

S. 3492. A bill to amend section 109(g) of the Federal Property and Administrative Services Act of 1949, to establish fees for testing of articles and commodities tendered for sale to the Government; and

S. 3493. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. MCCLELLAN when he introduced the above bill, which appear under separate headings.)

By Mr. COOPER:

S. 3494. A bill to amend section 2108 of the Veterans' Benefits Act of 1957 to prohibit the reduction of disability ratings which have been in effect for 10 or more years and for other purposes; to the Committee on Finance.

S. 3495. A bill to provide for an appropriation of a sum not exceeding $175,000 with which to make a survey of a proposed national parkway from the Great Smoky Mountains National Park in North Carolina and Tennessee to the Mammoth Cave National Park in Kentucky, and the Natchez Trace Parkway in Tennessee; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (by request):

S. 3496. A bill to amend section 362 (b) of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSON of Texas (for himself and Mr. YARBOROUGH):

S. 3497. A bill authorizing the conveyance of a tract of land in Harris County, Tex., to the former owner thereof; to the Committee on Government Operations.

By Mr. BENNETT (for himself, Mr. CAPEHART, Mr. BUSH, and Mr. BEALL):

S. 3498. A bill to authorize use of additional funds, to the extent specified in appropriation acts, for public facility loans;

S. 3499. A bill to authorize use of additional funds, to the extent specified in appropriation acts, for the purchase of mortgages by the Federal National Mortgage Association under its special assistance program; and

S. 3500. A bill to amend title I of the National Housing Act; to the Committee on Banking and Currency.

(See the remarks of Mr. BENNETT when he introduced the above bills, which appear under separate headings.)

RECOGNITION OF BURNSIDE, KY., AS THE ORIGINAL HOME AND FOUNDING PLACE OF FIRST AMERICAN BOY SCOUT TROOP

Mr. COOPER submitted the following concurrent resolution (S. Con. Res. 105), which was referred to the Committee on Labor and Public Welfare:

Resolved by the Senate (the House of Representatives concurring), That Burnside, Kentucky, shall hereafter be known and recognized as the original home and founding place of the first American Boy Scout troop as it was organized in the year 1908, and was later incorporated as the Boy Scouts of America on February 8, 1910.

LOANS TO SCHOOLTEACHERS FOR SUMMER SCHOOL COURSES

Mr. YARBOROUGH. Mr. President, in 1958, with an awakening realization that America needed to advance its educational effort, particularly in the fields of science, mathematics, and foreign languages, we passed the National Defense Education Act.

As a member of the Senate Labor and Public Welfare Committee, it was my privilege to participate in many hearings on this important legislation, to cosponsor it, and to help work for its final passage.

With the resultant program well underway, reports from across the Nation—from leading educators, from students and their families—strongly indicated that the National Defense Education Act of 1958 is proving exceedingly helpful in strengthening our national education program. It is a good start, but only a start. The full amount authorized by the Congress for student loans has never been made available by the administration.

In order to augment this vastly beneficial program and to take another sub-

stantial step to further improve our educational structure on the national scale, I introduce, for reference to the appropriate committee, a bill amending the National Defense Education Act to make student loans under the act available to teachers attending summer sessions.

This amendment, when passed, can have an immediate, vital, beneficial impact on education in this Nation. Nothing is more important than having our teachers fully and consistently informed of the latest information in their fields and the latest teaching techniques. It is my firm belief that this amendment to the National Defense Education Act of 1958 could prove almost as valuable to our national education program as has the original act itself.

All of us are acutely aware of how low teachers' salaries are when judged on the basis of the importance of teachers' work in a free democratic society, and, I might add, when compared with the salaries being paid outside the teaching profession.

We are all concerned with the fact that each year thousands of the Nation's best trained teachers are lost to the profession and to our students because they can draw proportionately much higher pay from industry. The amendment I propose would not only help make it financially possible for teachers to return to college for refresher courses and specialized training, it would also offer additional incentive to them to stay in the teaching profession where they are so badly needed. Dean L. D. Haskew of the University of Texas was the first to call this situation to my attention.

I shall read two paragraphs from the communication from Dr. Haskew, of the University of Texas:

> As the act is now written, teachers in service have almost no opportunity to take advantage of its loan provisions. They can seldom, if ever, attend college as a full-time student during the academic year. It is their normal expectation that they will pursue graduate work by summer school attendance only. Yet, this bars them from eligibility for NDEA loans.
>
> You know as much as I do about the pressure upon teachers to add to their equipment and knowledge. You know also that it is terribly difficult for them to accumulate enough to pay the costs of attending summer school more than 1 year out of every 3 or 4. It is a well-demonstrated fact that the teacher who pursues graduate study is the teacher who stays with the profession.

Mr. President, I ask unanimous consent to have the bill amending the National Defense Education Act of 1958 printed at this point in the RECORD, and ask that the bill lie on the table for additional sponsors for another 48 hours.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the desk, as requested by the Senator from Texas.

The bill (S. 3481) to amend the National Defense Education Act of 1958 in order to make student loans under title II of such act available to teachers attending summer sessions in institutions of higher education, introduced by Mr. YARBOROUGH (for himself and Mr. McCARTHY), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205(b)(1) of the National Defense Education Act of 1958 is amended by inserting before the semicolon at the end thereof a comma and the following: "and for the purposes of this subsection an individual in full-time attendance in summer session only may be considered as a full-time student if such individual was a full-time teacher in an elementary or secondary school or an institution of higher education during the complete academic year immediately preceding such summer session".

POSTAL FIELD SERVICE COMPENSATION

Mr. McCARTHY. Mr. President, I introduce, for appropriate reference, a bill to amend the Postal Field Service Compensation Act of 1955, as amended, with respect to position descriptions, salary, and for other purposes. This bill is an amended version of my previously introduced S. 3239, on the same subject.

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

The bill (S. 3482) to amend the Postal Field Service Compensation Act of 1955, as amended, with respect to position descriptions, salary, and for other purposes, introduced by Mr. McCARTHY, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

APPLICATION OF ANTITRUST LAWS TO PROFESSIONAL TEAM SPORTS

Mr. KEFAUVER. Mr. President, I introduce, for appropriate reference, a bill for the purpose of making the antitrust laws and the Federal Trade Commission Act applicable to the organized professional team sport of baseball and to exempt certain aspects of that sport and the organized professional team sports of football, basketball and hockey from these laws. This bill is similar in its purpose to S. 886 which I introduced in the first session of this Congress.

For the information of the Senate, during the first session of this Congress the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary held public hearings on S. 886 and S. 616. Upon the completion of such hearings, the subcommittee reported to the Committee on the Judiciary recommending favorable action on S. 2545, which was similar to S. 886 but was limited to the organized team sports of football, basketball and hockey. S. 2545, which has not as yet been acted upon by the Judiciary Committee, purposely excluded the sport of baseball with the full realization that the discrimination and inequities resulting from the decisions of the Supreme Court could not be justly corrected until all of these organized professional sports are treated equally with respect to their status under the antitrust laws. At the time the subcommittee recommended S. 2545 excluding baseball, it realized that baseball differs from the other organized professional team sports in that it alone has a minor league system through which it controls almost all players within that sport. It was the desire of the subcommittee at that time to spend more time in the study of baseball's complexities so that an opportunity would be offered to provide for the introduction of a new bill dealing exclusively with baseball. Since that time the colleges have brought to my attention the need for revision of S. 2545 to protect the college sport of football, which is the principal source of income for intercollegiate athletics. It is my belief that the bill which I am sending to the desk will, if enacted, correct the inequity which was created by the decisions of the Supreme Court as between baseball and the other sports, while at the same time granting to each of the four professional sports limited exemptions which, in my opinion, are necessary in order that those sports can exist without undue legal harassment. This bill also meets the college need as to football.

The bill is divided into two titles. Title I gives to the professional sports of football, basketball, and hockey exemptions from the antitrust laws and the Federal Trade Commission Act in needed aspects and very similar to those granted in S. 2545. Title II places professional baseball under the antitrust laws and the Federal Trade Commission Act and grants appropriate exemptions from those laws.

Title I, section 101, exempts agreements and activities relating to the equalization of competitive playing strengths; the employment, selection or eligibility of players and the reservation, selection, and assignment of player contracts; and the preservation of public confidence in the honesty of those sports. Exemptions are included as to the right to operate in specific geographic areas. This geographic area protection cannot exceed 35 miles from a club's football field, basketball court or hockey rink, respectively, nor does it apply to cities of more than 2 million population.

Section 102 treats the exemptions with respect to telecasting of games of professional football, basketball, and hockey and the distribution of funds therefrom in a similar manner to that applicable to baseball which I will discuss under title II. However, in section 102, colleges as defined in the bill, are protected only with respect to telecasting of professional football games in the same manner as other professional clubs.

The necessity for title II of the bill grew out of the inequity created by the decision of the Supreme Court in 1922 that baseball is not under the antitrust laws since it is not a commercial enterprise, which decision it reaffirmed in 1953. In 1957 the Supreme Court held the business of professional football is within the antitrust laws. In effect, the Supreme Court has recognized the discrimination between sports resulting from those decisions, but has left the correction of the situation to Congress. Section 201 of this bill does that by placing baseball in the same relationship to the antitrust laws as the other sports under the Court's decisions.

Consideration by the Antitrust and Monopoly Subcommittee of S. 886, S. 616, and H.R. 10378, and S. 4070 of the 85th Congress, has convinced me that there are areas in the operations of professional team sports, including baseball, which deserve special consideration under the antitrust laws in order that they may survive and grow as seems to the best public interest. The bill I now propose, I believe, affords the exemptions reasonably necessary and proper with respect to baseball.

Title II of the bill, with certain limitations, permits organized professional baseball to control the employment, selection, and eligibility of players and the reservation, selection, and assignment of player contracts. However, due to the existence of minor leagues in baseball unlike in the other professional team sports, this privilege is limited to the ownership or control of not more than 100 ballplayers by any major league club. In section 203 of the bill it is provided that each major league club may own or control 100 ballplayers, but that of these 100 ballplayers each club must make eligible for draft by any other major league, at least once a year after the conclusion of the world series and not later than December 10 of each year, ballplayers in excess of 40 players. In this section it is provided also that a player who is drafted by more than one major league club shall have the election as to which club his contract shall be assigned and such rights shall be vested in such drafted player.

This would give greater relief to minor leagues from the present practice under which some major league clubs control, directly or indirectly, as many as some 450 players or player contracts. This would also materially destroy the monopoly control of such large numbers of ballplayers and make readily available ballplayers in lower classification for draft for an expansion of the major league structure, as well as to other teams within the present major league structure. The players' rights are also given greater protection. Under the bill, not only would skilled minor league players be afforded a better chance of advancing into major league baseball, but in the event that a player were to be drafted by more than one major league club, the election as to which club he would be assigned would be vested in the drafted player.

In section 203 it is also provided that organized professional baseball may regulate the right to operate within specific geographic areas, provided any area designated may not exceed a radius of 35 miles from the location of the ball park, and provided further that such exemption does not apply to cities of more than 2 million people. Such limitation would guarantee that additional clubs in our largest cities would not be foreclosed under the bill.

Much has been written and said about the efforts of interested parties to create a new organized major league within the structure of baseball. In order to encourage such expansion, section 204 of this bill provides that any contract or agreement or other activities by, between, or among the persons conducting, engaging in, or participating in the organized professional team sport of baseball which prevents, hinders, obstructs, or affects adversely the formation, organization, or operation of additional major baseball clubs not presently in existence, provided such additional major baseball league or leagues shall consist of a group of not less than eight communities, which group has a total metropolitan or territorial population within a 35-mile radius with its center at each baseball park of not less than 12 million, and expressing in their constitution, bylaws, or rules the willingness to observe and comply with maximum major league standards respecting player limits, minimum major league standards respecting salaries, recognized waiver practices of the existing major leagues, major league standards respecting retirement programs, and playing schedules equal to the existing major leagues, shall be in violation of the antitrust laws.

The purpose of this section is self-evident in that it provides that no arbitrary action could be taken in concert by the existing members of an organized major league in hindering or failing to recognize the efforts of new parties interested in the creation of a new major league. Without this section, even though a new league meeting all of the requirements set forth in the section were in being, by the joint efforts of the present members of organized major league ball, such a group might not be recognized as a major league and might not be eligible to participate in the drafting of ballplayers.

Section 205 of this bill exempts from the antitrust laws and the Federal Trade Commission Act the right of organized baseball to limit the telecasting of contests from stations within 75 miles of the home community of another club on the day when such club is scheduled to play a regularly scheduled league game, or if desired as an alternative, to mutually distribute to other clubs in the same or different leagues all or any part of the revenues, of whatever nature, received from telecasts. This exemption, however, is limited by the requirement that no club may telecast its contests from cities nearer than 75 miles of the home community of another club in a different league, on a day when such club is scheduled to play there a regularly scheduled league game unless consent is received in writing from the other club. As previously stated, title I, section 102, dealing with the telecasting of football, includes similar protection to colleges.

Section 206 of the bill provides further that the passage of the bill in no way affects any cause of action existing on the date of passage. Title I contains a similar section.

Section 207 of the bill recognizes the right of players in organized professional baseball to organize and bargain collectively. A similar section appears in title I of the bill.

Although section 208 of the bill makes the act effective 30 days after passage, it is provided that within the calendar year in which the act is passed, each major league club shall make available not later than December 10 of the year of passage, for unrestricted draft all players of whom it has title or ownership or control in excess of 40 players as provided in section 203 of the act, and further that each club having title to, ownership or control of more than 100 players on the passage of the act shall have 2 years from the date of passage in which to dispose of such players. In my opinion, this is not only a workable provision, but a fair provision for those major league clubs who have sizable investments in minor league franchises and ballplayers. This bill would not require them to dispose of any minor league franchises. On the other hand, the bill does require that ballplayers owned or controlled within the minor league structure in excess of 40 ballplayers shall be made available for draft at least once a year by other major league clubs.

Mr. President, a great deal of consideration has gone into the preparation of this bill. If enacted into law, I am of the opinion that it would be not only in the public's interest but that title II will also be in the interest of the great American pastime of baseball. Minor baseball leagues need a greater opportunity to develop and dispose of good ballplayers and such ballplayers also are entitled to a larger opportunity. Population in a number of our cities has grown to the point which indicates to them the need for major league clubs. Weaker teams in existing major leagues need a better chance to obtain players. The solution seems to me to rest in the equitable application of antitrust laws to baseball with appropriate limitations as to certain aspects of the sport. I believe this bill accomplishes that purpose.

Since this bill includes under title I substantially S. 2545, it is only anticipated that hearings will be scheduled dealing with baseball covered in title II.

In order that other Senators might have a chance to add their names to this bill as cosponsors, I ask that the bill lie on the desk for 3 days.

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

Mr. KEFAUVER. Mr. President, I also ask unanimous consent that the bill be printed in the RECORD.

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

The bill (S. 3483) to make the antitrust laws and the Federal Trade Commission Act applicable to the organized team sport of baseball and to limit the applicability of such laws so as to exempt certain aspects of the organized professional team sports of baseball, football, basketball, and hockey, and for other purposes, introduced by Mr. KEFAUVER, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

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 "Professional Sports Antitrust Act of 1960."

TITLE I

SEC. 101. The Act of July 2, 1890, as amended (26 Stat. 209); the Act of October 15, 1914, as amended (38 Stat. 730); and the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply to any contract, agreement, rule, course of conduct, or other activity by, between, or among persons conducting, engaging in, or participating in the organized professional team sports of football, basketball, or hockey to the extent to which it relates to—

(1) the equalization of competitive playing strengths;

(2) the employment, selection, or eligibility of players, or the reservation, selection, or assignment of player contracts;

(3) the right to operate within specific geographic areas: *Provided,* That such geographic areas when used with respect to any football, basketball, or hockey club shall mean the area included within the circumference of a circle having a radius of 35 miles with its center at the football field, basketball court, or hockey rink of the respective football, basketball, or hockey club: *And provided further,* That the exemption which relates to the right to operate within the specified geographic areas shall not apply to cities having a population of more than two million people; and

(4) The preservation of public confidence in the honesty in sports contests.

SEC. 102. No contract, agreement, rule, course of conduct, or other activity by, between, or among persons conducting, engaging in, or participating in the organized professional team sports of football, basketball, and hockey shall constitute a violation of the Acts named in section 101 of this title to the extent to which it relates to the regulation of the granting by one or more clubs of the right to telecast reports or pictures of contests in the organized professional team sports of football, basketball, or hockey from telecasting stations located within seventy-five miles of the home community of another club on the day when such club is scheduled to play there a regularly scheduled league game in the same sport, or to the distribution to other clubs in the same or different leagues of all or any part of the revenues of whatever nature received from telecasting any or all contests in the same sport of football, basketball, or hockey: *Provided, however,* That the granting by one or more clubs in one league of the right to telecast reports or pictures of its contests in such organized professional sports from telecasting stations located within seventy-five miles of the home community of another club in a different league in the same sport on a day when such club is scheduled to play there a regularly scheduled league game, or with respect to telecasting football contests only from telecasting stations located within seventy-five miles of the game site chosen by a college on a day other than Sunday when such college is scheduled to play there an intercollegiate contest in football, shall be unlawful whenever such granting of the right to telecast has not been consented to in writing by the other professional club or such college and the effect of such telecasting is injurious to or may tend to destroy such other club or the sport of football at that college.

SEC. 103. (1) As used in this title, "person" means any individual, partnership, corporation, or unincorporated association, or any combination or association thereof.

(2) As used in this title, "college" means any university or other institution of higher education which confers degrees upon students following completion of sufficient credit hours to equal a four-year course.

SEC. 104. Nothing in this title shall be construed to deprive any players in the organized professional team sports of football, basketball, or hockey of any right to bargain collectively, or to engage in other associated activities for their mutual aid or protection.

SEC. 105. Except as provided in sections 101 and 102 of this title, nothing contained in this title shall affect the applicability of the antitrust laws to the organized professional team sports of football, basketball, or hockey.

SEC. 106. Nothing in this title shall affect any cause of action existing on the effective date hereof in respect to the organized professional team sports of football, basketball, or hockey.

TITLE II

SEC. 201. Except as provided by this title, the Act of July 2, 1890, as amended (26 Stat. 209); the Act of October 15, 1914, as amended (38 Stat. 730); and the Federal Trade Commission Act, as amended (38 Stat. 717), shall apply to the organized professional team sport of baseball.

SEC. 202. (1) As used in this title, "person" shall mean any individual, partnership, corporation, or unincorporated association, or any combination or association thereof.

(2) As used in this title, "control" shall be defined as including but not limited to players on a major league club's active or reserve list; players on minor league clubs owned in part or in entirety by a major league club; players on any minor league club having a "working agreement", "optional agreement" or "gentlemen's agreement" with a major league club which agreements provide rights to a major league club to purchase player contracts from minor league clubs; and players involved in private or personal agreements whereby the player contract is subject to purchase or directional disposal or assignment by a major league club by any means whatsoever.

SEC. 203. No contract, agreement, rule, course of conduct, or other activity by, between, or among persons conducting, engaging in, or participating in the organized professional team sport of baseball shall constitute a violation of the Acts named in section 201 of this title, to the extent to which it relates to—

(1) The equalization of competitive playing strengths;

(2) The employment, selection or eligibility of players, or the reservation, selection, or assignment of player contracts: *Provided,* That, excluding nonplaying managers and coaches, and players who are voluntarily retired, disqualified, restricted, or ineligible, or on the National Defense Service list, no major league baseball club, directly or indirectly, by contract or otherwise, may have title to, ownership or control of more than forty players at any given time, however, such a major league baseball club also may be a contracting party to, own, possess, or have under contract, directly or indirectly, through minor league baseball clubs or otherwise, not more than sixty additional contracts of professional baseball players, provided that every such player, not included by any major league club in the limitation of forty players authorized in this paragraph shall be subject to unrestricted draft at a price not to exceed one-half the interleague or intraleague waiver price recognized by the major leagues, whichever is lesser, at least one time in each calendar year after the conclusion of the world's series, but in no event later than December 10 of such year by any major league club that guarantees to include such drafted player within its forty player limitation. In the event that a player is drafted by more than one major league club, the election as to which club a drafted player's contract shall be assigned shall remain and be vested in the drafted player.

(3) The right to operate within specific geographic areas; *Provided,* That such geographic areas when used with respect to any baseball club shall mean the area included within the circumference of a circle having a radius of thirty-five miles with its center at the baseball park of the baseball club: *And provided further,* That the exemption which relates to the right to operate within the specified geographic areas shall not apply to cities having a population of more than two million people; and

(4) The preservation of public confidence in the honesty of sports contests.

SEC. 204. Any contract, agreement, rule, course of conduct, or other activities by, between or among persons conducting, engaging in or participating in the organized professional team sport of baseball which prevents, hinders, obstructs, or affects adversely the formation, organization, or operation of additional major baseball leagues not presently in operation or in existence, provided such additional major baseball league or leagues shall consist of a group of not less than eight communities which group has a total metropolitan or territorial population within a 35-mile radius with its center at each baseball park of not less than twelve million, and expressing in their constitution, bylaws, or rules the willingness to observe and comply with maximum major league standards respecting player limits, minimum major league standards respecting salaries, recognized waiver practices of the existing major leagues, major league standards respecting retirement programs, and playing schedules equal to the existing major leagues, shall be in violation of the Acts named in Section 201 of this Title.

SEC. 205. No contract, agreement, rule, course of conduct, or other activity by, between, or among persons conducting, engaging in, or participating in the organized professional team sport of baseball shall constitute a violation of the Acts named in Section 201 of this Title, to the extent to which it relates to the regulation of the granting by one or more clubs of the right to telecast reports or pictures of contests in the organized professional team sport of baseball from telecasting stations located within seventy-five miles of the home community of another club on the day when such club is scheduled to play there a regularly scheduled league game in the same sport, or to the distribution to other clubs in the same or different league, of all or any part of the revenues of whatever nature received from telecasting any or all contests in the sport of baseball: *Provided, however,* That the granting by one or more clubs in one league of the right to telecast reports or pictures of its contests in such organized professional sport from telecasting stations located within seventy-five miles of the home community of another club in such league or in a different league in the same sport on a day when such club is scheduled to play there a regularly scheduled league game shall be unlawful whenever such granting of the right to telecast has not been consented to in writing by the other club and the effect of such telecasting is injurious to or may tend to destroy such other club.

SEC. 206. Nothing in this title shall affect any cause of action existing on the effective date hereof in respect to the organized professional team sport of baseball.

SEC. 207. Nothing in this title shall be construed to deprive any players in the organized professional team sport of baseball of any right to bargain collectively, or to engage in other associated activities for their mutual aid or protection.

SEC. 208. This Act shall take effect thirty days after its passage: *Provided, however,* That in the calendar year in which this Act is passed each major league baseball club shall make available not later than December 10 of that year for unrestricted draft all players of whom it has title to or ownership or control in excess of forty players as

provided in Section 203(2) of this title: *And provided further*, That each club having title to, ownership or control of more than one hundred players on the passage of this Act, shall have two years from the date of its passage in which to dispose of such players.

AMENDMENT OF ADMINISTRATIVE EXPENSES ACT OF 1946, RELATING TO PAYMENT FOR CERTAIN TRAVEL AND TRANSPORTATION

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference a bill to provide for the payment of travel and transportation costs for persons selected for appointment to certain positions in the United States, and for other purposes.

This proposed legislation was submitted to the Senate by the Chairman of the Civil Service Commission on April 22, 1960, and referred to the Committee on Government Operations.

The Chairman of the Civil Service Commission, who has requested early action on the measure, advises that the bill would extend and broaden the coverage of an existing law, enacted in 1958, which will expire on August 24, 1960. The committee has received from the Commission an extensive report detailing the operations of the program during the past 2 years, as directed by the committee in its report on the original bill.

I request that the letter from the Chairman of the Civil Service Commission, together with a statement of its purpose and justification be incorporated in the RECORD at this point as a part of my remarks.

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

The bill (S. 3485) to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation costs for persons selected for appointment to certain positions in the United States, and for other purposes, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 22, 1960.

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

MY DEAR MR. PRESIDENT: We are submitting for the consideration of the Congress proposed legislation that would authorize the payment of travel and moving expenses for certain new employees of the Federal Government. There are enclosed: (1) a draft bill; (2) a section analysis of the proposed bill; and (3) a statement of purpose and justification.

The proposed bill, which does not contain any time limitations, is intended to supersede Public Law 85–749, which expires on August 24, 1960. Public Law 85–749 authorized the payment of travel and moving expenses of certain new employees to their first post of duty.

The proposed bill lifts certain restrictions on position coverage which now appear in Public Law 85–749. It contains a minor change from Public Law 85–749 in order to correct an inequity which now exists with respect to student trainees who are employed on a part-time basis by the Federal Government while they are completing their college training. All proposed changes were recommended by the Federal agencies who have been operating under the terms of Public Law 85–749 since August 1958, and who believe that the changes will further improve our competitive position with private industry in the recruiting of scientists, engineers, and other "shortage" specialists.

Early action by the Congress on this important legislation will limit, or perhaps eliminate, the period of time during which agency recruiting officials will be required to make conditional statements to applicants concerning the Government's ability to pay travel and moving expenses.

The Bureau of the Budget advises us that there would be no objection to the submission of this draft bill to Congress.

By direction of the Commission.

Sincerely yours,

ROGER W. JONES,
Chairman.

STATEMENT OF PURPOSE AND JUSTIFICATION OF A DRAFT BILL TO PROVIDE FOR THE PAYMENT OF TRAVEL AND TRANSPORTATION COSTS FOR PERSONS SELECTED FOR APPOINTMENT TO CERTAIN POSITIONS IN THE UNITED STATES AND FOR OTHER PURPOSES

PURPOSE

To further increase the ability of the Federal Government as an employer to attract persons in shortage occupations such as scientists and engineers.

JUSTIFICATION

Public Law 85–749, approved August 25, 1958, provided temporary authority to the Federal Government to authorize payment of travel and moving expenses of prospective employees reporting to their first duty station in positions determined to be in shortage categories on the same basis as payments to regular civilian employees upon transfer of official station or on original appointment to an oversea post of duty. Public Law 85–749 expires on August 24, 1960.

Originally the bill as approved by the House authorized payments to persons appointed to positions for which there is determined by the Commission to be a manpower shortage.

The Senate Committee on Government Operations initiated amendments to the bill which limited the authority for payment to persons "appointed to positions in the natural and mathematical sciences, engineering, and architectural fields, and to related technical positions for which there is determined by the Commission to be a manpower shortage in those skills which are critical to the national security effort."

The Senate Committee on Government Operations further amended the House bill to restrict its application to 2 years, thus insuring a review by the next Congress, as well as consideration of the possible need for extension of the authority.

The provisions of the attached draft bill are based on the experiences of the Civil Service Commission and the Federal agencies in operating under Public Law 85–749. Comments concerning its provisions are limited mainly to those features which differ from, or are not contained in, the provisions of Public Law 85–749.

SUMMARY OF EXPERIENCE OF FEDERAL AGENCIES IN OPERATING UNDER PUBLIC LAW 85–749 FROM AUGUST 25, 1958, TO NOVEMBER 15, 1959

Federal agencies were unanimous in reporting that authority to pay travel and moving expenses was a very important factor in effective recruitment. It has contributed to much stronger competition with industry. It has been especially helpful in recruiting for positions at outlying and isolated locations. It has resulted in the appointment of more highly qualified persons who would not otherwise have been available for Federal employment. The agencies were unanimous in recommending that the recruiting successes directly related to the use of the authority, coupled with the continuing shortage of well-qualified personnel, fully justifies extension of the law beyond its termination date of August 24, 1960.

Generally limited amounts of travel funds in relation to all travel needs of the agencies helped to assure that the provisions of the law were administered in the best interests of the Federal service. There is evidence, based on the statistical data and agency comments, that the authority has been used in a judicious and conservative manner. Payments were authorized only when required in the particular recruiting situation.

During the period August 25, 1958, through November 15, 1959, the Federal agencies authorized payment of travel and moving expenses to 2,406 new employees; 2,116 of the 2,406 new employees were engineers or physical scientists. A total of $752,803.46 was expended for this purpose; payments averaged $313 per new employee. Only 49 of the 2,406 employees violated their 1-year employment agreement, and approximately $15,000 will be recovered from the individuals concerned.

This experience can be compared with earlier estimates that Federal agencies would pay expenses for approximately 4,000 new employees per year at an average cost of $800, or a total of $3,200,000 per year.

Effect of restrictions on position coverage

Public Law 85–749 restricts authority for payment to new employees in that—

(a) Positions are restricted to the natural and mathematical sciences, engineering, and architectural fields, and to related technical positions;

(b) Skills must be critical to the national security effort; and

(c) There must be an established manpower shortage.

The absence of the first two restrictions would have resulted in relatively few additional new employees receiving payment for travel and moving expenses. However, the presence of these two restrictions precluded the alleviation of serious recruiting difficulties for some agencies for certain highly specialized and shortage positions. Examples are:

1. Professional veterinarians are in a critical shortage category. Department of Agriculture employs over 90 percent of the veterinarians in the Federal service. The requirement for relationship of the position to the national security precludes coverage under the current law;

2. City and community planners are also designated as "shortage" occupation by the Civil Service Commission for purposes of authorizing new minimum pay rates in accordance with section 803 of the Classification Act of 1949, as amended. Yet, the Director of the National Capital Planning Commission cannot pay travel and moving expenses as a recruitment inducement because these positions cannot be found in substantial numbers (in relation to the total strength of the occupation involved) in agencies whose programs directly involve the national security.

3. Bureau of Indian Affairs employs teachers, social workers, and journeyman mechanics at outlying locations in Alaska. The Bureau prefers to recruit qualified persons already residing in Alaska for these positions. Alaska residents are already adjusted to climate and living conditions. However, the restrictions on position coverage do not permit payment of travel expenses from resi-

dence in Alaska to the duty station. As a result, very few Alaska residents are available for employment with the Bureau. Consequently, the Bureau recruits in the continental United States and pays transportation expenses to and from Alaska under another legal authority. This inability to pay travel expenses for Alaska residents often results in a much greater expenditure of public funds as the results of recruiting from the continental United States.

4. Changing programs result in the need for new kinds of employees, including some in critical shortage occupations. Trend toward mechanization in the Post Office Department may encompass need for positions in the electronic computer areas.

5. Strategic Air Command cannot now obtain an adequate number of digital computer programers to staff their Control Division. Primary programing effort of this division is directed toward the execution and control of the emergency war plan. The relationship to national security is obvious; however, the restriction on position coverage does not permit payment.

Other examples cited by the Federal agencies were: landscape architects, management interns, geneticists, physiologists, pathologists, entomologists, soil scientists, psychologists, biologists, biochemists, biophysicists, pharmacists, bacteriologists, actuaries, librarians, and medical technologists.

The fact that these positions have been cited by the agencies as examples of positions for which payment of travel and moving expenses is justified by the recruitment situation does not necessarily mean that all will qualify under the requirement that there must be an established manpower shortage. Perhaps some of these positions will qualify only in certain geographic areas.

The requirement that there must be a manpower shortage has been applied in a realistic manner by the Civil Service Commission. In general, the Commission has applied the same principles and procedures for determining shortage occupations for this purpose as is done in determining shortages under section 803 of the Classification Act of 1949, as amended. Under this section, the Commission is charged by Congress with raising rates for hard-to-fill positions so as to assist in providing an adequate supply of employees to meet the vital need of Federal agencies.

Special problem on student trainee

Several departments have recommended that the law be revised to authorize payment of travel and moving expenses of student trainees who are on leave without pay attending college and who, upon graduation, are planning to return to their agencies in a professional capacity. Since these trainees are already on the agencies' rolls, they cannot be considered as new appointees. Agencies have invested heavily in money and time in the training of these students. Unless payment of their travel and moving expenses at time of graduation is possible, there is the strong likelihood that many will resign and accept other employment. They will then receive payment for their travel and moving expenses from their new employers. A high percentage of senior students are married and have children. The payment of moving expenses to the first permanent post of professional duty takes on unusually high significance, especially since the families are often in debt. Enactment of this provision will affect very few employees, but will remove a source of irritation over unequal treatment of two groups of new professional employees.

CURRENT PRACTICES IN PRIVATE INDUSTRY

Comments of the Federal agencies, reflecting the experiences of their recruiters who are in daily competition with recruiters from industry, confirm the fact that, generally speaking, industry continues to pay more money for more benefits to new and prospective employees in more job categories than does the Federal Government.

Atomic Energy Commission contractors: The practices of 19 large industrial contractors and 7 academic contractors, which together employ approximately 89 percent of the over 100,000 AEC contractor employees, were examined. All but one regularly pay the travel and moving expenses of new key and professional employees; the remaining contractor will pay on occasion. Fourteen of the twenty-six contractors will regularly pay these expenses for all new employees, regardless of occupation. Twenty-four contractors provide allowances in addition to payment for travel and moving expenses; these usually include subsistence expenses for the family for up to 30 days.

Twenty-five of the twenty-six contractors also provide for preemployment interviews at company expense. These payments are usually limited to interviews of technical, scientific, and other key personnel.

Office of Naval Research contractors: A 1956 survey shows that 75 percent of all ONR contractors pay moving expenses and personal and family travel costs for new employees in shortage categories.

A recent survey reveals that upward of 90 percent of the approximately 2,500 ONR contractors now pay these expenses.

Air Research and Development Command contractors: A 1956 survey shows that ARDC has approximately 145 contractors of the large industrial type. Of these firms, 90 percent pay travel and moving expenses for new employees and their families.

A recent survey indicates that approximately 90 percent of these large industrial contractors have continued to pay these expenses, and that the trend has been toward more liberal benefits in terms of subsistence and other allowances.

In all contracts—AEC, ONR, and ARDC—the practice of paying travel expenses extends to the preemployment interviews. Most large corporations and hundreds of smaller firms have Government contracts. In order to more readily justify payment of travel and moving expenses for new employees in their Government contracts, they generally provide for these payments to all of their employees—whether or not utilized on Government contracts.

Advertisements in newspapers and journals: Such large companies as RCA, Western Electric, American Standard, Remington Rand, Westinghouse, Raytheon, and General Aniline—all large users of scientific and engineering personnel—are some of the recent advertisers who state that they will pay the relocation expenses of new employees. Payments are not confined to scientists and engineers. Advertisements stating that travel and moving expenses will be paid for such positions as sales representative, cost manager, systems consultant, financial analyst, systems analyst, auditor, tax supervisor, personnel director, market research manager, cost estimator, manager of manufacturing, maintenance foreman, digital computer programer and trainee, salary analyst, inventory control manager, marketing director, cost analyst, and skills training specialist were noted recently.

COST

Cost of the proposed legislation is estimated at $1,050,000 per year. This figure is based on estimates that 3,000 new employees for whom travel and moving expenses would be paid will be hired annually. The average cost per hire for moving household goods and for payment of personal travel expenses and per diem is estimated at $350. This figure is based on agency experience during the past year.

The proposed legislation will not involve any expenditures for personal services.

PROVISION OF QUARTERS, FURNITURE AND EQUIPMENT, AND CERTAIN OTHER FACILITIES TO CIVILIAN OFFICERS AND EMPLOYEES

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes.

This draft bill was submitted to the Senate by the Director of the Bureau of the Budget on March 11, 1960, and was referred to the Committee on Government Operations. It is designed to clarify existing statutory authority for providing quarters, household furniture, subsistence, and so forth, to civilian employees of the Government who occupy Government quarters.

The proposed legislation would continue the basic authority now granted Government agencies by the act of March 5, 1928 (5 U.S.C. 75(a)). In addition, it would, first, authorize the President to issue regulations prescribing rates to be charged employees for the housing, facilities, and services provided, and, second, authorize housing for employees of Government contractors engaged on defense, atomic energy, and other projects who are not presently covered by the act of March 5, 1928.

The bill does not authorize any new construction or acquisition of Government quarters, nor does it alter the basic statutory policy that employees should pay a reasonable rate for housing provided them, nor affect special statutes which authorize housing at specific rates or without charge.

Mr. President, I request that the letter from the Director of the Bureau of the Budget addressed to the President of the Senate be included in the RECORD at this point as a part of my remarks.

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

The bill (S. 3486) to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 11, 1960.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: I have the honor to transmit herewith a proposed bill "to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes."

The purpose of the proposed bill is to provide for the charging of uniform and equitable rates for occupancy of Government-owned quarters on a rental basis. The bill would consolidate and restate related provisions of law and regulations which authorize the furnishing of quarters to Government employees, and it would vest authority in the President to prescribe regulations which would insure fair and consistent treatment for all persons—civilian employees, military personnel, and non-Government personnel—who occupy rental housing under like circumstances.

The bill would not authorize any new construction or other acquisition of quarters for any personnel. It would continue the authority, now covered by the act of March 5, 1928 (5 U.S.C. 75a), to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service for civilian employees. It would also provide the basis for fixing rental rates and related charges for rental housing occupied by members of the uniformed services, but it would not change the existing authority to provide quarters and related items to such members. The bill would also apply in those instances (principally involving certain facilities of the Department of Defense and the Atomic Energy Commission) where non-Government personnel—usually contractors' employees—occupy Government quarters.

Section 3 of the act of March 5, 1928 (5 U.S.C. 75a), is the only existing law of general application to civilian employees with respect to providing quarters and fixing rents. It reads as follows:

"The head of an executive department or independent establishment, where, in his judgment, conditions of employment require it, may continue to furnish civilians employed in the field service with quarters, heat, light, household equipment, subsistence, and laundry services; and appropriations of the character used before March 5, 1928, for such purposes are made available therefor: *Provided*, That the reasonable value of such allowances shall be determined and considered as part of the compensation in fixing the salary rate of such civilians."

This law established the equitable principle that the Government should charge employees the reasonable value of quarters and related items furnished to them. However, it does not by its terms apply to those Government quarters which are occupied by members of the uniformed services on a rental basis, nor to those Government quarters which may be occupied by persons who are not employees of the Government. Moreover, it is not specific enough for agencies to independently administer it with reasonable uniformity since it sets no detailed criteria for establishing rents and it does not expressly provide for Government-wide regulations thereunder. It gives no basis for determining reasonable value, that is, whether based on the commercial rental rates of comparable facilities, on the Government's investment in the quarters, or on other factors.

Considerable variation in the interpretation of this 1928 law, and an evident failure by many agencies to charge their employees with the reasonable value of the quarters, came to the attention of both the Bureau of the Budget and the General Accounting Office about 10 years ago. As a result, the Bureau of the Budget in 1951 issued its Circular No. A–45, which established certain procedures intended to make the various agency practices uniform and more equitable to both the Government and the employees concerned. This circular prescribed, as the basic criterion for determining reasonable value for rental purposes, that rents should be set at levels similar to those prevailing for comparable private housing located in the same area, after taking into account certain considerations which affect the value of the housing to the recipient, such as isolated location, and instances where an employee might, for the convenience of the Government, have to accept quarters of a size or quality beyond that which he would choose of his own accord. The proposed bill would provide statutory authority for regulations of the type now prescribed by the Bureau of the Budget circular. The procedure contemplated by this bill is similar to that provided in other statutes dealing with employee allowances and benefits, such as the Travel Expense Act of 1949, as amended (5 U.S.C. 835–842), and the Government Employees Training Act (5 U.S.C. 2301, et seq.).

Since 1928, several other laws have been enacted which authorize rental of quarters to Government personnel. The act of July 2, 1945, as amended (37 U.S.C. 111a), authorized the occupancy of certain quarters on a rental basis by members of the uniformed services who are authorized to continue to receive their basic allowances for quarters. Sections 404(f) and 405 of the act of August 11, 1955, as amended (42 U.S.C. 1594a(f) and 1594(b), authorized the occupancy by civilian personnel, on a rental basis, of Capehart housing and Wherry housing acquired by the Government, and occupancy of some Wherry housing by military personnel on that basis. These provisions of law did not specify how the rental rates were to be determined, and the draft bill would provide a basis for such determinations.

Section 407(a) of the act of August 20, 1957 (Public Law 85–241), authorizes the rental of inadequate public quarters to members of the uniformed services, and provides that such personnel will be paid an adjusted quarters allowance amounting to the net difference between (1) the fair rental value of the inadequate quarters, and (2) their basic allowance for quarters. The section provides that it shall be administered under regulations approved by the President. These regulations have been issued by the heads of the departments concerned, after approval by the Director of the Bureau of the Budget, under a delegation of authority from the President in Executive Order No. 10766, dated May 1, 1958. In addition to setting standards of adequacy, these regulations prescribe methods of setting fair rental value on the same basis as required by budget circular No. A–45. The bill would permit these housing rentals to be fixed under the proposed Government-wide regulations which the President would be authorized to prescribe.

The bill would also permit the President to issue regulations to provide a similar basis for the determination of charges for household furniture and equipment, utilities, subsistence, and laundry service, where such items are authorized to be supplied by the Government.

The draft bill also contains a prohibition against employees being required to occupy Government rental quarters unless a determination has been made that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise. Such a prohibition has appeared in annual appropriation act provisions in recent years.

We recommend this draft bill be given the favorable consideration of the Congress.

Sincerely yours,

MAURICE H. STANS,
Director.

AMENDMENT AND EXTENSION OF ANTI-KICKBACK STATUTE

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill which proposes to amend the Anti-Kickback Act to extend it to all types of negotiated Government contracts.

This proposed legislation was submitted to the Senate by the Comptroller General of the United States on March 22, 1960, and referred to the Committee on Government Operations. The bill I am now introducing conforms to the request of the Comptroller General that early action be taken by the Congress to amend the Anti-Kickback Act of 1946 to extend the provisions as proposed by the new legislation. According to the Comptroller General, the act now applies only to contracts entered into "on a cost-plus-a-fixed-fee, or other cost-reimbursable basis."

The letter from the Comptroller General in support of the proposed legislation which was forwarded to the President of the Senate sets forth the purpose and need for this legislation, and I ask that it be inserted in the RECORD at this point as a part of my remarks.

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

The bill (S. 3487) to amend the anti-kickback statute to extend it to all negotiated contracts, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 22, 1960.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: We are recommending that the act approved March 8, 1946, 60 Stat. 38, 41 U.S.C. 51, popularly known as the Anti-Kickback Act, be amended to apply to all types of negotiated Government contracts. The act now only applies to contracts entered into "on a cost-plus-a-fixed-fee, or other cost-reimbursable basis."

The Anti-Kickback Act prohibits the payment or grant of anything of value by or on behalf of a subcontractor to an employee of a prime contractor holding a Government contract, or to an employee of a higher-tier subcontractor thereunder, either as an inducement for the award of a contract or purchase order, or as acknowledgment of a subcontract or purchase order previously awarded. Under the act it is conclusively presumed that kickbacks are ultimately borne by the Government, and prime contractors are required to withhold from subcontractors, upon the direction of the contracting agency or the General Accounting Office, the amount of the kickback. The act provides for both civil recovery and criminal prosecution and authorizes the General Accounting Office to inspect the plants and audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost-plus-a-fixed-fee or cost-reimbursable contract to determine whether kickback payments have been made.

The background and reason for the enactment of the Anti-Kickback Act in 1946 are as follows:

The General Accounting Office, in auditing certain World War II cost-plus-a-fixed-fee contracts, found the existence of conditions involving the payment by certain firms of commissions or fees to persons employed in the purchasing departments of prime contractors who were performing cost-plus-a-fixed-fee contracts for the Government, for the purpose of obtaining subcontracts or orders from the prime contractor. The Government ultimately bore the

costs of the kickbacks because, under the terms of the prime contract, it was required to reimburse the contractor for the cost of all subcontracts. However, there was no specific statutory remedy for recovery by the Government of the amount of the kickback, and there was serious doubt as to the adequacy of common law remedies.

The General Accounting Office brought the existence of such conditions to the attention of appropriate committees of the Congress, resulting in open hearings which confirmed our findings. On October 5, 1943, the Comptroller General issued a special report to the Congress recommending corrective legislation, which was adopted substantially as suggested.

Since the passage of the act, new types of negotiated contracts have been devised to meet the specialized and complex procurement problems of the Government, in which the element of cost of performance is considered in fixing the contract price or in which the contract price may be adjusted upward or downward at completion or during the course of performance on the basis of actual cost experience.

Some of these new forms of contracts are used more extensively today than cost-plus-a-fixed-fee contracts, which were so prevalent at the time of the passage of the act. For example, the use of the price redeterminable type of contract has become extensive, but since the Anti-Kickback Act does not specifically cite this type of contract, any violation thereunder would be actionable only if such contracts are considered to be on a cost-reimbursable basis. This precise point was presented to the U.S. courts with conflicting results. The District Court for the Eastern District of Pennsylvania in the unreported case of *United States* v. *Norris et al.*, April 14, 1956, decided that a price redeterminable contract which provided only for prospective price adjustments did not come within the purview of the act and granted the defendants' motion for judgment of acquittal. The court stated "that the proper remedy in this case is that if Congress so feels, it should expand the provisions of title 41 to cover just this type of machination on the part of trusted employees, and I am ordering that my remarks here be transcribed, filed of record, and that the U.S. attorney be furnished two copies so that if he wishes he may transmit a copy of my remarks to the Attorney General of the United States, to the end that Congress may if it so desires amend this act to include as a crime the vicious and immoral type of conduct that has been exhibited in this case."

In *Hanis* v. *United States* (246 F. 2d 781), decided July 16, 1959, by the U.S. Court of Appeals, eighth circuit, the appellant, Hanis, had been adjudged guilty in the U.S. District Court for the Western District of Missouri of conspiring to violate the provisions of the Anti-Kickback Act under an indictment which charged that he had, in exchange for commissions, etc., assisted companies in obtaining subcontracts from the prime contractor for the United States operating under "fixed-price-reimbursable contracts with price redetermination clauses." He had appealed primarily on the ground that the indictment did not allege and that evidence failed to show that he knew his employer was operating under Government contracts providing for compensation on a cost-plus basis. He did not raise the issue whether the contract was cost reimbursable within the provisions of the Anti-Kickback Act. The U.S. Court of Appeals held that such knowledge on the part of Hanis was not an essential element of the offense.

The District Court for the District of Kansas, in granting a preliminary motion to dismiss the indictments in the case of *United States* v. *Barnard, et al,* also held that price redeterminable contracts were not within the statute. However, the Government appealed from the orders of dismissal and the Court of Appeals for the Tenth Circuit on May 2, 1958, reversed the lower court ruling, holding that the act did apply to price-redeterminable contracts, *United States* v. *Barnard, et al,* (255 F. 2d 583, cert., den. 358 U.S. 919). The contract provided for both prospective and retrospective redetermination of prices.

By letter dated April 29, 1958, and before the Barnard case was decided, we transmitted to the Attorney General of the United States a report of limited investigation made by our Defense Accounting and Auditing Division of payments made by a company to an employee of a subcontractor in connection with performance of contracts with the Air Force for the manufacture of turbojet engines. The prime contract involved provided that the unit prices stipulated to be paid for the items required to be furnished were subject to prospective revision upward or downward periodically on the basis, among other things, of the contractor's cost experience up to the point of redetermination. We referred this case to the Attorney General to consider the advisability of bringing an action thereon under the Anti-Kickback Act on the possibility that the Norris case would not be followed.

The Barnard case was decided on May 2, 1958 after our referral to the Department of Justice. In a letter dated July 16, 1958, the Assistant Attorney General, Criminal Division, advised the Comptroller General that in the light of the Barnard case, the case which we referred on April 29, 1958 was probably not within the purview of the anti-kickback statute because the redetermination clause of the contract, which provided for either upward or downward price revision, had only prospective effect.

In our letter of April 29, 1958, to the Attorney General we suggested that the Department might want to propose to the Congress that the act be amended in the event that it should be decided that no action could be taken in the case in question under the Anti-Kickback Act. However, the Department advised that because of the role played by our office in the enactment of the legislation, recommendations of amendatory legislation should more appropriately be presented by the General Accounting Office and other agencies concerned with procurement. The Assistant Attorney General's letter also states that the Department of the Army suggested in connection with the Norris case that the language of the act might be broadened to include fixed-price contracts "with provisions for price adjustment including but not limited to price redetermination, price escalation, or adjustment of profit and price."

Fixed-price redeterminable contracts may contain either prospective or retroactive price redetermination clauses, or both, and may provide for price revisions upward or downward, or both. Such clauses may be invoked either after a specified period of time has elapsed after production has begun, or after a specified percentage of the procurement has been delivered, and may operate either automatically or at the option of one of the parties. There are several different types of price redetermination clauses presently in use, each designed to suit a particular need. Fixed-price incentive contracts establish target costs which together with target profit make up the target price. In the event that the contractor underruns the target costs, he will receive a specified percentage of the savings. If an overrun of target costs results, the contractor contributes a stated percentage of such overrun. The use of these types of contracts and other types which may be devised in the future by the Government could add to the existing confusion as to what constitutes "other cost reimbursable basis" in the event that the Government should seek a remedy at law for violations of the act by subcontractors. Attached as exhibit A is a chart of the authorized types of negotiated contracts contained in the Air Force Procurement Instruction, which illustrates the numerous types of negotiated contracts employed in current procurements.

Therefore, in considering the question of recommending legislation broadening the Anti-Kickback Act, we have concluded that it would be more practical and in the best interest of the Government if the act were expanded to apply to all negotiated contracts rather than broadening it only to cover price-redetermination contracts with prospective effect which the Department of Justice feels are not subject to the act.

Negotiated procurements are generally used where the product involved is one not usually found on the commercial market and where there may not be effective competition. In such case, there is generally no opportunity to compare going prices with the price negotiated by the Government, which makes this type of contract more susceptible to kickbacks. In the event that follow-on contracts, including firm fixed-price contracts, should ensue, any undetected kickbacks which may have been paid initially and included in prices paid by the Government would be perpetuated in the follow-on contracts.

The dollar value of negotiated procurement is exceedingly high. To illustrate, the Department of Defense budget for 1960 is $40 billion, or 55.5 percent of the entire Federal budget. Estimated expenditures for military procurement will be about $17 billion, or 40 percent of the Department of Defense budget. Of this amount, 80 to 90 percent will be expended under negotiated contracts under circumstances which do not always afford the Government full assurance of the fair and reasonable pricing which may be expected to result from full and free competition. A very substantial amount will undoubtedly be disbursed to prime contractors under weapons system contracts, which, by reason of the enormous extent of subcontracting involved, appear to be particularly susceptible to kickback abuses.

Our proposal to make all negotiated contracts subject to the act includes fixed-price negotiated contracts. They should be included, since this form of contract is used when it is not practical to award the contract after formal advertising in which the normal competitive processes reduce the possibility of kickbacks and tend to make the prime contractor more alert to unnecessary subcontractor costs.

The statute prohibits the charging of any kickback, "whether hereafter or heretofore paid," as a part of the contract price. The U.S. District Court for the Eastern District of Michigan, in the case of *United States* v. *Daivo* (136 F. Supp. 423, Dec. 30, 1955), construed these words as having retrospective effect and permitted the recovery of a kickback paid before the statute was enacted. The proposed amendment does not disturb the retrospective feature of the act. It is not our intention, nor would it be practicable, for our office to examine all contracts negotiated prior to the time the amendment may become law. However, in the event that current audits disclose kickback practices, the General Accounting Office should have the authority to take appropriate action with respect to violations under prior negotiated contracts.

There is one additional point which probably should be mentioned. Section 3 of the act authorizes the General Accounting Office to inspect the plants and audit the books and records of contractors and subcontractors to determine whether kickback payments have been made. However, broadening the coverage of the act as we recommend would not increase our authority to

audit the books and records of prime contractors and their subcontractors, because after the passage of the Anti-Kickback Act in 1946 the Comptroller General was given authority to audit the books and records of contractors and their subcontractors holding contracts negotiated without advertising under the provisions of section 304 of the Federal Property and Administrative Services Act of 1949, as amended, 41 U.S.C. 254(c); section 4 of the Armed Services Procurement Act of 1947, recodified as 10 U.S.C. 2313(b); section 166 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2206; and the act of August 28, 1958, 50 U.S.C. 1431, reenacting in substance the provisions of the First War Powers Act of 1940.

We are satisfied that enactment of the Anti-Kickback Act of 1946 has had a salutary and strong deterrent effect against commercial bribery and the payment of kickbacks under the cost reimbursable type contracts which the statute was specifically designed to cover. We further feel that the conditions which the act was designed to cover could arise as well under the extended methods of contracting now employed by the Government, as above referred to. For this reason we believe that it is essential to the protection of the best interests of the Government to extend the legislation to cover these types of contracts. Consequently, we strongly recommend early action by the Congress to amend the Anti-Kickback Act of 1946 to extend the provisions thereof to all negotiated contracts.

Suggested language for a bill to accomplish the necessary changes is attached (Exhibit B), together with a copy (Exhibit C) of the existing law in which the proposed new wording to the act is underlined and the wording proposed to be eliminated is bracketed.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

PROCUREMENT OF SERVICES OF EXPERTS AND CONSULTANTS BY SECRETARY OF COMMERCE

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill which proposes to authorize the Secretary of Commerce to procure the services of experts and consultants at per diem rates which are commensurate with those paid by private industry.

The proposed legislation, submitted to the Congress by the Acting Secretary of Commerce on January 15, 1960, would authorize the Secretary of Commerce to pay per diem up to $100 per day for experts when retained as consultants by the Department, for a period not to exceed 100 days in any calendar year.

Mr. President, I ask that the letter addressed to the President of the Senate by the Acting Secretary of Commerce, together with a report entitled "Statement of Purpose and Need" for this proposed legislation, be included in the RECORD at this point as a part of my remarks.

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

The bill (S. 3488) to authorize the Secretary of Commerce to procure the services of experts and consultants, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., January 15, 1960.

Hon. RICHARD M. NIXON,
President of the Senate,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: There are attached four copies of a proposed bill "to authorize the Secretary of Commerce to procure the services of experts and consultants."

There are also attached four copies of a "Statement of Purpose and Need" for the proposed bill.

We are advised by the Bureau of the Budget that it would interpose no objection to the submission of this proposed legislation.

Sincerely yours,

PHILIP A. RAY,
Acting Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

Section 15 of the Administrative Expenses Act of August 2, 1946, 60 Stat. 810, as amended (5 U.S.C. 55a), provides as follows:

"The head of any department, when authorized in an appropriation or other act, may procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, and in such cases such service shall be without regard to the civil service and classification laws (but as to agencies subject to the Classification Act of 1949 at rates not in excess of the per diem equivalent of the highest rate payable under such act, unless other rates are specifically provided in the appropriation or other law) and, except in the case of stenographic reporting services by organizations, without regard to section 5 of title 41.

Under the foregoing provision and the current Department of Commerce Appropriation Act the Department is generally limited to payment of individuals at rates not in excess of $50 per diem, specified in the appropriation act, unless otherwise specified by law.

The purpose of procuring the services of experts and consultants is ordinarily to accomplish one or more of the following objectives:

1. To secure specialized opinion not available within the Department or accessible within other Government agencies;

2. To obtain outside points of view, to avoid too limited judgment on critical issues of administrative or technical action;

3. To obtain advice regarding developments in industrial, college or university, or foundation research;

4. To obtain for especially important projects the opinion of noted experts whose national or international prestige is conducive to success of an undertaking;

5. To secure citizen advisory participation in developing or implementing Government programs that by their nature or by statutory provision call for such participation; and

6. To obtain the services of specialized personnel who are not needed by the Government on a full-time basis, or who cannot serve full time or regularly.

To accomplish the objectives listed above, it is necessary to obtain the services of individuals who are truly expert. Under civil service requirements (Federal Personnel Manual, p. A–7–13) an expert must be a person of excellent qualifications and a high degree of attainment in a professional, scientific, technical, or other field. His knowledge and mastery of the principles, practices, problems, methodology, and techniques of his field of activity, or of an area of specialization within the field, must be clearly superior to that possessed by persons of ordinary competence in the activity. His attainment must be such that he will usually be regarded as an authority or as a practitioner of unusual competence and skill by other persons engaged in the profession, occupation, or activity.

In years past a maximum limitation of $50 per diem (equivalent to approximately $13,000 per annum) has generally sufficed to enable the Department to procure the services of persons who meet the Civil Service Commission's criteria for experts. In recent years, however, increasing difficulty has been experienced in obtaining the services of individuals who are truly qualified as experts because of the fact that such individuals in private employment now receive compensation at rates substantially in excess of the $50 per diem ($13,000 per annum) rate available for serving the Government. In numerous instances the experts whose services are desired receive twice as much as the maximum Government rate, or more. As a result, the Department is handicapped severely in procuring the services of experts and consultants under 5 U.S.C. 55a.

The authority requested is substantially similar to that recently approved by the Congress for the Federal Aviation Agency (sec. 302(1), act of Aug. 23, 1958, 72 Stat. 731, 745, 49 U.S.C. 1343(g)); for the National Aeronautics and Space Agency (sec. 203, act of July 29, 1958, 72 Stat. 432, 42 U.S.C. 2473 (b)(9)); for the Panama Canal Company (sec. 201, act of July 13, 1959, 73 Stat. 208, the Department of Commerce and Related Agencies Appropriation Act, 1960); and for the St. Lawrence Seaway Development Corporation (sec. 301, act of July 13, 1959, 73 Stat. 208, the Department of Commerce and Related Agencies Appropriation Act, 1960).

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT, RELATING TO ALLOCATION OF SURPLUS PROPERTY BY DEPARTMENT OF DEFENSE

Mr. McCLELLAN. Mr. President, by request, I introduce for appropriate reference a bill which proposes to limit the distribution of surplus property under the control of the Department of Defense to educational institutions conducting military training programs at standards acceptable to the Department of Defense, and to transfer the responsibility for administering the request of other educational activities now receiving such surplus property to the Department of Health, Education, and Welfare.

This proposed legislation was submitted to the Senate by the Secretary of Defense and referred to the Committee on Government Operations on August 28, 1959. The letter from the Secretary of Defense in support of the proposal sets forth the purpose and need for this legislation, and I ask that it be printed in the RECORD at this point as a part of my remarks.

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

The bill (S. 3489) to amend section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)), to provide that the Department of Defense may al-

locate surplus property under its control for transfer under that act only to educational institutions conducting approved military training programs, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., August 28, 1959.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is enclosed a draft of proposed legislation "to amend section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)), to provide that the Department of Defense may allocate surplus property under its control for transfer under that act only to educational institutions conducting approved military programs."

The proposal is part of the Department of Defense legislative program for 1959. It is recommended that this legislation be enacted by the Congress.

PURPOSE OF LEGISLATION

The purpose of the proposed legislation is to limit distribution of surplus property under the control of the Department of Defense to educational institutions conducting military training programs at standards acceptable to the Department of Defense and to transfer the responsibility for administering the requests of other educational activities now receiving such surplus property to the Department of Health, Education and Welfare.

Under criteria developed over the past years within the scope of the present statute, the Department of Defense has found certain fine organizations eligible to receive surplus property. It is unnecessary to emphasize the worth to this country of organizations such as the Boy Scouts, Campfire Girls, and the Boys Clubs of America; however, it is believed that determinations with respect to the distribution of surplus property to such organizations more properly belong within the purview of the Department of Health, Education and Welfare.

On the other hand, the Department of Defense has a direct responsibility for military training programs conducted at educational institutions maintaining and conducting military programs at standards acceptable to the Secretaries of the Army, Navy, and Air Force. The Armed Forces benefit from these programs by receiving militarily trained manpower. It is therefore entirely reasonable that a direct responsibility for supplying needed surplus property to institutions of this nature should be imposed upon the Department of Defense.

Similar reasoning impels the inclusion of the proviso in the bill which would preserve the present eligibility of the Civil Air Patrol to receive surplus property under the control of the Department of Defense.

The Civil Air Patrol maintains a capability to assist both civil and military activities during emergency and during periods when no emergency exists, by the voluntary efforts of the Civil Air Patrol senior members who operate and maintain light aircraft, mobile support units, and a nationwide radio communication network. Therefore, it is the position of the Department of Defense that the Civil Air Patrol should continue to receive support of their overall program through the donation feature as heretofore.

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

Sincerely yours,

NEIL MCELROY.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO CONVEYANCE AND GRANT OF INTERESTS IN CERTAIN REAL PROPERTY

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference a bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to permit conveyances and grants to States, counties, municipalities or other duly constituted political subdivisions of States of interests in real property which are needed for an authorized widening of a public street, highway or alley, and for other purposes.

This proposed legislation was submitted to the Senate by the Administrator of General Services and referred to the Committee on Government Operations on January 28, 1960, as a part of the legislative program of the General Services Administration for the 86th Congress.

Mr. President, in order that Members of the Senate may have full information relative to the objectives of the bill, I request that the letter transmitted to the President of the Senate by the Administrator of General Services be inserted in the RECORD at this point.

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

The bill (S. 3490) to amend the Federal Property and Administrative Services Act of 1949, as amended, to permit conveyances and grants to States, counties, municipalities or other duly constituted political subdivisions of States of interests in real property which are needed for an authorized widening of a public street, highway or alley, and for other purposes, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
January 28, 1960.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: There is transmitted herewith for referral to the appropriate committee, a draft bill prepared by this agency "to amend the Federal Property and Administrative Services Act of 1949, as amended, to permit conveyances and grants to States, counties, municipalities or other duly constituted political subdivisions of States of interests in real property which are needed for an authorized widening of public streets, highway or alley, and for other purposes."

This proposal is a part of the legislative program of the General Services Administration for 1960.

The act of August 26, 1935, as amended (40 U.S.C. 345b), hereinafter referred to as Public Law 330, provides, in pertinent part, for deed to municipalities, without cost, of portions of any Federal building site desired for street-widening programs. Such real property need not be reported excess or be determined to be surplus, pursuant to the Federal Property and Administrative Services Act of 1949, as amended, before it is deeded.

The purpose of this part of Public Law 330 (reported out of the committees of Congress as H.R. 7626 and S. 2626) was explained by the Secretary of the Treasury in a letter dated May 10, 1935, to Hon. Fritz C. Lanham, chairman, Committee on Public Buildings and Grounds, House of Representatives, as follows:

"The second proviso (now the third proviso) would permit the Secretary of the Treasury to dedicate for street-widening purposes portions of any Federal-building sites without cost to municipalities, where the requests for such dedications are in pursuance of well established, duly authorized, street-widening programs. It has been the practice of the Treasury Department in the past to cooperate with municipalities on their street-widening programs, on the ground that such programs are of general benefit to the public and that the Federal Government shares in those benefits as a property owner. It has never had general authority, however, either to dedicate or sell the necessary strips of land for street-widening purposes, even though it was found that it could be done without jeopardy to the Federal interest.

"Accordingly, revocable licenses have been granted to cities in a number of cases to use the Federal property for street-widening purposes, provided the Government was put to no expense in connection therewith, and with the further understanding that if and when Congress authorized the sale of such strips of land the cities would pay for them at a fair market value basis. This has resulted in inequalities, those cities which have pursued the legislation eventually paying for the strips and others, where no legislation has been passed, enjoying the benefits of the use of Federal land without cost.

"It is the opinion of the Treasury Department that this proviso is feasible and equitable. While it permits the dedication of areas for municipal uses without cost, it is believed that in practically all instances the benefit resulting from better approaches to the Federal buildings will offset the value of the land transferred to municipal ownership."

In reporting favorably on H.R. 7626, the House of Representatives committee, in Report No. 1140, 74th Congress, 1st session, agreed with these views. The Senate Committee on Public Buildings and Grounds, in Report No. 788, 74th Congress, 1st session, reported S. 2626 favorably and incorporated therein the letter of the Secretary of the Treasury referred to above.

The General Services Administration perceives no reason why such transfers of interests in real property should not be made to States, counties, or other duly constituted political subdivisions of States, as well as to municipalities, for the public use, if it is in the interest of widening of a public street, public highway, or public alley. For example, a Federal building site may be within the limits of a municipality but adjacent to a State or county highway running through the municipality or adjacent to a public alley. Inability under the present law to transfer an interest in such real property, without cost, to the State or county could interfere with a municipal program for widening its streets and alleys. There have been other instances where the present limitations of Public Law 330 have presented obstacles to the best use of Federal real property.

The proposed amendment to this legislation is intended to extent the authority under Public Law 330 to the transfer of interests in Federal real property outside, as well as within, the limits of municipalities for the widening of public highways. The benefit resulting from better approaches to

Federal real properties located in rural areas could conceivably enhance the market value of such properties to an even greater extent than similar sites within municipal limits.

The word "comprehensive," as used in the present law, has no clear meaning and should be deleted. A strict interpretation of the word could require that a street-widening project include all of the streets in a particular municipality or the entire length of a particular street. In order to justify a transfer, it was undoubtedly the intent of the law, as expressed in the above-quoted excerpt from the letter from the Secretary of the Treasury, to require only that a street-widening project be "well established" and be duly authorized.

Although Public Law 330 limits the conveyance of property for street-widening purposes to portions of Federal buildings sites under the control of the Administrator of General Services, the Bureau of the Budget is of the opinion that such authority, if extended to programs for widening of public highways and public alleys, should also be extended to interests in any real property under the control of any executive agency of the Federal Government. As a corollary to this extension of authority, we are of the opinion that the head of any executive agency should also have the authority to grant an easement, for a right-of-way or for any other purpose, in or over any Federal real property under the control of his executive agency to any State, county, municipality or other duly constituted political subdivision or any person (as defined in sec. 3(i) of the Federal Property and Administrative Services Act of 1949, as amended). Under present authority in the Federal Property and Administrative Services Act of 1949, as amended, and procedures promulgated thereunder by the Administrator of General Services, and except for any collateral statutes which authorize the head of an executive agency to convey or grant an easement or other real property interest, real property which qualifies for disposition for widening of a public highway or alley or an easement in any Federal real property, which an executive agency desires to grant to the above-named entities, must first be reported as excess property to the General Services Administration and, after screening with other executive agencies, must be determined by the Administrator of General Services, or his designee, to be surplus to Government needs before such disposition thereof may be made. We are in agreement with the Bureau of the Budget that the head of each executive agency can best determine whether a conveyance of a small portion of real property over which an executive agency has control and which is required for widening of a public street, highway or alley will interfere with its use of the remainder of its real property. Likewise, the head of an executive agency can best determine whether the granting of an easement in or over real property under its control will interfere materially with the continued use by said agency of the real property from which such easement is granted. The proposed bill provides, in the latter part of subsection 213(a), that the head of the executive agency having control over the real property affected may convey or grant such interest or easement as would not jeopardize the interest of the United States. It is the prerogative of the head of the executive agency to determine the terms and conditions to be included in the conveyance or grant and to decide whether to obtain any consideration for the conveyance or grant. Where consideration can be obtained, part or all of the consideration may consist of an exchange of the Government real property interest or easement for other real property interests or easements. If the estate from which such interest or easement is severed is later disposed of to a private party, there may be included in the conveyance or grant such reversionary interest as the United States has at that time.

If the United States has not disposed of such reversionary interest, the bill further provides for the administration and ultimate disposal of such reversionary interest. Specifically, subsection 213(b) provides that in the event the head of the executive agency which has control of the real property from which an interest in real property or easement was conveyed or granted pursuant to subsection 213(a) or in the event the Administrator of General Services, in any case in which there has been a prior disposal of said Government-owned real property by the United States, determines that there has been (1) a failure to comply with any terms and conditions of the conveyance or grant, or (2) a nonuse thereof for a consecutive 2-year period for the purposes for which conveyed or granted, or (3) an abandonment thereof, all right, title and interest of the grantee in such real property interest or easement shall revert to the United States without cost to it and control thereof shall vest in the executive agency, the head of which made the foregoing determination. Of course, if there has been a prior disposal of the Government-owned real property from which the interest or easement was originally conveyed or granted and if the interest or easement conveyed or granted then reverts to the control of the General Services Administration, the Administrator of General Services shall transfer or dispose of the reverted interest in accordance with applicable law, which at present would be sections 202 and 203 of the Federal Property and Administrative Services Act of 1949, as amended.

The reversion of such real property interest to the United States should be without cost to it, notwithstanding the fact that the interim owner of the interest in property or user of an easement may have paid value therefor. This conclusion is premised on the fact that the interim owner or user has received adequate compensation in using the real property or interest therein for the purpose for which it was conveyed or granted and would not have abandoned or ceased to use the property for such purposes if it had further value to the user. Since many executive agencies have collateral authority similar to that contained in the proposed bill, the last part of the bill provides that the authority therein shall be in addition to, but not in derogation of, any authority heretofore conferred on the head of any executive agency, to convey or grant such interest or easement.

The proposed legislation has been incorporated in Title II—Property Management of the Federal Property and Administrative Services Act of 1949, as amended, because it deals with the disposition of Federal real property and interests therein and is basically a limitation on the authority and responsibility of the Administrator of General Services over all Federal real property.

The first portion of the enclosed draft bill, which includes conveyances and grants of real property interests for public highway purposes, will probably result in more conveyances of interests in Federal real property than are made at present; but experience has shown that a public street, highway or alley improvement usually results in an enhancement of the value of the remaining portion of the property which is equal to or greater than the value of the property transferred. The bill permits the head of an executive agency to make conveyances and grants of real property interests and easements upon such terms and conditions and without or with consideration, including the payment of fair market value therefor, as he deems advisable. If the real property interest has no value or if the value of the remaining real property from which the interest or easement is severed would be sufficiently enhanced, as noted above, presumably the disposition would be without cost. We cannot evaluate the effect of this proposed legislation on the Federal budget but, for the foregoing reasons, it is estimated that if it is passed, there will be neither a net gain nor loss of Federal funds.

For these reasons, prompt and favorable consideration of the enclosed draft bill is recommended.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

REPEAL OF PART OF THE ACT OF MARCH 2, 1889, RELATING TO FURNISHING OF ABSTRACTS, OFFICIAL CERTIFICATIONS AND EVIDENCES OF TITLE

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to repeal that part of the act of March 2, 1889, as amended, which requires that in the procurement of sites for public buildings, grantors furnish, free of all expense to the Government, all requisite abstracts, official certifications and evidences of title.

This proposed legislation was submitted to the Senate by the Administrator of General Services and referred to the Committee on Government Operations on January 28, 1960. It is a part of the legislative program of the General Services Administration for the 86th Congress.

Mr. President, in order that Members of the Senate may have full information relative to the objectives of the bill I am introducing at the request of the Administrator of General Services, I ask his letter transmitted to the President of the Senate be included in the RECORD at this point as a part of my remarks.

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

The bill (S. 3491) to repeal that part of the act of March 2, 1889, as amended, which requires that grantors furnish, free of all expenses to the Government, all requisite abstracts, official certifications and evidences of title, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., January 28, 1960.

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

MY DEAR MR. PRESIDENT: There is transmitted herewith for referral to the appropriate committee, a draft bill prepared by this agency, "To repeal that part of the act of March 2, 1889, as amended, which requires that grantors furnish, free of all expenses to the Government, all requisite abstracts, official certifications, and evidences of title."

This proposal is a part of the legislative program of the General Services Administration for 1960.

The third full paragraph on page 941 of volume 25 of the Statutes at Large, in the act of March 2, 1889, as amended (40 U.S.C. 256), provides that all legal services connected with the procurement of titles to sites for public buildings, other than for lifesaving stations and pierhead lights, shall be rendered by U.S. attorneys, with the proviso that, in the procurement of such sites, it shall be the duty of the Attorney General to require of the grantors in each case to furnish, free of all expenses to the Government, all requisite abstracts, official certifications and evidences of title that the Attorney General may deem necessary.

This section of the act of March 2, 1889, as amended, has application only to a small percentage of the number and value of real property acquisitions of the Government; namely, sites for public buildings as distinct from sites for military reservations and other defense requirements, flood and reclamation projects, Veterans' Administration facilities, national forests, and other similar Government acquisitions. The limited applicability of the act places an inequitable burden on grantors who are required to bear the expenses provided for therein.

It is sometimes necessary to acquire sites for public buildings by condemnation, rather than direct purchase, because the title offered for sale to the Government is defective, the Government is unable to agree with the owner of the property as to price, or the time within which the Government must secure title to, or possession of the sites is so short that it is not feasible to negotiate with owners of the sites for voluntary sales and for the evidences of title referred to in the act. Since the requirement for furnishing evidences of title can only be enforced under the act in cases of direct purchase, the cost of furnishing evidences of title in condemnation proceedings must be borne by the Government.

Experience has shown that many owners did not receive or procure evidences of title at the time they acquired the realty and are dilatory in, resist the procurement of, or refuse to procure the required evidences of title. If the evidences of title are not furnished by grantors within a reasonable time and the realty is urgently required, the Government must resort to condemnation proceedings.

There have been instances where a person was willing to donate realty to the Government but, not unreasonably, refused to bear the expense of procuring evidences of title. Nor should a grantor who cooperates with the Government in a voluntary sale of his property for valuable consideration be required to procure or bear the expense of procuring evidences of title.

In summary, the statutory requirement that grantors furnish, at their own expense, evidence of title has resulted in withdrawal of proposed donations of realty to the Government, undue delays in the acquisition of building sites, added costs to the Government in the prosecution of condemnation actions, and condonation of the grantor's avoidance of the requirement to furnish evidences of title.

If subject proviso, is repealed, section 355, Revised Statutes, as amended (40 U.S.C. 255), makes adequate provision for the procurement of any evidences of title which the Attorney General may deem necessary and further provides that the expenses of procurement, except where otherwise authorized by law or provided by contract, may be paid out of the appropriations for the acquisition of land or out of the appropriations made for the contingencies of the acquiring department, independent establishment, or agency.

Repeal of subject proviso would appear to increase the cost to the Government of conveyances of public building sites by the cost of obtaining evidences of title. However, GSA acquires the majority of its public building sites by condemnation proceedings through the Department of Justice; and the necessary evidences of title are obtained by the Department of Justice and paid for from that Department's appropriated funds. With the exception of a few donations of property, the remaining acquisitions of public building sites by GSA are effected by purchase from the owners; and it is reasonable to assume that a vendor will include in his purchase price to the Government an amount which is more than adequate to protect himself against unforeseen contingent expenses in furnishing evidences of title. Accordingly, it is unlikely that repeal of subject proviso would result in a net additional expenditure of Federal funds. It is probable that there would be a net savings to the Government if, in the case of purchases of property, the Government furnishes at its expense such evidences of title as it deems necessary.

For these reasons, prompt and favorable consideration of the enclosed draft bill is recommended.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO FEES FOR TESTING CERTAIN ARTICLES AND COMMODITIES

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to establish fees to be paid by prospective vendors to cover all or part of the costs in connection with the testing of articles and commodities tendered for sale to the Government. The tests are conducted to determine whether the articles or commodities conform to prescribed specifications and standards.

This proposed legislation is being introduced at the request of the Administrator of General Services as a part of the legislative program of the General Services Administration for the 86th Congress.

I request that a letter from the Administrator of General Services addressed to the President of the Senate under date of December 30, 1959, and referred to the Committee on Government Operations be included in the RECORD at this point as a part of my remarks.

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

The bill (S. 3492) to amend section 109(g) of the Federal Property and Administrative Services Act of 1949, to establish fees for testing of articles and commodities tendered for sale to the Government, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
December 30, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: There is enclosed for your consideration a draft of a bill, "To amend section 109(g) of the Federal Property and Administrative Services Act of 1949."

This proposal is part of the legislative program of the General Services Administration for the 86th Congress, 2d session.

Section 109(g), as presently constituted, authorizes the Administrator of General Services to establish fees to be paid by prospective vendors to cover all or part of the costs in connection with the testing of articles and commodities tendered for sale to the Government. The tests are conducted to determine whether the articles or commodities conform to prescribed specifications and standards. Where no such specifications or standards exist, however, the General Services Administration is without authority under section 109(g) to accept funds from producers or vendors for testing.

Standardization efforts have therefore been hampered due to the limitation of testing to situations where there are existing specifications and standards. There are cases where producers offer to finance the testing and development of products for the Government which have excellent procurement potential, but the Government is unable to accept the money offered because there are no existing specifications and standards for such products.

The authority which thus is presently lacking would be supplied by the insertion in section 109(g) of the words set forth on lines 14 and 15 of the enclosed draft bill "or to aid in the development of contemplated specifications and standards." The only other amendment to the section contained in the bill is the addition in line 6 thereof of the words "or lease" which would extend the authority for making tests and charges therefor to articles or commodities tendered for lease to the Government. GSA's experience in the administration of section 109(g) has revealed situations where certain types of equipment would be best made available to the Government on a lease, rather than on a sale basis.

We anticipate that there will be numerous instances where testing for the development of new or revised specifications and standards would be in the best interests of the Government. The Government may, by use of such test methods, take full advantage of the benefits of new and improved product development. Furthermore, the proposed amendment, broadening the application of section 109(g), will further promote the objective, inherent in its original enactment, of aiding small business, by enhancing the opportunities of small business to have its products considered for purchase by the Government. New products and improved standard supply items will be made available for procurement by the development of new specifications and standards.

GSA is unable to make any firm estimates of the probable cost attributable to enactment of this legislative proposal. However, any increase in Government expenditures entailed thereby will not be substantial. No additional personnel are anticipated. Where tests are conducted which will serve predominantly the interest of producers or vendors, the fees collected from them will be deposited in the General Supply Fund, and so to the extent of such collections the Government will be reimbursed. Where the tests do not predominantly serve the best interest of the producers or vendors, and the

Government assumes the testing charges, they will be paid from appropriated funds.

On the other hand, through the enactment of the proposed bill we envisage, although we cannot estimate, potential savings to the Government resulting from the procurement of superior products.

For the reasons stated above, the General Services Administration recommends enactment of the proposed amendment.

The Bureau of the Budget has advised that there is no objection to the submission of this legislative proposal to the Congress.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO USE OF SURPLUS PERSONAL PROPERTY BY STATE DISTRIBUTION AGENCIES

Mr. MCCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 203(n) of the Federal Property and Administrative Services Act of 1949 so as to authorize the use of surplus personal property by State distribution agencies. The proposed legislation was drafted by representatives of the Department of Health, Education, and Welfare, in cooperation with other interested agencies, and submitted to Congress for consideration as a part of that Department's legislative program for the 86th Congress. The draft bill, with a covering letter requesting its consideration was transmitted to the Vice President on September 8, 1959, by the Secretary of Health, Education, and Welfare and referred to the Committee on Government Operations.

Mr. President, I request that the letter from the Secretary, addressed to the President of the Senate and referred to the Committee on Government Operations, which sets forth the objectives and need for this proposed legislation, be included as a part of my remarks.

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

The bill (S. 3493) to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies, and for other purposes; introduced by Mr. MCCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. MCCLELLAN is as follows:

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
Washington, September 8, 1959.

The PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: We herewith forward for consideration a draft bill "To amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies, and for other purposes." This draft has been prepared in cooperation with the General Services Administration.

For the purpose of facilitating the operation of the programs for disposal of Federal surplus property for educational, public health, or civil defense purposes, section 203(n) of the Federal Property and Administrative Services Act of 1949, as amended, authorizes the Secretary of Health, Education, and Welfare, the Federal Civil Defense Administrator (now the Director, Office of Civil and Defense Mobilization), and the head of any Federal agency designated by either such officer, to enter into cooperative agreements with State surplus property distribution agencies (i.e., the State agency within each State designated under State law to distribute Federal surplus personal property allocated for educational, public health, or civil defense use within the State). These agreements may provide for utilization by such Federal agency, without payment or reimbursement, of the property, facilities, personnel, and services of the State agency in carrying out any such program, and for making available to such State agency, without payment or reimbursement, property, facilities, personnel, or services of such Federal agency in connection with such utilization.

The draft bill would amend this section in two ways:

1. Subject to the approval of the Administrator of General Services, it would enable a State agency to obtain the use of donable Federal surplus personal property, under and subject to the terms of a cooperative agreement, for its own administrative needs in carrying out the disposal programs, after this department of the Office of Civil and Defense Mobilization has determined that the desired property is necessary to, or would facilitate, the effective operation of the State agency in performing its function in connection with the surplus property disposal programs.

The advantages of allowing the State agency limited access to such property are twofold: (a) The use of donable surplus property in lieu of property of the Federal agency that would otherwise be made available to the State agency under present section 203(n) authority lowers the cost of the program to the Federal Government. (b) The use of donable surplus property by the State agency in lieu of property that would otherwise have to be purchased by that agency acts to reduce the charges assessed against the donee institutions by the State agency in order to cover its costs of operation.

2. The draft bill would permit legal title to surplus property the use of which is thus made available to a State agency under a cooperative agreement, to be vested in that agency upon a determination of the Administrator of General Services that such action is necessary to, or would facilitate, the effective use of the property. This authorization is directed primarily at expediting the State agency's use of surplus motor vehicles in administering the donation programs; vesting the legal title to the vehicles would best enable the agency to comply with State motor vehicle registration laws. A corresponding advantage is that the Federal Government would avoid any claim of tort liability arising from the allegedly negligent operation of those vehicles by State employees.

We would appreciate it if you would refer the enclosed draft bill to the appropriate committee for consideration.

The Bureau of the Budget advises that it perceives no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

ARTHUR S. FLEMMING,
Secretary.

AMENDMENT OF SECTION 362(b) OF COMMUNICATIONS ACT OF 1934

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference a bill to amend section 362(b) of the Communications Act of 1934. Under the present wording of the first sentence of section 362(b) of the Communications Act of 1934, as amended, "Every ship of the United States, subject to this part, shall have the equipment and apparatus prescribed therein, inspected at least once each year by the Commission." There is no flexibility beyond the expiration of a 12-month period. In certain cases this creates a hardship on commercial vessels returning to the United States from extended foreign voyages. The ship radio station must be inspected at the first port of call rather than at a port selected by the shipowner for reasons of economic and operational convenience. The proposed amendment is intended to provide the necessary flexibility.

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

The bill (S. 3496) to amend section 362(b) of the Communications Act of 1934, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

USE OF ADDITIONAL FUNDS FOR PUBLIC FACILITY LOANS AS SPECIFIED IN APPROPRIATION ACTS

Mr. BENNETT. Mr. President, on behalf of myself, and Senators CAPEHART, BUSH, and BEALL, I introduce, for appropriate reference, a bill to authorize use of additional funds, to the extent specified in appropriation acts, for public facility loans.

Much has been said recently about the so-called back-door financing process which circumvents the normal budgetary process for activities of the Federal Government. This bill would eliminate back-door financing on public facility loans thus requiring that they be handled through the normal appropriations channels.

Under existing law, the funds used by the Housing Administrator to make loans to communities for public facilities are borrowed by him from the Secretary of the Treasury. This bill would provide authorization for increases, to be made from time to time in appropriation acts, in the amount which the Housing Administrator may borrow for this purpose. Such future borrowings would be added to the now existing revolving fund and would remain available and be used in the same manner as funds borrowed in the past, and interest would be paid thereon in accordance with present law.

Current estimates of activity under the public facility loan program show that the present maximum amount of borrowings—$100 million—will be entirely obligated early in fiscal year 1961. The proposed legislation would permit borrowing of an additional $100 million—when authorized in appropriation acts—estimated to be required to finance the public facility loan program through fiscal year 1963.

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

The bill (S. 3498) to authorize use of additional funds, to the extent specified in appropriation acts, for public facility loans, introduced by Mr. BENNETT (for himself, Mr. CAPEHART, Mr. BUSH, and Mr. BEALL), was received, read twice by its title, and referred to the Committee on Banking and Currency.

USE OF ADDITIONAL FUNDS FOR PURCHASE OF MORTGAGES AS SPECIFIED IN APPROPRIATION ACTS

Mr. BENNETT. Mr. President, on behalf of myself, and Senators CAPEHART, BUSH, and BEALL, I introduce, for appropriate reference, a bill to authorize use of additional funds, to the extent specified in appropriation acts, for the purchase of mortgages by the Federal Mortgage Association under its special assistance program.

Mr. President, under existing law, the FNMA borrows funds from the Treasury to purchase mortgages under its special assistance functions. These functions include the purchase of special classes of mortgages designated by the President.

This bill would provide authorization for increases, to be made from time to time in appropriation acts, in the maximum amount of these mortgage purchases. Future borrowings from the Treasury to obtain funds for these purchases would be added to the now existing revolving fund and would remain available and be used in the same manner as funds borrowed in the past, and interest would be paid thereon in accordance with present law.

Current estimates of activity in the program indicate that $150 million will be required for commitments and purchases in fiscal year 1961, principally in support of the urban renewal and relocation housing programs under sections 220 and 221 of the National Housing Act.

Enactment of this bill would remove the special assistance functions of FNMA from the realm of back-door financing, thus requiring that they would be handled through the normal appropriations process.

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

The bill (S. 3499) to authorize use of additional funds, to the extent specified in appropriation acts, for the purchase of mortgages by the Federal National Mortgage Association under its special assistance program, introduced by Mr. BENNETT (for himself, Mr. CAPEHART, Mr. BUSH, and Mr. BEALL), was received, read twice by its title, and referred to the Committee on Banking and Currency.

AMENDMENT OF TITLE I OF NATIONAL HOUSING ACT

Mr. BENNETT. Mr. President, on behalf of myself, and Senators CAPEHART, BUSH, and BEALL, I introduce, for appropriate reference, a bill to amend title I of the National Housing Act.

This bill would make permanent the Federal Housing Administration's title I property repair and improvement program and would remove the dollar limit on its loan insurance authorization. Under present law the program will expire on October 1, 1960, and the amount of insured loans which may be outstanding is limited to $1,750 million. The bill would make no changes in the operations of the program itself.

Under this program the FHA insures qualified lending institutions against loss, within prescribed limits, on loans made to finance repairs, alterations, and improvements in connection with existing structures and the building of new nonresidential structures. The maximum maturity of these loans is either 3, 5, or 7 years, depending on the size and purpose of the loan. FHA's liability to an institution is limited to 10 percent of the total amount of all title I loans made by that institution. Also, under coinsurance provisions enacted in 1954, FHA's liability on each individual loan is limited to 90 percent of the loss.

Prior to the enactment of title I in 1934, improvements to existing homes had, as a rule, proved difficult to finance except at very high interest rates. Real estate mortgage financing, on the one hand, is too cumbersome, slow, and expensive for the relatively small sums involved. Personal installment credit, on the other hand, does not adequately meet the credit needs in this field for a number of reasons. The items involved in a modernization job such as a new roof or a new bathroom, cannot be covered by a chattel mortgage. Also, manufacturers of the products used are generally not in a position to help provide the credit involved, partly because the many materials used generally come from a number of different sources, and partly because, in property repair and improvement work, the cost of labor at the site of the property being improved makes up a very large part of the total cost of the job. Finally, the people who do the repair work are very frequently self-employed artisans or small firms who are unable to extend much credit. These inherent and continuing difficulties, which are not present in the financing of such products as automobiles and television sets, have been largely overcome by the FHA property repair and improvement program.

Title I has now been in operation for 25 years and during that time has demonstrated its basic soundness. Over 23½ million loans amounting to $12.6 billion have been insured. About $1.5 billion of these loans are now outstanding. Over 1 million loans were insured in 1959 in a total amount of about $1 billion. Insurance losses during the entire life of the program have amounted to well under 1 percent of the aggregate loan amounts, and premium income has been sufficient to cover both these losses and FHA's operating expenses and to provide adequate insurance reserves as well.

The program has also been especially helpful in urban renewal and rehabilitation, as it encouraged the repair and conservation of existing properties and the prevention of blight. This will be of increasing importance as more of our cities emphasize urban rehabilitation and code enforcement.

In the past, a great deal of unnecessary uncertainty and confusion has resulted among lenders and dealers when faced with frequently recurring expiration dates of the program. Lenders cannot successfully participate in the program unless they establish specialized facilities for making the loans, for investigating dealers from whom they intend to purchase notes, and for making collections. When faced with frequently recurring expiration dates, it is difficult for lenders to make long-range plans for carrying on these operations. Similarly, many home repair firms finance major portions of their business through the FHA program so that a disruption, or even a threatened disruption, in this program results in substantial hardship for them. On several occasions the enactment of continuing legislation has been delayed until the expiration date was either very close at hand or until the program had actually expired.

Making the program permanent by removing the date and dollar limitations would avoid these unnecessary hardships. The Congress can of course still terminate or modify the program whenever it believes that changed conditions warrant such action.

The extension of the program during this session of Congress is necessary because of the October 1 expiration date. An increase in the authorization is also needed since it is estimated that the present authorization will be exhausted before September of this year.

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

The bill (S. 3500) to amend title I of the National Housing Act, introduced by Mr. BENNETT (for himself, Mr. CAPEHART, Mr. BUSH, and Mr. BEALL), was received, read twice by its title, and referred to the Committee on Banking and Currency.

AMENDMENT OF TARIFF ACT OF 1930, RELATING TO MARKING OF IMPORTED ARTICLES AND CONTAINERS—AMENDMENTS

Mr. ENGLE submitted amendments, intended to be proposed by him, to the bill (H.R. 5054) to amend the Tariff Act of 1930 with respect to the marking of imported articles and containers, which were referred to the Committee on Finance and ordered to be printed.

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

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

By Mr. WILEY:

Letter addressed to the President of the United States, written by himself, Senator JAVITS, and Senator KEATING, jointly, urging

appropriate recognition of the work of Col. Loren W. Olmstead on the construction of the United States part of the St. Lawrence Seaway.

MEDICAL CARE FOR THE AGED

Mr. JAVITS. Mr. President, I heard with great interest the remarks of the majority leader on the question of medical care for the aged, and the feeling expressed by him that we would have legislation upon this subject.

Mr. President, only on yesterday we had the administration's proposals in this field unveiled. We now have, I think, all of the elements for legislation before us. We have the social security approach, the so-called Forand bill, the approach of a Federal-State subscribers program—to which my own name is attached, together with those of seven other Senators from different States—and we have the administration's program, which is essentially designed to follow the same principles as my own, but is directed more specifically at catastrophic illness, rather than the general medical coverage, which my own bill contemplates.

Mr. President, my reason for making this statement today is to emphasize the similarities rather than the differences which are now before us, because I think we owe this to the older people of the country, who now have a recognized need, which I should like to join the majority leader in predicting will be realized by legislation and at this session, that the Federal Government will participate in a program which will afford them health care, to which they are entitled, and which our country owes them, in my view, considering their services or the utilization of their useful lives in the country's interest.

I say we are closer together rather than far apart for this reason: The essential feature which everyone feared was that there would be "dug in" opposition to providing medical care for the aged. It seems to me that, although there will be differences, which are inherent in the consideration of any such program, the fact that the administration, a group of Republicans on my side of the aisle, and a large group of Democrats who are behind the social security approach, are now together on the proposition that legislation is needed, and that it will take appreciable responsibility on the part of the Federal Government to effectuate any kind of feasible, workable, and adequate plan, brings us very much closer together than we have been given credit for.

I hope very much that, out of this juxtaposition of proposals by men all of whom are motivated by the same objective, we can realize, at this session of Congress, necessary legislation. Mr. President, I deeply believe we shall actually consummate such a bill before we go home.

FEDERAL PATENT POLICIES

Mr. LONG of Louisiana. Mr. President, 2 days ago I discussed certain aspects of a policy whereby the Federal Government gives away $6 billion in patent rights to private concerns, although those patent rights are achieved at public expense.

I ask unanimous consent to place in the RECORD certain letters from Senators and a Representative, a telegram, and a news article, in connection with this matter, which I have received since yesterday.

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

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
May 3, 1960.

Hon. RUSSELL B. LONG,
U.S. Senate,
Washington, D.C.

DEAR RUSSELL: Thank you for the advance copy of your speech anent Federal Patent Policies which you intend to deliver to the Senate at some future date and which accompanied your letter of April 26.

I have not had an opportunity to digest all of the points raised in your speech, but through a mere scanning of it I have learned that you have done a terrific job in its preparation. Your arguments presented therein are based on unassailable logic and are presented in a lucid and concise manner.

As a result of having the opportunity to review your speech, I intend to take a very close look at the patent policies of our Government, and in particular, those of the Defense Department.

Sincerely yours,

DENNIS CHAVEZ,
U.S. Senator.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
May 2, 1960.

Hon. RUSSELL LONG,
U.S. Senate,
Washington, D.C.

DEAR RUSSELL: I have read your speech concerning Federal patent policies and think that it presents some excellent reasons in support of the position you maintain. I appreciate your giving me the opportunity to look it over in advance of delivery and hope I will be able to be there on Wednesday to hear you.

There is one point that I might suggest you could develop in one of the following speeches that you are planning. I think you share with me the feeling that where a small business (as often happens) creates items of great value on its own initiative and expense, without any aid from the Government, its proprietary rights in those items ought to be protected.

As you know, the Small Business Committee has given very careful consideration to this problem and you might want to consider such an approach as being in accord with your general views.

With kindest regards.

Sincerely,

CLAIR ENGLE,
U.S. Senator.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 4, 1960.

Hon. RUSSELL B. LONG,
U.S. Senate,
Washington, D.C.

DEAR RUSSELL: Thank you for your letter of April 28, enclosing a copy of your speech on the Federal patent policies.

I am glad to have this information, and am in accord with your views on the matter. Please be assured that I will be glad to cooperate in any way that you feel I can be helpful.

With kindest regards and all best wishes, I am,

Sincerely,

JAMES H. MORRISON,
Member of Congress.

BROOKLINE, MASS., *April 28, 1960.*

Hon. RUSSELL B. LONG,
Old Senate Office Building,
Washington, D.C.:

In the name of the entire advisory consumer council to the attorney general of Massachusetts, I wish to record our wholehearted support for measures to restrict patent rights developed through research and development on Government contracts. Such rights should remain public property. Public has right to be protected in patents developed at public expense. Furthermore such public ownership should contribute to a more rapid diffusion of scientific knowledge among smaller industrial firms and should provide more powerful stimulation through economic growth. Best wishes for a most important campaign.

Rev. ROBERT J. MCEWEN,
Chairman, Advisory Consumer Council to the Attorney General of Massachusetts.

[From Labor Press, May 7, 1960]

PEOPLE PAY TWICE—PUBLIC MONEY IS CREATING BIG PRIVATE MONOPOLIES

Labor has published a number of reports on a patent system investigation made by a committee headed by Senator JOSEPH C. O'MAHONEY, Democrat, of Wyoming. Now a leading member of that committee, Senator RUSSELL B. LONG, Democrat, of Louisiana, says he will soon introduce a bill to correct patent abuses by the Defense Department. Explaining the reasons for the bill, LONG, in part, said:

"The Defense Department awards contracts at the enormous rate of $6 billion a year, for research on various projects, and then allows the corporations to retain exclusive patent right to whatever they develop in the course of the research. This results in higher prices to consumers, brought about by the creation of monopolies.

"A company obtains a monopoly on a product, so it can charge two, three, or four times as much for the product as it would be able to charge if it had any competition. The taxpayer pays several times more for the product than he would have paid if there had been competition—yet the taxpayer has financed the monopoly through the Government's award of a contract which gives full patent rights to the developer of the product."

As an example of "how this works to the detriment of the general public," LONG pointed to "a mechanism used in the 'pick-up arm' of modern automatic record players."

"Every phonograph," he said, "now has this device, which was developed under a Defense Department contract. The firm that did it at Government expense was permitted to have a private patent, and this prevented anyone else from competing in that field. As a result, the cost of a record player is considerably higher than it would be if this item had not been developed under a Government-financed contract that permitted the company to retain sole use of all inventions.

"This," LONG declared, "is just a sample of how the American taxpayer pays $6 billion a year for the Defense Department to award contracts to private concerns, which then charge the taxpayer several times the appropriate cost of a product, whose creation he has already financed.

"My bill would abolish this evil by requiring all Government agencies to retain patent rights to any invention or discovery made by a private company while engaged in Government-financed research."

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning busi-

ness? If not, morning business is concluded.

Under the order previously agreed to, the Senate will proceed to the call of the calendar, beginning with Order No. 1277, S. 511.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from New York [Mr. JAVITS] may be recognized to deliver a speech for not to exceed 1 hour, notwithstanding the previous order.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The Senator from New York may proceed.

REPORT BY SENATOR JAVITS ON HIS RECENT MISSION TO ADDRESS THE COUNCIL OF EUROPE ON WESTERN COMMUNITY ECONOMIC POLICY

Mr. JAVITS. Mr. President, I have asked for this time this morning, having originally assumed I would proceed after the morning hour, in order to report on a trip to Europe which I have just completed, and from which I returned at the end of last week, involving matters of critical moment to our country and to the free world, about which I believe the Senate should be informed.

The conclusions to which I came after my trip last week to speak before a session of the Consultative Assembly of the Council of Europe at Strasbourg on the subject of the economic situation of the Western Community are as follows:

First. There is a new and deep confidence in Europe of Europe's viability, Europe's future, and Europe's economic importance and potential success.

Second. The Inner Six nations of the European Economic Community, led by France, Italy, and West Germany, are determined to succeed and to go further in federation.

Third. The Outer Seven members of the European Free Trade Association, led by the United Kingdom, will make in time a suitable arrangement to avoid a European trade split between themselves and the Inner Six.

Fourth. There is confidence that the United States will find it wise and desirable to accept full membership in the newly projected Organization for Economic Cooperation and Development—OECD—the remodeled successor to the Organization for European Economic Cooperation—OEEC—which was the key means of European economic cooperation in Marshall plan days.

Fifth. The U.S. economic presence in Europe may help to bring about an agreement between the Inner Six and the Outer Seven on matters of trade and this presence can best be manifested through our accepting full membership in the contemplated OECD.

Sixth. Western Europe is ready to join the United States in the major effort required to win the economic struggle for the free world through economic aid and technical assistance to the less developed areas, liberalizing international trade and helping to meet the problems of drastic swings in primary commodity prices.

The recommendation for OECD as a remodeled version of the OEEC is attributable to a group of four, composed of Ambassador W. Randolph Burgess of the United States, Bernard Clappier of France, Paul Gore Booth, Under Secretary of the United Kingdom Ministry of Foreign Affairs, and Xenophon Zolotas of Greece, who were authorized to act by the 20 members and associate members of the OEEC in drafting a set of proposals for a new organization for economic cooperation on the part of the Western Community at a meeting held by the OEEC Council in January 1960 in Paris. It is generally believed that the initiative for this step must be credited to U.S. Under Secretary of State Douglas Dillon, and the whole concept is more and more being called the Dillon plan. It has its origin, indeed, in the work and resolutions adopted over the past 3 years in the Economic Committee of the NATO Parliamentarians Conference, of which I have the honor to be Chairman, and was affirmed at the last three sessions of this conference in 1957, 1958, and 1959.

Mr. President, the functions of this new organization are bound to be portentous for the struggle between ourselves and the Communist bloc, which is taking place in the decade of the 1960's. The new organization will contain within itself, Mr. President, if the recommendations of the "four wise men," as they are called, are followed, the leading industrial nations of the whole world outside of the Soviet Union, including the United States, Canada, and practically all of the industrial nations of Europe, with a close affiliation with Japan, the other industrialized nation of the free world.

The functions of the organization as recommended by the group are:

To facilitate the attainment of the highest suitable economic growth while maintaining financial stability and high levels of employment, thereby contributing to the development of the world economy and the promotion of world trade on a multilateral nondiscriminatory basis.

To contribute to sound growth in areas in the process of economic development both in member countries and elsewhere by appropriate means, including encouragement of the flow of development capital into these areas.

In pursuit of these aims the members are to agree to work in close cooperation with one another, to consult together on a continuing basis, to exchange information freely, to carry out studies and to participate in mutual projects conducive to the aims of the organization, and to promote both individually and jointly the efficient use of their economic, technological, and scientific resources, having due regard to the desirability of encouraging high and full employment and rising standards of living, while at the same time seeking to avoid or to counter inflation or other developments which might endanger their own economies or those of other countries.

A sound start has been made already through the establishment of the Development Assistance Group, as determined during the Paris OEEC meeting in January. This group of nine nations, known as DAG and consisting of Belgium, Canada, France, West Germany, Italy, Japan, Portugal, the United Kingdom, and the United States plus the Commission for the European Economic Community, met in Washington during the second week of March to discuss means of increasing and making more effective the public and private assistance and investment programs pursued by the industrialized nations in the less developed areas.

I think it is especially noteworthy that Japan was asked to join DAG and to participate in this aspect of the OECD. This adds to the free world forces engaged in trying to increase development aid a population of 92 million people, who are rapidly attaining the highest technical skills and who have, during the past 10 years, tripled Japan's gross national product to its present rate approaching $30 billion annually. Japan has during the past 5 years alone made remarkable contributions to the development efforts in southeast Asia, the Middle East, Latin America and other areas, expending some $800 million out of its relatively small budget on economic cooperation programs consisting of war reparations, grants, technical assistance, direct investment, credit through its own Export-Import Bank modeled after ours in the United States, and contributions to international organizations. Since 1958, Japan has extended $70 million in credits to India through the creditor conferences called by the IBRD, in which the United States and other nations also participated.

I hope that Japan, whose rapidly expanding industry is greatly dependent on growing export markets, will also benefit from other associations with the OECD, some of whose members have severely limited the import of Japanese goods, so that now the United States takes nearly one-third of Japanese exports while the EEC countries, for instance, take only one-thirtieth. This is the situation which urgently requires correction on the part of the European countries concerned.

Before programs are undertaken, each of the Governments to engage in joint programs must agree to the decision in accordance with its own constitutional processes. Abstentions do not invalidate a decision of the organization but make it applicable only to the members who do not abstain.

It is high time that an effort be made in an organizational sense to effectively correlate the economic activities in the Western community. The OEEC of which the United States and Canada were associate members was a holdover from Marshall plan days when it served the essential function of being the European coordinating agency with which the United States dealt with respect to the Marshall plan.

The new OECD, therefore, is due—indeed, it is overdue.

Mr. President, it is my strong recommendation that the United States join

the new OECD. I have no doubt that we will be asked to join, because our work in respect to it has now been undertaken on the highest level of our Government. Undoubtedly our Government considered, before authorizing Ambassador Burgess to head the drafting group, that this would be a powerful argument for our joining.

There are other cogent arguments why we should join the organization. It carefully safeguards what must be safeguarded in terms of the American Constitution and our country's tradition and practice. We are not bound unless we wish to be bound by decisions of the organization, and full constitutional processes of our country, including congressional approval where required by our Constitution and practice, must be given before binding action can be taken as far as we are concerned.

The advantages of joining the new OECD are many.

First, our presence in respect to the economic organization of Europe is vital. It can have a great deal to do with expanding and liberalizing trade, realizing the objectives of the inner 6 and outer 7 and reconciling conflicts between them.

Second, prospects of increased trade will help us materially without international imbalance of payments, a serious problem for the United States which last year brought about a $3.7 billion imbalance in our international payments.

Third, it will help the Western community, which is the very heart and core of the whole industrial potential of the free world, to act with greater authority and effectiveness in respect of the epochal economic struggle with the Communist world which may well determine the outcome of the "cold war" and which will, in my view, epitomize the decade of the sixties. We have not yet begun to see the extent to which this economic struggle will face us. Particularly in the new nations of Africa, we may expect the Communist bloc to seek to infiltrate and to take over their economies through economic aid, trade, technical assistance, and the readiness of the Communists for economic warfare purposes to buy up primary commodities without in any way being embarrassed by subsequently dumping them on world markets against the economic interest of the very people who have sold them. The Communist economic aid effort alone is already a $3 billion one, 1955–59.

Fourth, it will give the United States an opportunity to participate in coordinated action to ameliorate the effects of extreme commodity price fluctuations which can materially negate development efforts. The United States, as President Eisenhower pointed out on Monday in his speech before the Committee for International Economic Growth and the Committee To Strengthen the Frontiers of Freedom, is becoming increasingly dependent on steady sources of primary commodities and must preserve these sources. And, of course, the United States is a primary commodity producer itself and can directly benefit from steadier markets.

The United States and the members of the EEC alone account for one-half of all the exports from the primary commodity producing countries—and this excludes oil exports. The United States and the EEC also account for one-half of the exports of the countries now in the first stages of industrialization.

It will therefore be seen that the free world has an enormous stake in the problems, as between the less developed areas producing primary commodities and the industrial countries of the free world.

On a commodity basis, the United States and the EEC take anywhere from between one-half and four-fifths of the cocoa, coffee, copper, groundnuts, and rubber sold on world markets. Between 1956 and 1959 the following sharp fluctuations in the commodity price indices took place: coffee, 35 percent; cocoa 55 percent; tea, 32 percent—this precipitous drop took place in less than 6 months' time—copper, 80 percent; rubber, 35 percent down and then a 55-percent recovery; and wool, 50 percent. These percentages measure the extremes of the fluctuations and most of them have been in part, recovered. Nonetheless, they reveal a very unstable situation—and they also show, within the extremes, a steady downward trend in most of the commodity prices.

A mere recital of the commodities involved indicates that they represent the lifeblood of the very countries whose allegiance to freedom will determine whether freedom can win the struggle with communism in the world in the 1960's. They include coffee, the lifeblood of Brazil and other countries; cocoa, the lifeblood of Ghana and other new African nations; tea, so essential to nations in south and southeast Asia and other countries; copper, ruling the economies of Chile, Peru, and other countries in Latin America; rubber, the very heart of the economy of Malaya; and wool, a very important element in the economy of Australia.

The percentages which I have mentioned indicate that it is possible, in an afternoon, through a drastic price fall in primary commodities, to eliminate what has been afforded in a year of economic aid and technical assistance.

I predict that the problem of the stabilization of fundamental commodity prices will prove to be the next great economic problem to which the free world industrialized nations must address themselves.

The first question that will be raised in connection with the new economic organization which I have described, to which the United States is asked to adhere, relates to the role which will remain to the NATO powers in respect of economic affairs.

I am delighted to see present in the Chamber my dear friend and colleague from Tennessee [Mr. KEFAUVER], who has taken such a very important role in respect to the work of the NATO parliamentarians, the parliamentary arm, as it were, of the NATO powers themselves.

Let us never forget that we promised in the NATO treaty to engage in economic cooperation with our NATO allies.

Fifth, the policy of the new OECD need not necessarily bring about a relinquishment by NATO of article II of the NATO treaty which reads as follows:

ARTICLE 2

The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

There are certain very important aspects of the economic situation which must still come within the care of NATO. These include any possibility of economic warfare by the Communist bloc by dumping primary commodities on world markets or otherwise, and also possible raids on the prices and supplies of primary and essential commodities insofar as the members of NATO are concerned. Policy formulations and if necessary action within the NATO organization is still entirely practical where it is conducive to fundamental NATO objectives. What will, however, pass into the hands of the new OECD is the whole area of economic cooperation in terms of aid and trade which for reasons of acceptability by the less developed areas NATO would find it difficult to carry on even if it wished to do so.

More and more it becomes obvious that the hallmark of the 1960's will be economics. Chairman Khrushchev says peaceful production "will prove the superiority of our system." We all know that the big question in the struggle between freedom and communism is what will happen to the 1¼ billion people in the less developed areas of the free world—Will they follow the paths of free institutions or the path of communism? The very essence of the acknowledgment that atomic or H-bomb war will mean the destruction of all civilization as well as the acknowledged headon clash between the ideologies of the free world and of the Communist world dictate that the struggle will be fought in the economic fields. It is therefore supremely important that we prepare ourselves by marshalling all the economic resources of the free world for this purpose. This view is also compelled upon us by the sheer expense of the maintenance of the burden of armaments that is called for by modern conditions. It is for this reason that it has been widely predicted that foreign economic policy will be one of the prinicpal issues of the next campaign.

To return to my personal observations on the recent mission abroad, I saw a spirit of confidence in Western Europe which I have not seen equaled in over 30 years of direct acquaintance with its problems and a lack of that self-consciousness in our alliance among the Western nations which has persisted over so many years because of Europe's belief that its situation was declining.

In the course of my European journey I had the privilege of talking informally with British Government officials on trade, finance, and foreign policy. Also, I consulted with the Secretary General of the Organization for European Eco-

nomic Cooperation, Rene Sergent, and with our two diplomatic representatives in Paris, Randolph Burgess, U.S. Ambassador to the NATO Council and John G. McCarthy, U.S. member of the OEEC Council.

In Brussels I had the privilege of consulting with President Walter Hallstein, President of the Commission of the European Economic Community, together with two of his nine colleagues, Jean Rey and Hans Vonder Groeben. Also, I conferred with the U.S. Ambassador to the Community, Walton Butterworth. Finally, I also had the privilege of meeting with the Secretary General, Paul Henri Spaak of NATO and of conferring with General Antoine Béthouart, President of the NATO Parliamentarians Conference and a group of French colleagues who were delegates to that conference and members of its Economic Committee of which I have the honor to be Chairman.

My principal mission abroad was to speak before the Consultative Assembly of the Council of Europe at Strasbourg, and I ask unanimous consent that the address made at that time be made part of my remarks.

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

REMARKS OF SENATOR JACOB K. JAVITS, BEFORE THE CONSULTATIVE ASSEMBLY OF THE COUNCIL OF EUROPE, CONSISTING OF BELGIUM, FRANCE, LUXEMBOURG, NETHERLANDS, UNITED KINGDOM, DENMARK, NORWAY, SWEDEN, IRELAND, ITALY, AUSTRIA, FEDERAL REPUBLIC OF GERMANY, GREECE, ICELAND, AND TURKEY, AT STRASBOURG ON APRIL 25, 1960

THE ECONOMIC STRUGGLE OF THE 1960'S AND THE ATLANTIC COMMUNITY

It is especially fitting and with a high sense of purpose that I have the privilege of expressing these views before so eminent a body as the Consultative Assembly of the Council of Europe. We are well acquainted in the United States with this embodiment of the European conscience and the European spirit—in which so much has been done for European unity. We know of your signal achievements in the protection of human rights and fundamental freedoms, in culture and education and in the social field. We have studied your impressive record of championing the need for closer economic cooperation among your member countries—a spirit which was the precursor of the historic development of the European Economic Community and other agencies.

First as Rapporteur and then as Chairman of the Economic Committee of the NATO Parliamentarians Conference, and animated by the desire to carry out the letter and spirit of article 2 of the NATO treaty which calls for "the parties to eliminate conflicts in their international economic policies and encourage economic collaboration between them," my associates and I have sought to give unity and effectiveness to the economic resources of the Atlantic Community in aid of the less-developed areas and other elements of economic cooperation. We are deeply gratified by the fact that this initiative developed into the meeting of the OEEC Council in Paris in January 1960, at which Under Secretary of State Dillon made his proposals, which in turn has now produced a plan from the "four wise men" of a remodeled OEEC, to be known as the Organization for Economic Cooperation and Development. It is in this frame of reference that I have the honor to address you today.

THE EUROPEAN ECONOMIC COMMUNITY AND THE EUROPEAN FREE TRADE ASSOCIATION

The countries of Western Europe, the United States and Canada, and the other nations in the free world community with important trade and economic ties with the European Economic Community are witnessing an event unique in the history of the modern world. After the centuries of rivalry, fear and in some cases even hate, a new and great federation is being born. This is much more than a commercial alliance; it is an act of political faith, the example and consequences of which may herald a new era of greater progress for democratic institutions throughout the world. It is with this understanding that the industrialized members of the free world community can best meet the economic problems posed by the evolution of the European Economic Community.

European integration, of which the European Economic Community has thus far been the most thoroughgoing example, was one of the most popular foreign policy objectives of the United States as announced in the Marshall plan legislation. The United States would have been happy to see as many countries as possible become members of the European Economic Community when the Community was created. It is appreciated fully, however, that each nation must make its own choice in the light of its traditions, its political and economic circumstances, and the freely expressed will of its people. Now seven nations are on the point of establishing a European Free Trade Association. Let me assure you that, I believe, the longstanding and consistent record of U.S. support for the Community of Six does not mean opposition to or lack of understanding for the Stockholm Convention. In order for relations between these two groups to be harmonized—in order for them both to make a maximum contribution to European and to world trade—we in the United States believe it essential that the EEC and EFTA both pursue liberal policies in keeping with the spirit and objectives of the General Agreement on Tariffs and Trade. European regional arrangements must be consonant with the economic well-being and political aspirations of the whole free world. Any other course of action would inevitably mean sharp disapproval in U.S. opinion. Therefore, I believe the U.S. Government and people welcome the repeated assurances by both the Six and the Seven of their desire and their intention to pursue constructive, liberal trade policies.

The people and the Government of the United States which enthusiastically supported the six-nation European Economic Community when it was established continue to have every desire to see it succeed. Its success is vital to the security and prosperity of Europe and hence of the free world. At the same time, good relations between the European Economic Community and its neighbors—the seven nations of the European Free Trade Association as well as the other members of the Atlantic Community—are vital, too. It is clear to us in the United States that the magnitude of the resources required for successful world leadership for peace means that the resources of all free world industrialized countries are needed to achieve this objective.

We in the United States have recognized that the European Economic Community inevitably involves a changed position among its members. This is an essential fact of life which applies to any association as intimate as that which the six European countries are creating—but it does not have to hurt the outside world and should help it. We sincerely hope that the members of the European Free Trade Association will also recognize this essential fact. If they will do this then both we and they may have a common interest in insuring that the special benefits which the members of the European Economic Community enjoy among themselves will not adversely affect any nonmembers, but should depend for success rather upon the increased productivity and the increased exchange of goods which come from reduction of internal trade barriers, while it should also be beneficial to those who sell them. Prerequisite to the economic health of the free world as a whole and to the successful evolution of the European Economic Community in particular is that firm assurance be given to those outside the European Common Market that there will be undiminished and expanding markets for free world goods within the European Economic Community. The main points to be observed are reduction of tariffs and of quantitative or other trade restrictions and the convertibility of currencies.

Therefore, the common tariff which is being erected, it is hoped, would be not only as low as possible but would be subject to further negotiation on individual items. The contracting parties to the General Agreement on Tariffs and Trade (GATT) have every right to hope that, within the provisions of that treaty, individual country problems, even after the expected initial reduction of the common tariff in the European Economic Community by 20 percent, will be subject to further adjustment in the negotiations under GATT, scheduled to start this September in Geneva, and provide the opportunity for accommodation between the European Common Market and its trading partners.

It is for this reason that efforts which seek to join together in a common effort the economies of free Europe, and the United States and Canada for the greatest effectiveness in respect of dealing with international economic problems like those of the less-developed areas are so much in the forefront of American opinion and discussion.

POINTS MADE

The three points which I wish to make in this presentation to you are:

First, I believe American opinion expects the six-nation European Economic Community and the seven-nation European Free Trade Association to use their capacity and potential for the purpose of helping more effectively to attain the free world's objectives in trade and aid.

Second, that the seven-nation European Free Trade Association can best realize its own objectives by supporting the United States and Canada and other free world industrialized nations in facilitating the greatest amount of trade on as liberal a basis as possible and most nearly in accord with GATT rules.

And third, to bring before us all the problems of countries heavily dependent on primary commodities as they affect so markedly the economic development patterns of these less-developed free world areas with the view toward helpful action by the industrialized nations.

U.S. TRADE WITH WESTERN EUROPE

It is hoped that the development of the external tariff policies of the European Common Market and European Free Trade Association countries will not give cause for concern to the friends of expanding international trade in the United States. One of the major issues of the 1960 presidential and congressional campaign in the United States is whether there may build up, by the sheer pressure of circumstances, a demand for a new protectionism—in tariffs and quotas—due to the adverse effects upon some of our industries by imports claimed to be attributable to the operation of our reciprocal trade agreements program. The primary way in which such a danger may be met in the United States is to be able to point to the vitality of the U.S. export trade

and the potentials for its increase if liberal trade policies prevail. Disappointment is being voiced and rightfully so—at the failure even yet of some European countries to adjust their trade policies to Europe's new economic improvement—and if they raise especially high tariffs on such things as tobacco, which is also important to American agriculture, a special problem will be created. Also, there is great need to review any possible export subsidization of exports to the United States and to review labor standards in an effort to develop international standards which may be more nearly comparable among the industrialized nations of the free world and do not result in expert subsidization through depressed labor standards.

It should be noted, in this connection, that differentials in wages cannot be relied upon as primary reasons for import restrictions. The United States is trying to avoid this. The members of the European Economic Community and the European Free Trade Association should keep in mind that while Japanese goods and goods from other areas may be produced at wage rates lower than those prevalent in their countries, their wage rates are in turn substantially lower than those prevailing in the United States. Thus, the members of the Atlantic Community must also closely cooperate in this matter of living standards and wage rates, and prevent it from becoming a cause for trade restrictions among themselves and a cause for trade divisiveness among the rest of the free world.

PRIMARY COMMODITY PRICES AND SUPPLIES

The question of commodity price levels relates closely to the expectations of the newly developing nations. Mechanisms for dealing with needlessly extreme swings in primary commodity prices and supplies should be considered—such as financing through the International Monetary Fund; also, we should see what can be done in the field of adjustment assistance where structural market changes or technological advances create difficulties. Extreme short-term price swings in primary commodities can very substantially negate such economic aid. In one afternoon the gains of a year or more in economic aid can be swept away for such a less-developed country, if there is a radical change in the price of its main primary commodity. The endeavor to do something about this situation is inherent in the understanding by the Atlantic Community that drastic rises and falls in the price of primary commodities are of vital concern to them as they tend to affect materially the availability of the supplies of these primary commodities as well as the stability and development under free institutions of the countries they sustain.

The increasing dependence of the Atlantic Community upon the supply of these primary commodities from the less-developed areas of the free world requires among them a general reorientation of attitude toward the responsibility to take an increasing amount of primary commodities on a non-discriminatory basis. For example, consideration should be given to the reduction of especially heavy taxes on coffee and tea which at least to some extent reduce importation of these products into Western Europe.

ECONOMIC STRUGGLE OF THE 1960'S

The decade of the 1960's will be featured by the economic struggle between the free world and the Communist bloc because this is the nature of the Communist challenge as articulated by Chairman Khrushchev and because the peoples in the less-developed areas of the free world whose standard of living is at an unacceptable level demand a satisfactory rate of development and progress. Khrushchev has said in his historic dictum, "The threat to the United States is not the ICBM but in the field of peaceful production—it will prove the superiority of our system."

Therefore, effective economic cooperation of the free world and specifically of the Atlantic Community is at one and the same time the most decisive step we can take to win this economic struggle and the most necessary step to meet the needs of our time. It is for this basic reason even more than because of immediate advantages or disadvantages of trade that the people of the United States regard the economic unity of the Atlantic Community to be a question of supreme importance to them.

U.S. ECONOMIC ASSISTANCE TO LESS-DEVELOPED AREAS

The American people believe that having carried a large share of the responsibility for economic aid for the less-developed areas, our responsibility should not now become disproportionate considering the recovery of Europe was a sequel of Marshall plan aid.

From the middle of 1954 to the middle of 1959—the last 5 full years for which comparable figures are available—the United States has extended $12.7 billion in economic assistance to the less-developed areas of the free world (this excludes $1.4 billion subscribed to international financial institutions). Seven and nine-tenths billion dollars of the total came from our mutual security program, the rest was mainly in agricultural commodities. Under the mutual security program during this period the United States provided $6 billion special assistance, development assistance, and defense support grants and credits, and during the last 18 months actual Development Loan Fund activities covered $757 million in credits for economic development projects and programs. Also under the mutual security program, the United States contributed to other countries during the past 5 years $634 million in bilateral technical assistance and $527 million through programs of international technical assistance and other efforts in the less-developed areas.

None of the $7.9 billion in aid under the mutual security program was used as an instrument for commercial export promotion, and only about one-half of it resulted in procurement in the United States.

On this subject, President Walter Hallstein of the European Economic Community gave this objective judgment at the NATO Parliamentarian's Conference in Washington, November 1959:

"True, today there is reason for concern. The United States still has a credit balance in its trade with the community and indeed with all Europe and the world at large; but this is not the whole story; its balance of payments is now in deficit and shows a continuing trend in this direction. The figures are public knowledge. The reasons are familiar to us all. They are to a great part to be found in the immense burden of responsibility which the United States, as the leading Western power, has assumed through out the free world, largely in the form of aid to countries in the course of development. Perhaps never in the history of mankind has such responsibility been so clearly felt and accepted on such a scale.

"We have here a decisive factor for the shaping and development of the relationship between Europe, and particularly the Community, with the United States. Europe, thanks to American aid, thanks above all to a policy which has made possible and in every way furthered its integration, has grown strong again; from being an object of charity it has become a partner. This means, however, that as its strength increases, Europe must resume its share of its own responsibility. To acknowledge this is the need of the hour."

NEW ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

The creation of the Development Assistance Group, pursuant to the suggestion of U.S. Under Secretary of State Douglas Dillon at the January OEEC meeting, bringing together Belgium, Canada, France, Germany, Italy, Japan, Portugal, the United Kingdom, the United States, and the European Economic Community, in the effort to increase private and public investment in the less-developed areas of the free world is in itself historic. It is a key element of what may well become known as the Dillon plan. This plan encompasses a new concept of partnership between the United States and Canada, and Western Europe's industrialized nations in a reorganized OEEC; helping with trade and tariff problems; helping to achieve stability for primary commodity prices and supplies; and working also with other industrialized nations for increasing aid to the less-developed free world areas.

The report of the group of four just made to the 20 Governments in, or associated with, the OEEC and the Commission of the European Economic Community just released recommends a reconstituted organization for European economic cooperation to be called the Organization for Economic Cooperation and Development with the United States and Canada as full members. I believe opinion in the United States will accept such full membership as it is identified with the partnership concept for aid and technical assistance to the less-developed areas and with the further development of trade as contemplated by the policies I have been espousing here.

Economic development assistance to the newly developing areas should not be confused with commercial trade stimulation. Limitation of aid to high interest, short-term credits and the widespread use of loans "tied" to trade will not do what needs to be done for the recipients and may well have an inflationary impact on the creditor nation as well.

The members of the Development Assistance Group have the responsibility to show us how to enlist the economic power of the free world's industrialized nations, whose combined annual gross national product is approaching $1 trillion, in public and private assistance and investment projects in the newly developing nations.

Paul Hoffman, the distinguished former director of our Marshall plan, in a recently published study entitled, "One Hundred Countries, 1¼ Billion People: How To Speed Their Economic Growth and Ours—in the 1960's" confirms a widely suggested optimum figure for the size of this effort.

Achievement of this target would mean adding to the present estimated assistance and investment figure moving into the less-developed free world areas which is estimated at about $4 billion a year, $20 billion extra over the next 10 years—or over 50 percent to the present effort. The Atlantic Community, notwithstanding the notable contributions already made by the United States, the United Kingdom and France, have great strides yet to make before reaching this goal.

The German Federal Republic has during the past 5 years built up its gold and foreign exchange reserves from $3 billion to more than $5 billion, so that now its reserves are double those of the United Kingdom and three times those of France—the two European countries with the largest investments in the newly developing areas. Italy also has made great strides during the past 5 years, building up its own reserves from $1.2 billion to $3.3 billion. Both these nations will, I feel confident, now wish to do their properly allotted part in the total effort.

In addition to efforts in the United Nations and international financing agencies, there is imminently before us the prospect of partnerships between the United States and Western European countries in economic aid programs in many of the less-developed areas. This is highly necessary as I am convinced that the free world's ability to win the cold war requires more economic aid and technical assistance to the less-developed areas than can now be afforded without such partnerships. I am also convinced that U.S. foreign aid is not likely to be increased in the immediate future and the hope for meeting the need now rests in such partnerships between the United States and Western European countries. We have already seen the effectiveness of such partnerships in the aid to the development plans of India and Turkey in 1958, in which the United Kingdom, the German Republic, and other Western European nations participated together with the United States and international financing agencies.

The capability of the free world to prevail in the struggle against communism is directly and immediately related to the success of the efforts of the free world to bring about an acceptable rate of increase in the standards of living of the people of the less-developed areas. Acceptable progress in the future development of the less-developed areas first requires the Atlantic Community and other more-developed countries to do more in public and private investment and technical assistance than they are doing now to help accelerate such further development; and second, it requires a clear and specific goal for an acceptable rate of increase in per capita income in the less-developed areas. The Organization for European Economic Cooperation is now reviewing some of these major questions.

Consideration on the one hand must be given to the means for carrying on a new partnership effort in aid to less-developed areas; and at one and the same time there must be an acceleration of the participation of the same countries in the International Development Association and in the United Nations special fund.

At the end of January, the 68 potential members of the International Development Association were circulated with the articles of agreement. Four countries, the United States, the United Kingdom, West Germany, and Japan have legislative programs for adherence in progress. The target date for the actual creation of the International Development Association is September 15. Sixty-five percent of the $1 billion in capital will have to be pledged to meet this date—($750 million in hard currencies; $250 million in soft).

The United Nations special fund under the direction of Paul Hoffman together with the expanded technical assistance program (ETAP) which does work on a short-range basis, has a target of $100 million in contributions for 1960. They can serve as an important element in the Development Assistance Group's (DAG) efforts to increase public and private investment in the less-developed areas of the free world. The special fund organizes and finances preinvestment and resources surveys, and carries on other technical assistance programs of a sustained nature and requiring a substantial equipment component, such as the setting up of regional training and research institutes in the less-developed areas. About $75 million has been pledged or contributed to both programs. The United States has been keeping its promise to contribute 40 percent of the total contributed to both programs (up to $40 million) with about $30 million already committed by the United States. The United Kingdom had as of February, pledged or given $5 million to the special fund, nearly 14 percent of the total by then collected. Other countries, however, have lagged behind. The German Federal Republic, for instance, with a gross national product rapidly approaching that of the United Kingdom, had pledged or given less than two-fifths of the amount contributed by the United Kingdom to the special fund.

We must recognize, of course, that West Germany is not a United Nations member yet, but the importance of the special fund is so great as to deserve its maximum support. Italy, which is a United Nations member and a member of the Development Assistance Group has lagged in support for the special fund on a comparable basis. There would be no more immediately effective way for these countries to back up their basic reorientation toward the free world's responsibility to the less-developed nations than to step up their contributions to the special fund commensurate with their resources. Certainly, the urgent need for the fund's programs was made plain by the fact that during the first 6 months of its existence, 120 formal requests with a total price tag of $126.5 million were submitted to it, with only $41 million rejected by the fund.

AID THROUGH PRIVATE INVESTMENT

Aid to the less-developed areas must be judged by its result in the aggregate; and the tremendous possibilities for stimulating private investment and drawing upon the resources of private enterprise for technical assistance as well as better coordinating the use of the technical assistance resources of the Atlantic Community are extremely important. For this purpose special attention must be given to treaties on taxation among countries and the accommodation which they can give to private investment in less-developed areas; plans for utilizing the personnel of private enterprise for technical assistance; the idea of an international convention for the security of private investment such as is being considered by the Council of Europe; international guarantees for private investment through an existing or new European organization; and the possibility of an Atlantic Community technical assistance personnel register or pool. The countries of Western Europe have a special capacity to supply technical assistance personnel. Language requirements, special knowledge of particular areas in Asia and Africa and of the problems of administration in less-developed areas are all available among many technically trained and properly equipped people in Western Europe. Following through on the kind of policies here contemplated, new forms of organization to receive and most effectively utilize aid on a regional basis can develop throughout the world.

EAST-WEST TRADE

There is naturally consideration in all of these relationships of trade with the Communist bloc. This is relatively small and is unlikely to bulk much larger in the total context of the free world's trade but it is an illusion of potential which must be dealt with in rounding out the whole picture of free world economic cooperation. Also it has its negative aspects in terms of a potential for disruption of international trade if there be dumping in such projects as benzine, residual fuel oil, tin, flax, aluminum and other commodities. Certainly dispositions to meet any critical challenge like that which would inhere in the economic warfare dumping of commodities on the free world markets.

East-West trade must be made to work for the free world and it should not be permitted to be a Trojan horse of the Communists. In this purpose some rules to follow were laid down by Gov. Nelson Rockefeller of New York in a recent article in the Foreign Affairs Quarterly (April 1960). He wrote, in part:

"First, we must insist that all trade with the Soviet bloc conform to the regulations against price discrimination and dumping subscribed to by the 36 nations in GATT * * *; second, we should seek agreement among the nations belonging to NATO, SEATO and the Rio pact to apply to East-West trade the GATT rules designed to prevent discrimination and dumping; third, the whole question of Soviet compliance with free world trading rules should be on the agenda of any forthcoming summit conference as an essential condition of the expansion of East-West trade. Increased East-West trade can be valuable if it conforms to rules designed to strengthen the integrity and freedom of the economies of nations. But it can be disastrous if we let the Communists use trade to penetrate and disrupt the economies of free countries."

COMMUNIST COMPETITION IN AID AND TRADE

We face real competition from the Communist bloc in aid as well as trade. The Sino-Soviet bloc economic aid program in the less developed areas of the free world which began in 1955 has been accelerating rapidly. In the 4 years ending December 31, 1958, economic grants and lines of credit from the Sino-Soviet bloc amounted to $1.602 billion. During 1959 alone this 4-year total was increased by more than 50 percent to $2.454 billion. During the first 3 months of 1960, another $565 million was added so that the total now stands at $3.019 billion of Sino-Soviet economic aid. The aid during the last 3 months added Cuba to the 19 other nations receiving aid from the bloc: Cuba was extended a $100 million line of credit, the United Arab Republic received an additional $187 million for the Aswan Dam project, and Indonesia received $250 million—all from the Soviet Union—while Nepal received a $21 million grant from Communist China.

In spite of the fact that most of this rapidly mounting total is in the form of commitments yet to be delivered, the figures are impressive—especially when one considers that they represent goods upon which 20 developing nations of the free world are more or less dependent for fulfillment of their future economic plans. Thus, the Sino-Soviet bloc is trying to drive a $3 billion economic wedge between the industrial nations of the free world and the expectations of their less fortunate brothers.

Western Europe has watched the Communist-dominated countries of Eastern Europe being made economically dependent on the Communist bloc and being cut off from world trade by the way in which the separate economies are enmeshed and barter deals are made to dominate. The United States is now seeing the Communist tactic at work right in the Western Hemisphere with the latest example in Cuba. The challenge to us all is real and pressing.

CONCLUSION

There is every reason that the free world should prevail in the impending economic struggle with the Communist bloc based upon its moral authority, practice of freedom and justice, resources and productivity, but it has not yet demonstrated this capability satisfactorily enough decisively to win the neutralist uncommitted peoples in the less developed areas to our cause. As the Atlantic Community is the industrial heart of the free world, this matter is of decisive importance for the destiny of the area, and the peoples in it.

The outcome of the economic struggle between the free and Communist worlds will not be determined by negotiation but by positive action which will bring success to one side or the other; fruitful negotiation is

likely to follow if we prevail in this competition. The Atlantic Community constitutes the preponderant productive strength of the free world, and has the capability for bringing about the decisive superiority of the free world in the historic struggle for the heart and mind of all mankind.

Mr. JAVITS. It will be noted that I emphasized the areas of mutuality of interest between the economy of the United States and the economies of the members of the Council of Europe, a list of which I also offered. I pointed out in effect that the United States now needs the help of Europe just as Europe needed the help of the United States immediately after World War II. We need the help of our European partners—not in any personal sense, but to expand world trade so essential to us all—for the absolutely essential increase in aid to the less developed areas of the free world and for cooperative action to deal with particular problems of the less developed areas troubled by radical price swings in their primary commodities. The reception which I received from the Parliamentarians was a splendid one, most cordial and most reassuring in terms of the subjects which I had raised.

I might tell my colleagues at this point that one of the questions raised with me by the parliamentarians of the Council of Europe was whether or not the United States would act as an intermediary in an effort to settle matters between the Inner Six, and the Outer Seven. In that regard I pointed out that I believed that U.S. opinion would take the position it took in Marshall plan days: that the solution which was called for had to be a European solution and that the best role for the United States was in helping to implement and facilitate a solution which Europeans themselves had arrived at. This was received with approval by the overwhelming majority of parliamentarians present.

I now address myself to the problems of the Inner Six, and the Outer Seven. The liberalization of trade is a particular issue between the Inner Six and the Outer Seven. It now becomes clear that the concept of a possible federation of some character in political terms was a big factor in the arrangements for the European Economic Community. Under these circumstances, it becomes more evident that the Outer Seven countries could not feasibly join with the Inner Six in an organization which had such a fundamental aspiration. The Outer Seven have common economic interest with the Inner Six; but because of traditional ties, like those of the Scandinavian countries—Norway, Sweden, and Denmark—the particular neutral situation imposed upon Austria by treaty, or upon Switzerland by history and tradition, or the commonwealth ties of the United Kingdom, a political federation for the Outer Seven does not seem to be, at this point, at least, a likely objective.

Accordingly—and this is most important, Mr. President—it is now being recognized in Europe that the two groupings are more logical than was originally supposed.

This is being recognized in Europe, as I have said, and will form one of the fundamental bases for bringing about some settlement. Also, it dispels a perfectly human reaction which was first noted when the Outer Seven did not join the Inner Six in the European Economic Community, that the Outer Seven had made their bed and that they had now better lie in it.

I am very glad to say that this attitude is being dispelled in Europe in recognition of the fact that there is a full role to be played by both of these entities, and that there are very persuasive reasons why, at least at this point, it is just as well that they are organized in two separate groupings.

Another matter which arose and which may be of interest to Senators in regard to these two groups was the feeling, especially on the part of our British friends, that certainly 2 groups are better than 13 groups, with their international barriers and problems which were imposed. Already major progress was being made in that regard, in that there were now 2 groupings, between them aggregating such enormous entities, in economic terms, instead of 13 diverse, relatively small economies which were in existence before.

To give an idea as to what is involved, I believe it is important to analyze some of the figures. The U.S. economy's gross national product is somewhere in the neighborhood of $485 billion, with a population of about 175 million. The European Common Market Community has an estimated population, if my memory serves me correctly, of 170 million. It has a gross national product of somewhere in the area of $160 billion.

On the other hand, the Outer Seven, so-called, or the European Free Trade Association grouping, has a population of about 80 or 85 million, with a gross national product of about $88 billion.

It can be seen that the relationship between the two groupings and the economic power of the United States are becoming nearly comparable, as they are grouped economically, rather than was true before.

It is also evident that together these three economic groupings, the United States, the European Common Market, and the Free Trade Association community, represent the overwhelming economic and productive power of the whole world, even including the Soviet Union; certainly overwhelmingly the productive power of the free world.

I believe it is very important for all Senators to understand these factors, because we are dealing with an enormous aggregation of economic strength which will literally determine whether or not freedom shall survive.

If we agree that the hallmark of the 1960's in this struggle will be economics, it becomes increasingly important in this whole area to realize that we are dealing with the very stuff of which the survival of the whole free world is made.

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

Mr. JAVITS. I yield.

Mr. KEFAUVER. I wish to compliment the distinguished Senator from New York on his speech. He is dealing with a very important problem, and I hope it will develop into our most important accomplishment reached in a long, long time. I am glad the Senator is speaking at length on the subject, because this is a matter upon which the survival of the free world will depend to a considerable extent in the years to come. When the Senator concludes I shall make a brief statement, and shall also speak at some length on the part the distinguished Senator from New York has played in helping to bring about this step.

The OECD nations have expressed an interest in cooperating for the common good. They have an opportunity to go forward and to strengthen the free world, and thus meet jointly the challenge of economic survival being presented by the Soviet Union with respect to the millions of people in the underdeveloped nations of the world. This is a matter of paramount importance. I hope it will be fully understood by all people in our country, and that we will participate, since we have been given the opportunity, in this joint effort with other freedom-loving people.

The Senator should be highly commended upon his long and untiring efforts, and for his forceful presentation.

I should like to ask the Senator from New York one or two questions. In his meetings with the representatives of other nations in Europe and from Canada, at the Economic Committee meetings of the NATO parliamentarians, at the Atlantic Congress meeting of last June, at the more recent meetings in Europe where the Senator addressed the Council of Europe at Strasbourg, and when he has attended other international meetings, has he found a strong indication on the part of our friends of the Atlantic community to join with us in this way?

Mr. JAVITS. Yes; there is a real interest now—which I think should be very reassuring to the American people—in joining with us in an organization of this nature for economic consultation, for that is what it really amounts to; that is, the design actually to put up some hard cash in respect to aid to the less-developed areas. That very question was asked and answered in the course of my open discussion—because it was open—on the floor of the assembly in Strasbourg.

I emphasized that when U.S. opinion—which was the only thing I could speak of; I was not representing the Government—considered aid to the less-developed areas, and about European countries at long last joining in that aid, now that they had achieved their own recovery, we were not thinking about resolutions; we were not thinking about plans; we were not thinking about a good idea; but we were considering hard cash. I must say that the reception to that suggestion was far better than if I had talked in generalities. The Europeans quite understand that language. I believe that if our Government will have the wisdom to follow through—and I am confident that it will have such wisdom—

we shall have a very great opportunity to do what needs to be done.

The Senator from Tennessee has been very gracious about me. I should like to say something about his role in the whole NATO operation. I believe political consultation, which has been unusual, is now accepted as a matter of course among the NATO powers, and is very heavily attributable to the perfectly magnificent work done by the political committee of the NATO parliamentarians, of which the Senator from Tennessee is the chairman; just as I feel certain that the economic initiative came very strongly from our Economic Committee.

I should like to congratulate the Senator from Tennessee, because, as he knows—and I believe as everyone else must know—an essential preliminary to any hope for doing anything economically had to come in the political field. It was only because political relations between the NATO countries have been so excellent within the last year or two that the framework for the new economic organization which has now come up over the horizon is possible.

Mr. KEFAUVER. I appreciate the kind words of the Senator from New York. Whatever has been done by the United States has been done by many persons, including Members of the House, such as Representative WAYNE HAYS; many Members of the Senate, such as the Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Foreign Relations; the Senator from Kentucky [Mr. COOPER], the former chairman of the Committee on Foreign Relations; the Senator from Rhode Island [Mr. GREEN]; many members of the executive branch, including the Secretaries of State and Under Secretaries of State; and our Ambassadors to NATO.

Has it not been the experience of the Senator from New York that most of our friends in the Atlantic community who are interested in this common problem are actually ahead of us in their knowledge, and that there must be a more unified economic effort in their desire to get on their way, even though it may mean putting up hard cash; and that this effort has been easy to move along because of their immediate appreciation of the necessity for cooperation in this field, since they are closer to the scene than we are? Have they not been waiting, to some extent, for U.S. leadership in this matter? And when that leadership came, did they not join with us wholeheartedly? I know that is true in the political field, in which I have been working. I think the Senator has explained that it is true in the economic field, also.

Mr. JAVITS. I thank the Senator from Tennessee for his observation. I thoroughly agree with him that what he has said is true in the economic field, as well.

I address this admonition to my fellow countrymen: We must use our heads and look clearly at everything that is being done. I believe there is an attitude of cynicism about some elements of our public opinion, fostered by the years in which the Europeans had relatively small means to deal with, and in which they were more under the sway of their own past national rivalries and trade rivalries than I believe they are today.

I believe we are entering a new era. While we should be clear sighted, I believe it would be well to shed much of our cynicism, because I believe the countries of Europe are ready to cooperate with us now, and we must be ready in turn. It is very hard for people to do business together unless there is a feeling on both sides that there is a desire actually to engage in productive endeavors.

There are two thoughts I should like to convey to Senators and to the country as a whole. First, I believe Europe is ready now to engage in really active economic cooperation for the basic purposes which will decide whether we will win or lose the cold war, and the first consideration is the present economic situation. Europe faces it. It is high time we did, too.

Second, the big front page news of the decade of the sixties will be economic. In my opinion, its importance will overshadow even the problems which we are having about disarmament and the problems confronting us in the field of defense. Not that those problems will necessarily be solved or be of any less importance, but we will begin to realize that the military problems are problems of survival, whereas economic problems are problems of success. Hence, they are at least equal in importance.

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

Mr. JAVITS. I yield again to the Senator from Tennessee.

Mr. KEFAUVER. It is fortunate that the new organization, the Organization for Economic Cooperation and Development, includes, or will include, many nations which are not members of NATO, because there are many non-NATO nations in the free world which are just as much interested in the success of this effort. I believe the selection of the name is very fortunate—Organization for Economic Cooperation and Development. As I understand, this organization is open for participation by any nation which in good faith wants to make a contribution toward economic consultation and cooperation, and in helping the peoples in the less developed nations to have an economic opportunity. Is not that true?

Mr. JAVITS. The general idea of the organization is to include within itself the 20 countries encompassed essentially within the Organization for European Economic Cooperation and Development now. The United States and Canada are only associate members. I have little doubt that if there were any insistent desire to broaden the scope, there would be receptivity to broadening it. Right now the expectation is for those 20 countries to participate. The association with Japan has come about in a very interesting way through a specialized group known as the Development Advisory Group, of which Japan is a member, with the particular mission of devising a partnership for the purpose of helping less developed areas.

At the moment, I believe one cannot say "Yes" to the Senator's question, because it is not in contemplation to make this a worldwide organization having open membership. However, I have little doubt that if there is any insistent desire to have others outside the Western community join, such a desire will be sympathetically received. But right now the organization which is contemplated is an organization of the Western community.

Mr. President, with respect to the new economic organization to which I have referred and the threatened split between the "six nations" and the "seven nations," in Europe, I believe it very important to understand where we in the United States fit into this picture. A trade solution between the two groups is clearly indicated. In terms of the interest of the United States, it is vitally important that any arrangements on tariffs and trade made between the two groups be made within the framework of the General Agreement on Tariffs and Trade—GATT—as to which the United States is a contracting party, and be made available on a most-favored-nation basis to the United States and to the other countries which are participating in GATT.

At the present time there is a very hotly agitated question as to whether the "inner six" countries of the European Common Market should accelerate the tariff and trade reductions which they are contemplating, according to their treaty—the Rome Treaty. The acceleration would be as follows: As to internal tariff barriers, which are scheduled to be reduced 10 percent on July 1, 1960, the accelerated reduction would be 20 percent, instead of 10 percent. And as to the common tariff which they have with outside countries—in other words, their external common tariff, which in the United States would be called a tariff—they will reduce it 20 percent; but it is now proposed that the date on which they would first begin to apply a common external tariff be advanced from December 31, 1961, to July 1, 1960—or an acceleration of approximately 18 months. This question must be considered within the context of the possibility of settlement which I have described.

Mr. President, great fears have been expressed about the proposed acceleration. Those fears have been expressed by the United Kingdom and the nations associated with it in the Outer Seven, whereas the United States has favored the acceleration as tending toward liberalization and expansion of world trade. It is also well known that members of the European Free Trade Association have opposed it. As it becomes clear that a trade settlement on a tariff and trade basis between the Inner Six and the Outer Seven is feasible, the objections of the Outer Seven to the idea of this acceleration should be reduced.

One of the main points I made in my speech at Strasbourg and in my discussions with other leaders in European economic affairs—and it was borne out by the developments in European affairs—was that if the United States proposes to join this new economic organization for Western European cooperation, that will serve in a very important way to reduce the fears of the Outer Seven in

regard to the acceleration to which I have referred. Hence, a statement that the United States does expect to join that group will go a long way toward alleviating the fears of the Outer Seven and also toward avoiding retaliation by the United Kingdom. At Strasbourg, my main point was that American opinion did not regard the Inner Six with any greater favor than the Outer Seven—although there was in Europe an impression that the Inner Six was regarded more favorably by our country—but regarded both of them favorably, while, of course, viewing favorably, also, the apparent fact that the Inner Six were making more progress toward the attainment of their own objectives.

Therefore it was apparent that in the United States there was enthusiastic approval of the Inner Six, because it is natural for people to cheer on those who apparently are progressing the fastest and the farthest.

My point was, and I so explained, that opinion in the United States placed a high premium upon the expansion of the internal market, the benefits of which were becoming so evident among the members of the European Economic Community.

The prospect of broadened internal markets, brought so sharply to the fore by the European Economic Community and by the European Free Trade Association, will have a marked effect upon expanding markets for United States imports in Western Europe and elsewhere. It should also have a marked effect in reducing the nature of the competition faced by our own domestic production from imports from the Western European countries, as they will find a larger share of their own production demanded by their own markets, and as they will also find a need to raise their labor standards, considering the conditions of maximum employment or even full employment in their home markets. Therefore, this should have a very important effect upon the concern with which we have regarded material increases in imports into U.S. markets, and is another reason for our joining this cooperative effort in the Western European Community, insofar as economics are concerned.

Notwithstanding the fact that many barriers still existed among the Six, and relatively little had yet been called for to implement the Rome Treaty, in view of the fact that, according to the terms of the treaty, all steps taken under it must be phased over a total period of 12 years, it is nonetheless true that the confidence already inspired by the mere fact that Europe was going forward seriously to implement the treaty had completely changed the atmosphere in Western Europe to one of optimistic confidence that Western Europe was in for a period of extraordinary economic development. Mr. President, the progress of these countries has really been remarkable.

The per capita gross national product of the Inner Six has increased by more than 50 percent since 1950. This compares with a 33-percent increase in the United States.

Indeed, it may be that this new-found confidence, to which I have already referred, among these Western European countries is already having an effect upon U.S. exports. Our exports to the European common market countries in January and February 1960, amounted to $546.5 million worth. This is a 52-percent increase over the same period in 1959, and a 36-percent increase over those in 1956, our last normal export year.

Indeed, our latest report shows that commercial exports soared in March to the highest level in nearly 2½ years, and it is expected that again the figures on trade with the European Common Market countries will show a material increase.

More than 17 percent of our U.S. exports go to European Common Market countries, but this does not yet begin to represent to us the importance which foreign trade represents to both the "inner six" and the "outer seven," as it is estimated generally that foreign trade amounts to about 35 percent of the economies of Western European countries, whereas in our case foreign trade amounts to less than 7 percent of our own economy. But this is critical to our economy as it is to theirs.

There is very serious concern becoming more and more manifested in the country during this period as to the competition of imports into the United States and their effect upon domestic industry. In these calculations the interests of consumers are extremely important, as consumers wish to benefit from the moderating effect on prices and quality which comes also from foreign competition. Now, there has been grave concern in fields like certain kinds of textiles, shoes, gloves, ceramics, china, and other products that unfair competition was being created by exports to the United States from especially low-wage areas. The fundamental economic improvement in Western Europe and the broadening of their own internal markets should go a long way toward helping us insofar as imports from free Europe are concerned. Our economists are predicting that we are not now being outproduced and outpriced abroad, though we may have shifts in the emphasis of our production for export. For example, we have been doing very well in exporting all types of machinery, while we have suffered in exports of textiles.

It is logical to expect that there will be a rationalization of production throughout the world as world trade increases and expands and the free world becomes more closely knit economically. But this does not mean that our people need to be hurt; rather, they need to be benefited. It is up to us by carrying out the protections acorded by the Reciprocal Trade Agreements Act in respect of "peril-point" and "escape-clause" proceedings to protect our domestic industry insofar as it is required by overall economic and national security considerations. The "phasing out" of problems for domestic business which are raised by imports, as well as adjustment assistance to help enable individual workers and small business through proper financing to adjust to new economic conditions, can all help very materially. The important thing is that without throwing any workers on the scrap heap, the prosperity and economic stability of the American people and of the other peoples of the free world can be materially advanced by enlightened policies in respect of trade.

In that same connection, I should like to advert to the very important stake our farmers have in this very important problem of trade to which I have been referring. I see on the floor the very distinguished Senator from Kentucky [Mr. COOPER], a leading authority on foreign affairs, who at one time represented our country in India. In his State there is a problem with respect to tobacco.

One of the problems created by the Common Market in Europe was with respect to tariffs, and how the duty shall be fixed on tobacco; whether a high tariff, such as that charged by Germany should be fixed, or whether a lower charge, such as that fixed by other members of the European Common Market, should be established. In this problem we have both a challenge and an opportunity. On the one hand, if the United States is concerned in the new economic organization to which I have been referring, and to which my distinguished colleague from Tennessee has referred, we have an opportunity to rationalize these problems. On the other hand, if the Europeans are going to follow the old, traditional patterns of raising enormous amounts of revenue on products such as tea, coffee, and tobacco, then the new degree of more prosperous internal markets which they are creating by new federations in economic terms will not be benficial to the rest of the world.

It seems to me it is greatly to the interest of the United States that there should be a greatly increased market for commodities, including tobacco, and that trade barriers with respect to them should be materially reduced; and I think that such a policy will be of benefit not only to us, but to them, giving their people a higher living standard. However, in order to bring about such a result, we must be ready to have the American presence in the economic affairs of the Western European Community far more fully represented than it is today. I think that is a very important added reason why we must consider our joining this new economic organization.

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

Mr. JAVITS. I yield.

The ACTING PRESIDENT pro tempore. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may be recognized for time in addition to that which was granted to me under the unanimous-consent agreement.

The ACTING PRESIDENT pro tempore. How much time does the Senator desire?

Mr. JAVITS. Fifteen minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. COOPER. Would the Senator prefer that I wait until he has concluded?

Mr. JAVITS. No; this is quite a good time.

Mr. COOPER. At the outset I should like to say that it is a commentary on the ability of the distinguished Senator from New York, and also the regard in which he is held in parliamentary circles in Europe, that he was invited to address the Consultative Assembly of the Council of Europe at Strasbourg. And he has brought to us from the assembly and his discussions with European leaders some very heartening facts.

We know of the interest of the United States in the formation of the European Economic Community. After its development we were disturbed by signs of friction, and not only economic difficulties, but possibly political difficulties which might result from differing approaches of the European Economic Community and the organization headed by Great Britain which is called the "outer."

I am much heartened by the report of the distinguished Senator that he believes these differences can be conciliated, and that he believes the United States, if it becomes a member of the projected Organization for Economic Cooperation Development, can play a part in bringing about this conciliation of the differences between the two groups. Is that his view?

Mr. JAVITS. That is essentially my view, and I am sincerely grateful to the Senator from Kentucky for his personal references, and even more for putting so exactly the message which I bring back to my colleagues in the Senate.

Mr. COOPER. I should like to make a comment about trade problems which have resulted from the formation of the European Economic Community. The distinguished Senator from New York called attention to a matter which is of importance to my own State and other tobacco producing States. In broad outline, I agree with the Senator that the most important thing which could happen to the United States in the development and expansion of its exports, and of multilateral trade, is the formation of a strong European Economic Community and, I would add, a strong "outer seven."

It is however, necessary that the European Economic Community, make adjustment in its tariffs against American exports.

This can be done. The tobacco States including Kentucky were quite disheartened when they learned the European Economic Community had agreed to establish a 30 percent ad valorem duty upon tobacco.

I arranged a meeting with the Under Secretary of State, attended by representatives of tobacco growers, tobacco-State farm organizations, and in fact the entire tobacco industry, at the request of Mr. R. A. Hammack, president of the Burley and Dark Leaf Tobacco Export Association.

Since then Mr. Dillon has made representations to the members of the European Economic Community, asking that this duty be adjusted. And it is a fact that at GATT, this fall, the United States will ask for a review of such duties as the European Economic Community wants to impose, including the tobacco duty. I believe it will be properly adjusted.

Considering the great ability of Secretary of State Herter and Under Secretary of State Douglas Dillon, I believe a great many of these problems will be composed. I should like to have the judgment of the distinguished Senator as to whether he is in accord with my viewpoint.

Mr. JAVITS. Yes, I am in thorough accord with the Senator's viewpoint. I think the Europeans now are beginning to learn a great deal more about our constitutional processes than they ever knew before. The Europeans realize it is not enough to get the administration back of what needs to be done, but that a pretty sharp eye must be kept on the Congress.

This demonstrates the importance of what we are discussing. Under Secretary of State Dillon, motivated by Secretary Herter's well-known views on these subjects, has taken a very constructive line. More and more it is a line being identified with his name. All of these matters I am discussing are being called the Dillon plan, very analogous to the Marshall plan. This is a matter of great pride to our country.

We are not committed to anything but consultation and an intent to pursue a certain policy line liberalizing world trade, giving more aid to the less-developed areas, and doing a good deal more than we have been doing about their main problems with commodity prices; nevertheless, this does represent a commitment of the United States to a line of policy rather than to a specific action. If it appears that the atmosphere in the Congress is favorable toward what Mr. Dillon is doing, then the world will be encouraged and things will move forward. If people are going to begin to be pulling Mr. Dillon down while he is trying to help erect a sound structure for the Western industrialized community, it will speedily be perceived in the fact that European nations will back away from cooperation.

I assure my colleague that I have not been undertaking a vain exercise today, or simply reporting about some nice trip I took to Europe. This is very serious business, involving billions and billions of dollars and millions and millions of people, and the fate of freedom itself. Let no one underestimate the problem. Let us understand what we are doing and how serious the matter is.

I welcome my colleague's observation on that score.

Mr. COOPER. Under Secretary Dillon, I know has, as has Secretary Herter, directed his energies to the proper support of the unification of the economic interests of Europe, and to the conciliation of the differences between the "inner six" and "outer seven," and also to the participation of the United States, as much as it can accomplish by the means the Senator has suggested. I believe our people can be certain that he will take into consideration their large scope, and the principles involved and he will look after the interests of the United States. I have found that to be true.

I finish my comments by saying again that the Senator has done a great service by his trip and also by presenting his report to us. The Senator participated in the development of the Marshall plan. He served in the Congress at the time a second great step was taken, which was to assure the certainty of the security of Europe by our agreement to send troops to Europe, and to maintain our troops in Europe.

I had the honor to vote for the Marshall plan. I had the honor in 1950, to serve in the Department of State, by appointment of Mr. Truman, and to take part in two meetings of the Council of Ministers of the North Atlantic Treaty Organization in London and Brussels, when it was decided to organize the defenses of NATO. I view this present undertaking as being a great step forward both for Europe and for our country.

The fact that the Senator was invited to speak at the Consultative Assembly of the Council of Europe is a great tribute to the position and the influence the Senator enjoys in Europe and the United States.

Mr. JAVITS. I thank my colleague.

I should like to point out to my colleague that not only did Under Secretary Dillon meet with my colleague and with his constituents in respect to tobacco, but also, when I was in Europe, I found that the Europeans knew he had had the meeting. It had been fully reflected to them. They knew the United States was fully back of the position discussed, that Mr. Dillon is very hardheaded about these matters of trade, and knows better than anybody that trade is not a one-way street, and that if anybody thinks it is, he will find it is never going to work.

Mr. President, I conclude upon this note:

My visit confirms for me the conviction that we are on the threshold of an enormous step forward in respect of the free world's economic capabilities and economic situation. The extent to which we shall ascend a new plateau of well-being both for ourselves, the peoples of Western Europe, and the peoples of other industrialized nations in the free world, and the people in the less developed areas of the free world, depends upon the extent to which, and the conviction with which, we undertake the opportunity for economic cooperation inherent in such developments as those which I have just described that are taking place now in Europe. European standards of living are far from our own even with their present state of prosperity, and standards of living in the less developed areas of the free world are abysmally low. Our objective must be to find a rate of progress acceptable to the peoples of the free world. I am convinced that we have the brains, the capital, and the will to make this happen. We can outclass the Communists in this decisive economic struggle of the 1960's. We are

now being given the opportunity in a very practical way. I hope very much that we shall realize that the very fate of all mankind is at stake and that we will accept our opportunities as they come to us, inspired by this knowledge.

Mr. President, I yield the floor.

AGREEMENT TO SEND SURPLUS FOODS TO INDIA

Mr. YOUNG of North Dakota. Mr. President, the agreement, just concluded between the United States and India, whereby our country will be providing a huge amount of food commodities to India, is one of the most important ever consummated by this Government. It will have far-reaching consequences. I think most people who have made a study of international problems will agree that the food we have provided for the hungry people of the world has done more to gain good will and support for the cause of democracy than any other single thing our country has done.

There has been a question as to whether our other foreign aid programs in many countries have done more good than harm. But certainly no one can ever point to a single instance where providing food to foreign people has gained us anything but good will.

Under this agreement we shall be providing the huge amount of 587 million bushels of wheat to India, over a 4-year period. In addition to alleviating a serious food problem in India, this will also be of considerable help to our surplus problem. These 587 million bushels of wheat are equal to nearly 4 years of wheat production in North Dakota, the second largest wheat producing State in the United States.

More agreements similar to this one should be made, and that will be possible under Public Law 480.

Mr. President, I want to take this occasion to say that Public Law 480 is one of the best pieces of legislation this Congress ever passed—not only for the benefit of farmers, but also for the benefit of the Nation as a whole. It has done more to get our food to the hungry people of the world than has any other program we have ever undertaken.

This new agreement is a direct result of President Eisenhower's recent trip to India and the commendable work of Secretary of Agriculture Ezra Taft Benson and many other officials in the Department of Agriculture.

ORDER OF BUSINESS

Mr. KEFAUVER. Mr. President, may I be recognized?

Mr. GOLDWATER. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. GOLDWATER. Is the Senator from Tennessee going to make a long speech, or simply present an insertion for the RECORD?

Mr. KEFAUVER. Mr. President, it will take about 10 minutes.

Mr. GOLDWATER. I need only about 3 minutes.

The ACTING PRESIDENT pro tempore. The Senate is ready to proceed to a call of the calendar. The Senator from Ohio [Mr. LAUSCHE] has a very important request to make—at least, very important from his point of view. The Senator from Ohio desires to be recognized. I bring that to the attention of the Senate.

Mr. KEFAUVER. Mr. President, I thought the Senate was still in the morning hour.

The ACTING PRESIDENT pro tempore. No. The morning hour was completed at 11:15 a.m.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that I may speak for 10 minutes.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

PROGRAM OF ASSISTANCE TO CORRECT INEQUITIES IN CONSTRUCTION OF FISHING VESSELS—RECONSIDERATION OF CONFERENCE REPORT

Mr. LAUSCHE. Mr. President, I enter a motion to reconsider the vote on the adoption by the Senate of the conference report on H.R. 5421, an act to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes.

Pursuant to the rule, I move that the House be requested to return the engrossed bill and all accompanying papers to the Senate.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Ohio.

The motion was agreed to.

Mr. MAGNUSON subsequently said: Mr. President, yesterday I called up a conference report on H.R. 5421, to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes. It was agreed to by the Senate.

I had written a letter to the Senator from Ohio [Mr. LAUSCHE] in which I promised to notify him when the matter was called up. However, it had been on the calendar for so long I completely forgot about notifying him, and I apologize to him. I wish to join him in his motion to reconsider the vote by which the conference report was agreed to by the Senate.

Mr. LAUSCHE. I understand thoroughly that because of the length of time involved during which this matter was pending, the Senator from Washington forgot the agreement we had.

Mr. MAGNUSON. The Senator is correct, and I wish to join in the Senator's motion to reconsider.

On motion of Mr. LAUSCHE:

Ordered, That the House of Representatives be requested to return to the Senate the bill (H.R. 5421) entitled "An act to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes."

ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Mr. KEFAUVER. Mr. President, the subject which the distinguished Senator from New York [Mr. JAVITS] has been discussing today is of paramount importance to the United States, to the cause of world peace, and to the free world. It is important also in respect to the economic and political welfare of the nations of Western Europe and the security of our Nation, as well as freedom.

Mr. President, in 1949 the North Atlantic Treaty Organization was created on a nonpartisan basis. Much credit goes to former President Truman, former Secretary of State Acheson, former Under Secretary of State Dulles, and to a bipartisan congressional leadership, principally former Senators Connally and Vandenberg.

Mr. President, it was largely the fear of Communist aggression which held the 15 NATO nations together in a working arrangement during the first 10 years of the existence of NATO. Little was done to implement article 2, which dealt with economic, political, and cultural cooperation.

With the coming into power of Premier Krushchev in the Soviet Union, the free world was confronted with another kind of struggle which, as the Senator from New York has so well pointed out, is in the economic field.

During the first 10 years of NATO there were many failures of consultation. Irritation arose because of lack of unity and understanding between the NATO partners; and with the coming of the economic struggle it became apparent that the free nations of the Western World and the NATO nations had to make a different kind of effort if they were to be successful.

Heretofore in the economic field each nation has gone its own way. The United States did the most, of course, but whatever was done by any other nation was not coordinated, not worked out on a unified basis. We found that the Communist world was making considerably headway, particularly among the people in the underdeveloped nations of the world. Many efforts were made to further a unified plan, so that this Nation could unify its economic and technical programs with those of other nations. Resolutions were filed by many Senators, including the junior Senator from Tennessee, but frankly, no great result was accomplished.

As the Senator from New York has pointed out, a new organization, with a great chance of success, upon which our security and economic and political freedom of the Western World may largely depend, has been created. That is the Organization for Economic Cooperation and Development. It is an attempt to bring together the efforts of 22 nations, and such others as may come in or be brought in, to promote cooperation not only in economic matters among

themselves, but also in dealing with technical and aid problems of the people in the underdeveloped nations of the world.

Thanks to the Marshall plan, and to other programs, as well as to their own efforts, people in many of the nations of Western Europe have gained back their economic strength and are now in a position to make a substantial contribution toward bettering conditions in the underdeveloped nations. In some of the underdeveloped nations they may have better acceptance than we. There may be an Italian influence, a British influence, or a French influence, through which they could carry on work that would be as acceptable as what we are doing.

This is a needed effort. The success of NATO, our success in standing together, our unified front against Communist aggression, will depend upon the success of this new organization. If it succeeds, and if we lend our influence to it, I think there will be a good chance for world peace, and for successfully meeting the challenge of the Soviet Union.

The success of this new organization will mean that we shall have a unified economic strength. Our defense effort will be easier. If we have a step-by-step disarmament, we can act more in concert and unity. This organization includes not merely the 15 NATO nations, but others which are desirous of making a contribution.

I wish to say a word about the remarkable work in this field which the Senator from New York [Mr. JAVITS] has done. During three meetings of the NATO Parliamentarians Association he has been Chairman of the Economic Committee, an agency like the Organization for Economic Cooperation and Development has been recommended at each one of those meetings. Last June the Atlantic Congress was convened in London, bringing together 650 outstanding leaders of the NATO nations. I think this will go down in history as a historic meeting, because immediately thereafter Under Secretary Dillon attempted to put into effect, and has now succeeded in putting into effect, the very vital recommendation of the Atlantic Congress at London in 1959, that there be a unified and cooperative economic effort among the democracies of the North Atlantic.

The Senator from New York was rapporteur of the economic committee at this meeting, and took a leading part in getting through resolutions, which were usually unanimously adopted, furthering this general purpose. He has met with other parliamentarians of Europe on various occasions, and his recent presentation to the Consultative Assembly of the Council of Europe, at Strasbourg, was highly successful. It was another effective and noble effort toward the accomplishment of that which so many of us desire. I pay high tribute to him for his work.

I agree that the success of this organization is vital. Its success will depend upon the cooperation and the support of the United States, which I hope will be forthcoming.

EFFICACY, SAFETY, AND TOXICITY OF DRUGS

Mr. KEFAUVER. Mr. President, at page 9193 of the CONGRESSIONAL RECORD of Tuesday, May 3, the Senator from Illinois [Mr. DIRKSEN] placed in the RECORD a copy of a letter of May 2 addressed to me from Dr. James M. Moss, of Alexandria, Va.

The first time that I personally saw the letter was yesterday morning, although the chief counsel of the Antitrust Subcommittee received it late in the afternoon of May 3. My first notice that such letter had been written was when I was informed that the Senator from Illinois had inserted it in the RECORD on Tuesday. The letter was also reproduced by the Drug Pink Sheet on Wednesday, May 4.

My answer to Dr. Moss was completed late yesterday. I ask unanimous consent that my answer be made a part of the RECORD at this point.

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

MAY 4, 1960.

Dr. JAMES M. MOSS,
Director of the Diabetic Clinic,
Georgetown University Hospital,
Washington, D.C.

DEAR DR. MOSS: Your letter of May 2 addressed to me did not come to my personal attention until this morning. I understand, however, that the letter arrived in my office sometime on Monday and came to the attention of Mr. Dixon, the chief counsel and staff director of the subcommittee, late in the afternoon. The first knowledge that I had of your letter was when someone pointed out to me that Senator DIRKSEN had inserted a copy of the letter in the CONGRESSIONAL RECORD of yesterday, and later that day I saw a report of it in "The Pink Sheet" of F–D–C Reports.

In your letter, in discussing the testimony before the subcommittee on April 26, 1960, by Dr. Henry Dolger, with respect to chlorpropamide (Diabinese), you make the extreme statement that "there are some patients who have become so worried that they have discontinued the drug and do not plan to return to the physician who prescribed 'such a dangerous medicine' for them," and that "they have lost confidence in all physicians and will seek no treatment until they have become seriously ill."

Frankly, I am rather indignant about both the manner in which your letter was handled as well as its substance. Apparently you did not see fit to do me the courtesy of giving me a chance to answer your letter before you presumably made it available to Senator DIRKSEN and to "The Pink Sheet."

As to the substance of your letter, let me briefly review the main point around which the controversy is centered. Hundreds of physicians from all over the country have written to the Antitrust and Monopoly Subcommittee complaining of the advertising which they received from ethical drug companies. Day before yesterday I placed in the CONGRESSIONAL RECORD excerpts from typical letters which have been received from doctors. Among other things, these physicians have complained that the advertising is frequently misleading in that it does not adequately describe the side effects associated with particular drugs. In the ethical drug industry it is apparent that what a drug company does or does not say about side effects in its advertisements to doctors and in the presentations by detail men is of critical importance in determining which company will have what share of the market.

In our hearings on tranquilizers two of the world's most eminent psychiatrists, Dr. Fritz Freyhan and Dr. Hans Lehmann, testified that although they were experts, they could readily be misled by advertising claims of drugs outside their field of specialty. In the case of the oral diabetic drugs, the subcommittee sought the expert testimony of three noted diabetic specialists. Dr. Alexander Marble stated that any physician who was induced to write a prescription for Diabinese on the basis of advertising claims made for that drug would have been "badly guided." Dr. Dolger denounced Diabinese not only on the ground that the advertising claims were misleading but that the drug itself had an excessively high incidence of side effects. Yesterday, Dr. Loube confirmed the high incidence of such effects of Diabinese by summarizing the very clinic reports submitted by Pfizer to the Food and Drug Administration.

I might say to you that if you were disturbed by the newspaper reports of the testimony of Dr. Dolger before the subcommittee, much of the blame for the inference which the press received from his testimony is the responsibility of the officials of the Pfizer Co. itself. It became necessary during the presentation by Dr. Dolger for the subcommittee to recess in order that I and other members of the subcommittee could go to the floor of the Senate to vote. Due to a previous commitment on my part to go to New York City, I was unable to return to the hearing room and prevailed upon Senator WILEY to take my place as presiding chairman. Shortly after the hearings were resumed and before Mr. Dolger completed his presentation, the officials of the Pfizer Co. interrupted and were allowed to engage in a colloquy with Dr. Dolger. After this colloquy had continued for some time, Senator WILEY adjourned the hearings. For your information, I have afforded Dr. Dolger the privilege of submitting to the subcommittee in writing, if he so desires, the completion of his presentation, which I understand would have clarified some of the points about which you complain. I am sure that when this is done, this statement would be beneficial and clarifying, as well as affording to all concerned an adequate explanation of his views.

For your information, advertising and promotional programs for ethical drug products are one of the vital competitive factors in the success or failure of a drug product. I know of no other way of determining the issue of whether advertising is in fact false and misleading except through the testimony of recognized experts. Because you are a doctor, I trust that you do not question the professional competence of Drs. Marble, Dolger, and Loube. The only practical alternative to hearing the testimony of experts is to sweep the whole problem under the rug and let commercial success in the ethical drug industry be significantly determined by which company exhibits the least feeling of responsibility in its advertising to the medical profession.

I have been led to believe that in the treatment of any diabetic patient it is most important that the doctor and the patient both be thoroughly familiar with the particular antidiabetic product that is being used. I do not quite understand why you, as a doctor, should be reluctant to discuss freely with any of your patients the attendant side effects of any product that you might in your judgment prescribe. I would also think that since it is your responsibility to select a particular drug for a particular patient, you would be most receptive to receiving from any source the best and most reliable information as to side effects of any product, such as Diabinese.

I do not agree with you in your statement that because in public forum it has been disclosed that Diabinese may have undesirable side effects, not only will patients refuse

to take that drug but will also refuse to take the other alternative oral antidiabetic drugs or insulin itself. Speaking frankly, I think you have overstated your views and that they are without merit.

Certainly the facts disclosed for the first time at the committee's hearing would justify the patient and the physician taking another look at Diabinese and the physician and patient having a frank talk as to its suitability. Pfizer has consistently advertised the drug as having no significant incidence of serious side effects, etc. The actual clinical tests filed with the Food and Drug Administration show this to be false and misleading. Pfizer withheld from the physicians the information that in these 2,000 cases 27 percent of the patients had side effects and some of them were serious. Had the subcommittee not had this hearing, physicians would have continued prescribing Diabinese without this vital information. Pfizer also refused to have Dr. Iezzoni, who supervised the testing of the drug, present at the hearings. This is not playing fair with the subcommittee or with the medical profession. We can only conclude that Dr. Iezzoni's testimony would not have sustained the claims made by Pfizer.

Although I am in agreement that it would be well, as suggested during the course of the hearings, that medical forums be scheduled and held under some sponsorship for the purpose of discussing the relative merits of oral diabetic drugs, I, nevertheless, am still disturbed by the thought that unless some more responsible attitude is taken as to advertising literature disseminated by some manufacturers, such forums, in and of themselves, might not trickle down to the average practicing physician. The truth will always, in the long run, be beneficial. That's what we were endeavoring to present with reference to Diabinese. From this, good and not harm, as you suggest, will result. Dr. Dolger stated, and it was confirmed by the Pfizer Co., that he was one of the very first doctors approached by the Pfizer Co. to make clinical tests of the product, Diabinese. He stated that the statements that he made before the subcommittee were predicated upon his experience and upon his observations. Although you make light of Dr. Dolger, I am sure that most experts in the diabetic field would not agree with you. I am of the opinion that he is one of the foremost doctors in the diabetic field.

As you must know, neither I nor other members of the subcommittee can control or predict exactly what any expert may or may not say when he is asked to appear before the subcommittee. I am a great believer in truth. I am a great believer in our competitive way of life. I am convinced that if we become reluctant in our way of life in seeking for truth, it will be a great mistake. I think you as a doctor underestimate the intellect of the average American citizen. Repeatedly, our citizenry have proven that they are capable of understanding truth whenever exposed to it.

Sincerely,

ESTES KEFAUVER, *Chairman.*

AWARDS TO EDWARD J. MEEMAN

Mr. KEFAUVER. Mr. President, one of this country's outstanding newspaper editors is Edward J. Meeman of the Memphis, Tenn., Press-Scimitar, one of the Scripps-Howard group of newspapers. It is with pride that I count Mr. Meeman as a personal friend, and it is with pleasure that I report to the Senate that the Press-Scimitar's chief has recently received two high awards for his achievements as a newspaper editor and as a citizen.

The Memphis and Shelby County, Tenn., Safety Council has recognized Mr. Meeman for his many years of leadership in community safety promotion.

Mr. Meeman was also given the Roy W. Howard Award for outstanding performance as a newspaper editor by the Scripps-Howard organization.

The Memphis editor joined Scripps-Howard as a young reporter on the Evansville, Ind., Press. In 1921 he founded the Knoxville, Tenn., News. He has been editor of the Press-Scimitar in Memphis since 1931.

He is the third winner of the Roy W. Howard Award, which was presented to him by Mr. Howard personally at the recent annual meeting of Scripps-Howard editors. A plaque representing the award was inscribed:

Roy W. Howard Award. For exceptional initiative and enterprise. Presented by the Scripps-Howard newspapers to Edward J. Meeman. His faith in the human spirit inspired these newspapers to win many a "lost cause."

These two outstanding honors are greatly deserved. I add my congratulations to the hundreds Mr. Meeman has received.

THE CALENDAR

Mr. HART. Mr. President, I ask that the Senate proceed to the call of the calendar.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). By the terms of the unanimous-consent agreement already entered into, it is provided that at the conclusion of routine matters of business, which was some time ago, the Senate proceed at once to the call of the calendar of measures to which there is no objection, beginning with order No. 1277. The clerk will state the first measure on the calendar under the unanimous-consent agreement.

ESTATE OF EILEEN G. FOSTER

The bill (S. 511) for the relief of the estate of Eileen G. Foster was announced as first in order.

Mr. GOLDWATER and other Senators addressed the Chair.

The PRESIDING OFFICER. The Chair will state for the information of the Senate that each Senator is entitled to as much as 5 minutes to address the Senate on subjects which they wish to discuss, for not to exceed 5 minutes, during the call of the calendar. The first Senator to be recognized is the Senator from Arizona.

THE DIME STORE NEW DEAL

Mr. GOLDWATER. Mr. President, it can be dressed up, painted, pictured as voluntary, but any way it is put, the plan offered by Arthur Flemming for aid to the aged is socialized medicine. What is voluntary about a plan which will entail the participation of every taxpayer whether he wants to or not? What is free about a plan which has the Federal Government intervening in any way at all? Where in the Constitution is the Federal Government given the right to become a Federal doctor?

This is but another act in the strange drama of an administration which gives full support to a sound dollar, and a balanced budget, and less Federal control, but which in actuality has suggested time and again measures which mean more Federal control, measures which result in less chance to balance our budget, and measures which attack the value of our dollar.

We could well call these actions the "dime store new deal." We have said for nearly 30 years that the welfare state, centralized government, and Federal control are wrong but in spite of that, say a little of it is all right. We are against Federal aid to schools, but we have suggested a little of it; we are against Federal aid to depressed areas, but we have offered a plan for a little of it; we recognize that to increase the minimum wage would be inflationary and would result in unemployment, but we suggest a little increase; we have constantly held that the Federal Government should not provide socialized medicine, but now a spokesman offers a plan for a little of it. The difference between the welfare state of the forties and the fifties and now the sixties is only a matter of size for no matter how you try to explain it, it is still the welfare state and more centralization of Government.

What the amount of this new venture will ultimately cost cannot be foretold but it will be staggering and will, in my estimation, prevent balanced budgets in the future. If this is needed for the aged, what about the young married couples who cannot afford children—the unemployed who cannot afford doctors—even the aged who cannot afford payments? How long does Dr. Flemming believe the politicians can resist the temptation to fully open the door which his suggestion would crack open?

Unbalanced budgets and deficit spending have done more to injure the carefully made plans of retirement than have any other action, and now Dr. Flemming proposes more of it.

I know I will be charged with being callous with no regard for people, so let me put that one to rest. My brother and I in our business provide health and life insurance and we share our profits with our people so that they can have a safe and restful life when they retire, but we do it without Federal aid.

Why Dr. Flemming could not have solved this problem by proposing full deductions for taxes for any amount spent for medical care of anyone, full deduction from taxes for any amount spent by an individual or a company for health plans, I cannot understand. There are ways to solve this problem without Federal intervention, but they have not been called upon. Dr. Flemming has taken the easy road—Federal aid, socialized medicine—but it is the wrong road. It will add to our financial problems and will add to the troubles of the very ones the suggestion intends to help.

There is another danger to these welfare state proposals that goes far past the threats to our currency and it is the threat to our people. Are our men to

be men or children? With the continuing growth of the welfare state, the strength or self-reliance of individual initiative, yes, even the dignity of man is being attacked. When we have completely taken care of everyone from the cradle to the grave, where amongst us will be the strength to make our decisions to lead our economy, to lead our people, or to defend us in time of war?

The currently favored instrument of collectivization is the welfare state. The collectivists have not abandoned their ultimate goal to subordinate the individual to the state but their strategy has changed. They have learned that socialism can be achieved through welfarism quite as well as through nationalization.

When will we remember that a little of what we know is wrong is bad for the Republic?

Mr. JAVITS subsequently said: Mr. President, I should like to answer the Senator from Arizona [Mr. GOLDWATER], who has made a statement about the Secretary of Health, Education, and Welfare. I asked the Senator from Arizona to remain in the Chamber, but it was necessary for him to keep another engagement. However, he understands that I will reply to him.

Mr. President, we cannot turn the clock back to the beginning of time in the Government of the United States by assuming that we have no programs concerned with the welfare of the people. I am proud that my party, the Republican Party, was one of the leading exponents of the Social Security System. I think it is a wonderful benefit for the people of our country. I am glad it is in effect, and that we have always been partial to supporting it.

Programs for public health, old age assistance, aid to the handicapped, aid to dependent children, assistance to veterans and farmers, and the like, come within exactly the same category and extend to different groups in the community.

Secretary Flemming, as an agent of the President and as head of the Department of Health, Education, and Welfare, had a duty to address himself to so urgent and national a problem as health care for the aged and infirm citizens who have given their best service to the country over a long period of years, but now find, in their later years, that they cannot maintain the physical fitness necessary to keep up with the catastrophe of ill health without help from another source. Certainly we find that charity is both ungracious and inadequate. Therefore, we seek another way to provide help.

I am proud that the President of the United States and his Secretary of Health, Education, and Welfare have enough understanding of the processes of our Government to come forward with a medical aid plan for our older citizens.

I point out that the logical outcome of an attitude which holds that such assistance turns us into a Socialist state or a welfare state, and that therefore we should engage in none of these programs, is a sharply divided country, a division between the radical right and the radical left. This is completely antithetical to the interests of the United States.

I thank God that both American political parties pursue a middle-of-the-road course in providing such assistance, a course completely consistent with our constitutional and democratic institutions, and I am confident that the majority of my party feels that way.

I do not completely agree with the plan proposed by Secretary Flemming. Eight Senators on this side of the aisle have proposed a plan for medical care for the aged. However, I believe there is common cause between those who believe that the Federal Government must do something in this field and those who do not.

I hope very much that the Secretary of Health, Education, and Welfare will not be the least bit discouraged. He is certainly on the right track in seeking a constructive solution of this problem. Many of us believe that the involuntary solution—the social security solution—is not so good as the voluntary solution through a Federal-State government plan. This is the solution the administration has espoused in principle. I am confident that we can work out the details. The important thing is to keep our eye on the fact that there is a grave national need for such a program.

As Lincoln said, where there is a grave national need which the people cannot themselves meet, then government must help them to meet it. I am delighted that in this endeavor the administration is dedicated to the highest traditions of my party, in the spirit of Lincoln.

CONNOLE; THE PRICE OF DISSENT LIKE THE PRICE OF GAS, KEEPS GOING UP

Mr. PROXMIRE. Mr. President, as the great British political scientist, Walter Bagehot so well expressed it many years ago in his remarkable book "Physics and Politics," the essential strength of this democracy of ours, as contrasted with dictatorship, is that we not only permit dissent, we use it as the cornerstone of progress.

It is a fact that it is only when men disagree that they can make enduring and significant progress.

It is peculiarly important that in areas of economic controversy where there is an obvious clash of interest between the millions of American consumers and the big and powerful producers of natural gas—that in this area—there be at the very minimum an opportunity for the consumer to be represented by at least one person in a position of authority and responsibility who will thoughtfully consider the consumer's viewpoint.

This means there should be at least one man on the Federal Power Commission who is willing to stand up to—to differ—to disagree with the huge gas corporations that dominate the FPC.

Mr. President, for six consecutive legislative days I have documented in detail the fact that William Connole displayed and developed expertness, judicial temperament and a driving desire to build into the FPC a consciousness of its obligations to the American consumer.

In doing this Mr. Connole necessarily became a dissenter. And what a valuable and vital dissenter. The presence of this remarkable, driving, expert William Connole on the FPC was a constant reminder that there was a professional, responsible alternative to the—let the gas boys have their lead.

It would seem to me the consumer cannot afford to lose this man who almost alone kept alive the prospect of a rational and effective regulation of the gas industry to keep our gas bills within reason.

Mr. President, Martin Agronsky, the NBC commentator is one of the most eloquent and thoughtful voices in America today. Because his media—radio and television—features the perishable spoken word instead of the written word, Agronsky is quoted much less than he should be.

Agronsky has been speaking out on this issue of dissent on the National Broadcasting network. What he has said strikes right at the heart of the moral problem here—that is, as Agronsky puts it—that with the dismissal of Connole—the price of dissent, like the price of gas is going up.

Mr. President, I ask unanimous consent that this statement by Agronsky be printed in the RECORD at this point.

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

STATEMENT BY MARTIN AGRONSKY

Supreme Court Justice Oliver Wendell Holmes made a distinguished mark in American judicial history as "the great dissenter." William Connole, of the Federal Power Commission, has just lost his job by what might be called too dedicated an attachment to the Holmesian tradition.

Holmes had one great advantage over Mr. Connole. Tenure on the Supreme Court is for life. On the Federal Power Commission the tenure is 5 years, at which point the President may renew or withdraw the appointment. Mr. Eisenhower chose to drop Mr. Connole, saying, in effect, that he had a better man in mind.

Actually when he dumped Mr. Connole, the President was left with two vacancies on the Commission. He filled Mr. Connole's job with a Mr. Thomas James Donegan, formerly of the FBI and the Subversive Activities Control Board. The New York Times account of the Donegan appointment begins with the observation that "if he has any special qualification for his new job, even Mr. Donegan does not know what it is." Mr. Donegan, whatever his qualifications, is obviously a modest man. On learning of his appointment he said: "I've never had anything to do with utilities outside of paying my gas bill."

Such frankness is refreshing. It is also puzzling. It is especially puzzling to citizens who, like the new FPC member, know nothing about utilities but do know that their gas bill keeps going up. Natural gas prices have, in fact, risen almost seven times as fast as the average commodity in the past 6 years. And what contributes even more to the puzzlement of everyone who pays a gas bill is why the President, in dismissing Mr. Connole in favor of Mr. Donegan, has removed from the FPC the one man who has consistently shown a lively, exceedingly well-informed, and effective interest in trying to keep the public's gas bill down.

Mr. Connole's record speaks for itself in demonstrating what is a unique concern among his fellow FPC Commissioners for the welfare of the individual consumer. He, alone, has been the constant dissenter from his colleagues in urging stricter regulations of natural gas prices in the consumers' interest.

Even Time magazine, a constant champion of Mr. Eisenhower, noted that when word got out Mr. Connole wouldn't be reappointed, seven State public utility commissions protested. Last year the magazine, Petroleum Week, one of the most influential gas and oil industry publications, was moved by its high regard for Mr. Connole's competence to write: "He has the respect of those who disagree with his view."

There are innumerable testimonials to Mr. Connole's competence from both the gas and oil industry representatives he opposed in the public interest and consumer groups whom he championed.

In a letter to the Times just a few days ago, 10 professors of administrative law and government regulation at Columbia, Harvard, Pennsylvania, and Yale Law Schools wrote of Mr. Connole: "A failure to reappoint would be a body blow to Government regulation, regardless of the merit of the new appointment."

None of this seems to have registered with the President. The price of dissent, like the price of gas, keeps going up.

GASSING GAME

Mr. PROXMIRE. Mr. President, the withering fusillade of criticism aimed at the President's decision not to reappoint William R. Connole to the Federal Power Commission continues. This morning the Washington Post considered the significance of the President's statement:

I thought I could find a better man, that's all.

Yesterday Mr. James Hagerty, the White House press secretary, described Connole's intended replacement as the best man the President could find.

Mr. President, I ask permission that an editorial from the Washington Post of this morning be printed in the RECORD at this point.

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

GASSING GAME

Wondrous are the ways of the White House. The other day, President Eisenhower dropped Federal Power Commissioner William R. Connole, the only member known as a champion of consumer interests. The President explained that he could get a better man for the job. On Monday, the better man was named. He is Thomas J. Donegan, a former FBI official and a member of the Subversive Activities Control Board, who confesses with disarming candor, "I've never had anything to do with utilities outside of paying my gas bill."

As if it explained everything, Press Secretary James Hagerty emphasized that Mr. Donegan helped to prepare the case against Alger Hiss. All this may be so, but what on earth does Alger Hiss have to do with utility regulation? Is Mr. Hagerty suggesting that he is somehow responsible for our mounting gas bills?

Senator DODD, of Connecticut, also an ex-FBI man, says he is deeply disturbed by the dropping of the presumably overqualified Mr. Connole. Mr. DODD promises to churn up some needed information on the enfeeblement of the FPC. Perhaps he can find out why a belief in regulation seemingly disqualifies an FPC Commissioner for reappointment.

WILLIAM CONNOLE OF THE FEDERAL POWER COMMISSION

Mr. PROXMIRE. Mr. President, Arthur Padrutt is a man with an impeccably Republican and conservative record of service in the Wisconsin State Senate. For several years now he has been a public service commissioner in Wisconsin.

I have just received an interesting letter and resolution from Arthur Padrutt on the celebrated Connole case and I ask unanimous consent that the letter and resolution be printed in the RECORD at this point.

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

GREAT LAKES CONFERENCE,
RAILROAD AND
UTILITIES COMMISSIONERS,
Madison, Wis., May 3, 1960.

Hon. WILLIAM PROXMIRE,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: Enclosed herewith is a copy of a resolution relating to the reappointment of William R. Connole to the Federal Power Commission. The resolution was unanimously adopted on April 27, 1960, during the proceedings of the fifth annual convention of the Great Lakes Conference of Railroad and Utilities Commissioners.

The conference is a regional group associated with the National Association of Railroad and Utilities Commissioners. Its membership consists of the public utility commissioners of the States shown on the map above.

Evidencing the greatest respect and confidence in his ability, the resolution expresses the deep conviction of the conference members that Mr. Connole, on his record, merits reappointment as a member of the Federal Power Commission.

Sincerely yours,
ARTHUR L. PADRUTT,
Secretary.

RESOLUTION UNANIMOUSLY ADOPTED BY THE GREAT LAKES CONFERENCE OF RAILROAD AND UTILITIES COMMISSIONERS, IN FIFTH ANNUAL CONFERENCE ASSEMBLED, WHITE SULPHUR SPRINGS, W. VA., APRIL 27, 1960

Whereas William R. Connole, presently a member of the Federal Power Commission, having been duly appointed to that office by the President of the United States, Dwight D. Eisenhower, for a term beginning June 23, 1955, is now approaching the last day of that term of office; and

Whereas William R. Connole is the youngest individual ever having served on a Federal agency, and during his term of office, in the year of 1959, served as Vice Chairman of that Commission; and

Whereas William R. Connole's educational background is of the highest; and

Whereas he has served his country with great distinction in World War II; and

Whereas the members of this association became acquainted with Mr. Connole approximately 10 years ago during his term of office as counsel to and chief legal officer of the Connecticut Public Utilities Commission; and

Whereas the proper functioning of the 11 State utility commissions of which this conference is composed is dependent in part upon the efficiency and celerity with which the Federal Power Commission functions; and

Whereas William R. Connole's service and work while engagd in such regulatory activities have won him widespread recognition and admiration for his integrity, honor, and independence: Therefore be it

Resolved by the Great Lakes Conference of the National Association of Railroad and Utilities Commissioners, in conference assembled, That the President of the United States, Dwight D. Eisenhower, be and he hereby is respectfully urged to reappoint the said William R. Connole as a member of the Federal Power Commission; and be it further

Resolved, That the Honorable Members of the Senate of these United States be, and the same hereby are, in the event of such reappointment, requested to confirm such appointment; and be it further

Resolved, That the secretary of this conference be, and hereby is, directed to forward a copy of these resolutions in appropriate form to the President of the United States, Dwight D. Eisenhower, and to each Member of the Senate of these United States.

Attest:

ARTHUR L. PADRUTT,
Secretary-Treasurer.

NINETEEN HUNDRED AND SIXTY ISSUE: WHY NOT BUILD UP AMERICA AS WELL AS THE REST OF THE FREE WORLD?

Mr. PROXMIRE. Mr. President, the fundamental issues in the 1960 presidential campaign were very well set forth by the President in his message to Congress this week.

With a few exceptions the position of Vice President NIXON, who, barring an act of God, is now the certain Republican nominee, can be expected to be the same as the position of the President. On the other hand, it is clear to me that on every major point in the President's message, both the Democratic platform and the Democratic nominee will take a position opposite to that expressed by the President.

The President begins by asking for his foreign aid program—intact without qualification or conditions. To the President, any restriction or reduction in foreign aid, imperils the Republic and the whole free world. Indeed he seems willing to dramatize the difference by considering calling a special session if Congress does not come through on foreign aid. He takes a precisely opposite position on domestic programs. Here one-third and one is the new slogan. Any effort on the part of Congress to meet what the Democratic majority in Congress sees as the needs of the farmer, by increasing farm income, will be vetoed. Any bill passing through Congress that substantially increases minimum wages and extends coverage, must conform to lower presidential sights or it will be killed by veto. The same situation applies to health insurance for the aged, to substantial Federal assistance to education, aid to depressed areas, positive Government action to lower interest rates on housing and push the homebuilding industry out of its slump.

The President's contradictory inconsistency just does not make sense. If this is the time for America to econo-

mize, to cut back its commitments, the same principles should apply abroad as at home. A strong, expanding, healthy, educated America is just as essential in the battle against communism as vigorous and viable allies in the free world.

There is at least as much justification on the basis of moral principle for thorough congressional scrutiny and insistence on economical and efficient operation for our foreign aid program as there is for our domestic programs. Waste in either field is wrong. Economies in both areas are possible.

I am positive for instance that the Government can enact a farm program that will increase farm income, but will do so at far less cost to the taxpayer. It can do so by the simple expedient of giving farmers the same control over their production that virtually every other economic group—business, labor, and professional—has in our economy today. At the same time, I am sure that we can make very great and sensible economies in our foreign aid program by insisting on a full economic and financial justification of each program in terms of financial costs and benefits—just as we do for domestic programs and secondly by authorizing each substantial foreign aid program separately again, as we do domestically.

At any rate, this double standard, this sharp contrast between Presidential promotion of a foreign aid program in which anything goes, and in which waste and dishonesty has been established again and again, as contrasted with almost complete Presidential inaction on the domestic problems is likely to become a central issue in the coming campaign.

It is highly significant that Majority Leader LYNDON JOHNSON spoke out just yesterday on what he directly called this double standard. I predict that whomever the Democratic Party nominates, and I am sure that we will nominate a candidate who firmly champions foreign aid, that this Republican contradiction will become central in the campaign.

FRANK MARSHALL

Mr. MCCARTHY. Mr. President, earlier this week Frank Marshall died. The father of my friend and colleague, Representative FRED MARSHALL, Frank Marshall was dedicated throughout his life to the betterment of rural life. The entire Minnesota congressional delegation joins me, I know, in expressing sympathy to Representative MARSHALL on the death of his father. Representative MARSHALL'S staff has issued a memorial letter on the life of Frank Marshall, and I ask unanimous consent that it be printed at this point in the RECORD.

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

MEMORIAL LETTER ON THE LIFE OF FRANK MARSHALL

(From the office of Representative FRED MARSHALL)

DEAR FRIENDS: All of us are saddened this week by the death of Mr. Frank Marshall, the father of Congressman MARSHALL. He was known to some of you as a personal friend and to all of you as one of the pioneers in the struggle for economic equality for agriculture.

His death at the age of 82 ends a life dedicated to the welfare of farm families and the improvement of farming. The first county agricultural agent in the State of Minnesota, Mr. Marshall was an active participant in most of the farm programs and farmer organizations of his time.

As rural communities around the Nation prepare to observe the 25th anniversary of the rural electrification program next week, we can recall that Mr. Marshall was a promoter of one of the first farmer-owned electric cooperatives in Minnesota.

Others will remember his work with the Resettlement Administration and its successor agencies—the Farm Security Administration and the Farmers Home Administration.

Most of all, he will be remembered as a great and good citizen who loved his country and its people intensely. His unashamed patriotism was reflected in every word he spoke and moved his audiences to a deep and abiding personal respect for the principles upon which the Republic is founded.

In a personal conversation or from a public platform, his words—at once colorful and sincere—reflected his own firm commitment to the welfare of human beings. To him, the brotherhood of man was not a humanitarian fancy but a reality of daily life.

He was first and foremost a farmer but his interests were unbounded. Anything that touched human life was within his concern. His keen and restless mind had a special facility for going directly to the heart of a problem, not for the sake of idle speculation, but as a source of action.

His love of the soil and the people who work it inspired all who worked with him. In some notes he was preparing last week for a forthcoming speech on agricultural appropriations, Congressman MARSHALL wrote:

"As a small boy, I accompanied my father, then a county agenty, on some of his trips. I heard him discuss with farmers the need for crop rotation in an area where wheat was the principle cash crop. I head him discuss with farmers the need for growing a cultivated crop like corn and the advantage of putting land into legumes to restore humus to the soil. These things impressed upon me the importance of technical know-how in farming operations."

Over the years, Congressman MARSHALL has repeatedly referred to his father in committee hearings and in speeches in the House of Representatives. Always, he emphasized the practical value of his father's teaching. This was yet another facet of Frank Marshall as a pioneering agriculturalist—he was an eminently practical man who wanted always to put knowledge to work in the cause of men.

He realized, however, that farm operations alone do not make for the success of agriculture. The farmer must also become involved in making farm and economic policy. He immediately recognized the interdependence of the farmer, worker, and businessman in an economy as complex as ours.

This grasp of the immensity of our country and the complexities of its problems in a troubled world is a mark of the whole man.

Thus, the role of one man is an important one. As George Washington said, "I know of no pursuit in which more real and important service can be rendered to any country than the improvement of its agriculture."

In this cause, Frank Marshall was a good and faithful servant.

Eternal rest, grant unto him, O Lord.

The STAFF.

THE GROWTH OF THE 3M CO.

Mr. MCCARTHY. Mr. President, the growth of the Minnesota Mining & Manufacturing Co.—the 3M Co.—of St. Paul, Minn., is well known. The many products of the company are known in America and abroad. The success of the 3M Co. is at least in part attributable to a policy expressed by the company president, Herbert P. Buetow:

To know what the customer needs before he knows himself.

Forbes magazine for March 15, 1960, contains an interesting and informed article entitled "The Lonely World of Minnesota Mining." I ask unanimous consent that the article be printed at this point in the RECORD.

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

[From Forbes magazine, Mar. 15, 1960]

CORPORATE SPECIALISTS—THE LONELY WORLD OF MINNESOTA MINING

(A stanch individualist among American industrial giants, Minnesota Mining & Manufacturing grew mighty on a three-part formula: Research, patents, and marketing know-how. Yet now that everyone does research, and patent protection is fading, will marketing know-how alone be enough to keep triple M flourishing?)

In reporting the weather around St. Paul, Minn., radio announcers are very careful to specify whether the temperature is above or below zero. Yet in reporting on another St. Paul phenomenon, Minnesota Mining & Manufacturing Co., no such qualification is ever necessary. Its reports are always plusses.

Pretty premium: As a living refutation of the old maxim that what goes up must come down, 3M has made itself a darling of investors, who willingly pay a pretty premium for the privilege of participating in its growth gait. Last month, that gait showed no signs of slackening. Reporting on 1959, President Herbert P. Buetow announced 3M's 20th consecutive year of increased sales, its 14th (with one exception) regular peak in earnings.

For stockholders, there was still another blessing: A 3-for-1 stock split, which will increase 3M's capitalization to 51.2 million shares. That in itself will give the company something of a unique distinction among U.S. corporations: One share outstanding for each $7.40 of total assets. Though other companies like A.T. & T. boast more shares in public hands, there is yet $118.50 in assets behind each of Mother Bell's shares.

Investors, however, have always been willing to pay fancy prices for 3M's shares. None the less so at the beginning of this month when 3M common was selling for a phenomenal 47 times 1959 earnings. At that price, the market puts a value of roughly $3 billion on the company, whose business last year totaled just $500.7 million and whose earnings totaled $63.6 million. Outside the electronics industry, probably no other major U.S. corporation enjoys such an exuberant capitalization of its future.

Private preserve: Yet it is just this faith that has made wealthy men out of 3M officials, past and present. Not since its beginnings early in the century has Minnesota Mining—which actually does no mining—sold a share of common stock directly to the public. Instead, the 73 percent of the shares in public hands have all come to market in secondary offerings by the original owners. The insiders' stake is still substantial. After the split, the company's 11 directors, their families and trusts with which they are associated, will hold no fewer than 13.7 million shares.

As a testament of faith in 3M's future, these holdings are their own justification, and they have been handsomely rewarded.

Thus Chairman William L. McKnight, who started with 3M in 1907, has been its guiding genius since 1914, with his wife holding some $266 million worth of 3M common at current market. As enthusiastic investors have often remarked, a sum like that puts even most oil fortunes in the shade.

Recession proof: Does the liberal appraisal by the market of 3M's fortunes ever worry its brass? "Hardly," says President Herbert P. Buetow mildly. "If there has ever been a growth company, we are one. We are virtually recessionproof."

To date, at least, it has been. In the past decade, its sales have multiplied fourfold. The while, earnings have grown even faster, from 1949's $14.4 million to $63.6 million last year. Even more impressive, the company has glided comfortably through the last three recessions with barely a quiver, setting new peaks in both sales and earnings each troubled year. Good years have quickened the pace. Thus in prosperous 1959, sales rose 33 percent, earnings 44.9 percent.

To be sure, in 1959 foreign operations were consolidated with the domestic accounts for the first time. Yet even on the old basis, Buetow would have reported sales up a comfortable 18.7 percent, net up a striking 37.4 percent. And since 1958 itself was a good year for 3M, those relative gains are not mere statistical monstrosities.

A mighty burden: Just the same, many Wall Streeters suspect that in encouraging premium market prices by repeated splits, 3M's management has taken on a mighty burden. Oldtimers recall all too well the similar overcapitalization of Packard Motor's earnings in the late 1920's and the sad sequel.

One thing at least is sure; the sort of growth pace the liberal market evaluation of 3M is based upon will be hard to maintain. Since the company's beginnings, it has just about doubled sales and earnings every 5 years. But even Buetow, devout optimist that he is, concedes that the company's 15 percent growth rate (compounded annually) will be hard to continue. Says he: "It gets a little tougher once you are over the half-billion mark than it was around $100 million."

That may be doubly true considering that the conditions under which 3M got its running start may no longer exist. Formed in 1902 to mine corundum (which accounts for the "Mining" in its name), 3M's first venture flopped. It then turned to making sandpaper, but its real growth started with its introduction of pressure-sensitive masking tapes in the late twenties, and of Scotch brand cellophane tape in 1931.

It has always been a patent-minded outfit. It began soon after McKnight became general manager in 1914. In his efforts to improve both quality and sales of an originally inferior product, 3M was charged with patent infringement in 1918. Three years later, 3M found a new way of making a waterproof sandpaper, a product of particular usefulness to the auto industry, where dust from dry sanding had created a health hazard. This time 3M made sure it had its own broad patent rights. That solid position, together with its later patents on pressure-sensitive tapes, got the company really rolling.

These basic patents have long since run out, yet 3M still enjoys some 80 percent of the market for pressure-sensitive cellophane tapes and the lion's share of the waterproof sandpaper business.

Jack of all trades. Yet it is a skill, rather than a specific product that is responsible for 3M's growth: coating a liquid or plastic on paper, film, fabrics and utilizing central web processes. Best known for Scotch Tape, 3M produces no less than 25,000 separate items (only 300 of them tapes) in some 40 major product lines. By that very token, most of its individual products do a relatively small volume.

Collectively, however, 3M's dominance of its field is unrivaled. The leader in pressure-sensitive tapes, it heads the pack in coated abrasives (e.g., sandpaper), and is among front runners in a wide range of industrial adhesives, coatings, and sealants (with some 2,000 different formulations). It is also an important supplier to the building materials industry of such specialties as roofing granules. Along with lithographing plates for the graphic industries, its output includes such divergent items as ribbons and laces, office duplicating equipment, reflective sheeting, magnetic tape for sound and television recording, chemicals, electrical insulating materials and plastics. Among consumer products are included such disparate items as molded plastic chairs and scouring pads for kitchen chores.

At one time—and it is probably still so—an unofficial 3M motto was: "We'll make any damn thing we can make a profit on." Obviously an oversimplification, it is not entirely so. Any year that 3M overall turns over less than 10 percent net profit on sales is considered a lean year. In 1959, the profit margin on its domestic business ran to 13.5 percent (compared with an average for all industry of roughly 5 percent).

Changing world: Yet the world that 3M lives in is fast changing. The company's main momentum is derived from an explicit philosophy: to find an "uninhabited market" where an unfilled need exists; to develop a product to fit that market; and then to exploit it to the hilt, with patents if possible.

Until World War II, Minnesota Mining was one of the very few companies outside the chemical, and perhaps the electrical, industries, which did much in the way of research. Its formula worked admirably. Today, however, there are few companies not deeply engaged in such research. Once, moreover, a patent could give an effective, as well as a legal, 17-year monopoly on a new product. In recent years the courts have more and more tended to weaken the patent system, and the acceleration of research on all sides makes it far more difficult to carve out a special niche.

A prime example of this changing milieu is 3M's experience with Thermo-Fax, a relatively inexpensive system of copying documents for office use. It is fully patented, yet perhaps a half-dozen other systems working on different principles (e.g., Eastman Kodak's Verifax) do a very similar job. Says Buetow: "Today a patent is no guarantee at all. The 17-year period gives you a start, true, but you still have to go into the market and sell it. And not having patent protection doesn't stop you from selling an item either."

No shelters: By now many of the original basic patents that made 3M what it is—particularly waterproof sandpapers and pressure-sensitive tapes—have expired. On some of its newer products, most particularly magnetic tape, 3M holds no direct patent at all. For a time, it was sole licensee for the Armour Foundation's magnetic tape patents, but only last year the courts invalidated these.

Over the years, however, 3M has developed some powerful marketing techniques, and in the new world in which 3M finds itself, Buetow and his people are quite sure they can more than keep up with the rest of the industrial Joneses.

They see as 3M's main asset its intensive concentration on research for new products, within the framework of the things it does best. That, 3M expects, will continue to keep its product tree growing as fast and as profitably in the future as it has in the past.

Until World War II, for example, 3M never marketed adhesives except as part of a tape. Wartime led to making adhesives for separate sale, which required a chemical operation, which in turn led to ventures in plastics and fluorochemicals. Similarly, the basic difference between, say, cellophane tape and videotape is simply that in one case an adhesive coating is applied to a plastic tape, in the other an iron oxide coating. Branching into an office-copying machine was more of the same: essentially, a problem of coating paper with a light and heat sensitive compound.

Self reliance: Minnesota Mining's growth has been striking in another way. For practical purposes, it has been accomplished solo, without major acquisitions and without equity financing.

Occasionally, to be sure, 3M has bought companies and processes, but all were small deals. To get a necessary rubber allocation for its adhesives during the war, for instance, it bought a tiremaking company (which it resold immediately after the war). It bought three small outdoor advertising companies—but to provide a vehicle to demonstrate its reflective Scotchlite, not to go into the advertising business. It bought a small gummed-paper-tape company, just to have that complementary item in its general tape line.

Not that acquisitions would be a problem; 3M has scores of companies offered to it every year. But it also has some strict self-imposed limitations. Because of its dominance in the adhesives and abrasives fields, antitrust action would probably prevent any mergers in that direction. (Merger with Carborundum was once considered, dropped for that reason.)

It also is wary of competing with its own customers. Thus it already has a stake in building materials, but would not think of expanding into, say, home insulation, since good customers like Johns-Manville are already producing it. But perhaps more to the point, 3M likes, as far as possible, its new products to be unique. "There's no point," says Buetow, "in making a product in which there is already lots of competition. The more competition, the lower the profit—and why set out deliberately to make a low-profit item?"

Broad prospects: That still, says Buetow, leaves a lot of room. He argues persuasively that, with the research horizons opening up, the public, in effect, hasn't seen anything yet. That's so, he adds, not merely in space age technology but even in elementary household items.

One thing, in fact, that has been a source of major strength to 3M in the past is its willingness to work with products that might seem almost trivial. One such new, if potentially limited, item: a nylon scouring pad for pots and pans. Another: a surgical tape innovation which 3M officials believe will eliminate many of the unpleasant reactions of standard surgical tape. Says Buetow: "There would be utterly no point in just making another standard surgical tape in competition with Johnson & Johnson, Bauer & Black, and all the others. But a really new development for an old standby can promise a real market."

Selling savvy: Historically one of the most important items in 3M's sales bag has been its intimate liaison between sales and research. On its salesmen 3M throws unusual responsibilities. They are not simply supposed to sell the products in their bag. They are expected to know their customers' industries so well they can find out what sort of products their customers would like to see around "some day." Each is expected to make suggestions to research on such potential needs. "The trick," says Buetow, "is to know what customers will need before they even know themselves."

That obviously can furnish a plethora of false leads, so 3M has some rough rules of thumb. For instance, if the potential of a new item is $3 million to $5 million a year in its early stages, it is considered worth pushing hard. Says Buetow: "Any item you can get a fair volume on should make a

profit. But there has to be volume and constant new products, if we're to justify an annual research tab of $20 million."

As Buetow points out, volume is a relative thing. "Most people," he grins, "think our volume on individual products is much bigger than it really is." Even so, the decisions as to where to apply the research dollar and how long to push a product are tricky ones. Out of 3M's thousands of products, more than a few have stumbled. Not too long ago, for example, 3M introduced what it called "The best auto polish ever made." "Just about that time," recalls Buetow ruefully, "people quit polishing cars." Another disappointment was a sprayable plaster (as opposed to the traditional trowel-and-smooth method). It looked good in the labs, but just didn't work out in actual construction use. On the other hand, some products have been carried for a long time before they began to make money. Triple M's fluorchemical operation, for example, ran in the red for 12 years before the ink started turning black just a year or two ago.

When persistence pays: But for a product to build slowly is not entirely surprising. Take Scotchlite, the highly reflective material whose original use was conceived mainly in advertising—to make billboards, for instance, glow brightly when headlights hit them. Now the horizons are much wider. The company's salesmen, for instance, have only recently persuaded the Government of Italy to require Scotchlite on every moving vehicle in the country for better night visibility. A similar requirement in the United States would open a tremendous market. So far, 3M has in fact persuaded five States (Minnesota was one of the first) to require Scotchlite reflective materials for all auto license plates. If they could persuade the other States, the U.S. plate market alone could reach $35 million a year.

Relative narrowness of a market does not necessarily inhibit 3M. Its tape division, for example, has recently come up with two new specialties: A repulpable splicing tape for papermills and a new permanent mending tape with a writable backing for book repairs. Both carry premium prices—and profits. "That way," says Buetow, "even our 'mature' divisions stay pretty frisky."

Sales hungry: "All in all," says Buetow, "we're terribly dissatisfied if we don't show a 10-percent increase in every product every year." On some products, of course, 3M expects a far faster growth pace than that. One such is magnetic tape, just about one decade old commercially. As of now 3M makes about half of the sound tape in the country, and so far 100 percent of the video tape. Still its current volume is, says Buetow, only "something in excess of $20 million."

These tapes have revolutionized both radio and TV. "Yet," says Buetow, "they are still being used in a very amateurish way." Ultimately he sees a far greater market not only in entertainment, but widespread consumption in computer and process control mechanisms. Beyond that he foresees a whole educational system built around tape teaching, plus a vast proliferation in commercial and home entertainment uses.

General Electric's recently announced process of "thermoplastic" tape (as opposed to the now standard "magnetic" tape) could, of course, seriously endanger 3M's market. But Buetow does not think it will. "It's an important breakthrough, of course," he concedes. "But the principle isn't new. Besides, there are some technical problems to overcome before they get it to market."

Such problems are an old story to Buetow. Despite its decade's experience with magnetic tape, a surprisingly high proportion of 3M's own video tape still ends up in the reject bin. Buetow thus is confident that before GE reaches the point of having a deliverable product, 3M itself will have done some leapfrogging of its own. Besides, he adds, "no one knows yet just where GE's main interest will be—in the machines or the tapes. With our coating know-how, we might very well end up making the tapes for their machines."

A lesson learned. That, of course, is exactly what 3M does now in its magnetic tapes. Yet Buetow shows little enthusiasm to continuing that course. "We're coming to the thought," he says, "that the machine development should be coordinated with the supply development. To make it really work right, you've got to make your material improvements and your machine improvements side by side. Otherwise you are working in fits and starts, and somewhat in a vacuum. We learned there's a better way with Thermo-Fax."

Since Thermo-Fax has been one of 3M's hottest developments, in both volume and profits, within the past decade, that lesson has sunk in well. This office-copying machine might have seemed far afield of 3M's normal interests; actually, it was an outgrowth of its paper coating know-how. For once, however, 3M developed the machine too. Though machines are profitable in themselves, they are actually sold on the legendary Gillette principle: that the real money is not in the razor but in the blade. Once a copying machine goes in, it steadily consumes more and more of copy paper (at about 5 cents a sheet), provides a continuing and growing business every month.

Sophisticate abroad: Probably the fastest growing single segment of 3M's business, however, is its foreign operation. This year, 3M reported the sales of its oversea production (not including Canada) for the first time: $54 million. Including materials produced in the United States and Canada and exported, however, the sum rises to $95 million or almost 20 percent of 3M's total sales. Back in 1950, 3M's foreign sales totaled only $4 million.

Strangely enough, Minnesota Mining was plunged into foreign markets against its will. The cause: a 1950 antitrust decision. Until then, the 3M trademark was virtually unknown outside the United States, and what oversea sales 3M had were all made through Durex Corp., a joint venture with Carborundum Co., Armour & Co., and Behr-Manning.

When the Justice Department ordered Durex dissolved, 3M found itself the possessor of some small foreign plants. So McKnight and Buetow decided to put some steam behind the effort, within 1 year had opened plants in England, France, Brazil, Canada, and Germany. Later they pushed into Mexico, Australia, Argentina, South Africa, and Spain.

Businessmen abroad have taken to 3M specialties with even more ardor than Americans. Thus over the past decade, the growth rate of 3M's foreign sales has been almost double the quite respectable rate in its domestic markets.

Beneath the surface: To date, estimates Clarence B. Sampair, the executive vice president who rides herd on both foreign and tape operations, 3M's oversea efforts have been tapping only 16 percent of the potential market. By 1964, he predicts, this foreign business should be producing a $250 million annual sales volume.

Superficially, 3M's foreign business, contrary to the experience of most U.S. corporations, would seem considerably less profitable (at 6.1 percent of sales) than at home (where the net is 13.5 cents on the sales dollar). Actually, that isn't true. Charged to the foreign operations have been high royalty and technical fees, which tend to show up as a profit for the parent company, but detract from the visible earnings of the foreign subsidiaries. Principal reason: while royalties can easily be remitted in dollars, currency restrictions sometimes limit transfer of outright profits.

Stability of home: Even in its domestic operations, 3M has some hidden offsets—one reason Buetow stresses 3M's recession-resistance. For instance, a sizable part of the company's total volume goes to the automotive and building industries. Yet when the new car market plummeted in 1957–58, refinishing work on old cars picked up. Thus in 1958, with all industry generally off, sales of 3M's industrial tapes were actually up. Similarly, when new house construction dips, remodeling picks up.

Yet if 3M is to continue its past growth pace, the key will be its ability to stay one step ahead of the market with new products. It is true in a sense that the 3M salesman gets "a new product to sell every three months." But even the most enthusiastic 3M man hardly pretends to offer a new major product four times a year. Says Buetow, candidly: "Perhaps we can come through every 2 or 3 years with a major breakthrough like cellophane tape, or magnetic tape, or Thermo-Fax. To keep growing, you've got to have the major breakthroughs."

No giveaways: Yet 3M men seem disarmingly sure they can continue to find them—and possibly even accelerate the pace somewhat, in spite of the intense research going on elsewhere. Meanwhile, to date the company has had little trouble in maintaining its profitability. Obviously, with some 25,000 items, many are kept for the sake of a "full line," and break even at best. Yet by the same token, many of 3M's products produce well above that 13.5 percent average return. Partly because of its concentration on specialty items, 3M has always made a practice of charging as much as the traffic will bear—not so high as to price itself out of a market, but certainly no lower than it has to.

Thus on cellophane tape, although the retail price is now some 35 percent lower than a decade ago, the rate of profitability is exactly the same. As more manufacturing improvements brought lower costs, 3M has reduced the price steadily, but only to the point where it is low enough to discourage further competition without cutting its own margins.

Selling tactics: Yet it may not solely be their anticipation of continuing growth and profitability that prompted directors to split 3M stock again. Company men show great concern for their stock's market—and not perhaps for purely disinterested reasons. As one top official recently put it: "In 1959–60, 3M stock has ranged from a low of 111 to a high of 186. You take a 75-point spread like that, and some investors get worried. For some reason, a 15-point spread on a $60 stock looks like a lot less gyration than a 75-point spread on a $180 stock.

That is a serious consideration. For it is highly probable that in the near future still more secondary offerings from the large, inside holders will be made. And the fact is that there is a considerably better market for a $60 stock than for a $180 one.

The split, however, will not change one thing: the fact that 3M common is selling at around 50 times earnings. That, say 3M people, does not scare them a bit. For they profess to be fatalistically sure that continued rapid growth for 3M is inevitable. Of course, if 3M can just keep doing for the next decade what it has done for the last one, they will be perfectly right. Just the same, it looks probable that a good bit more 3M stock may be coming to market.

NORTHWESTERN BELL TELEPHONE-COMMUNICATIONS WORKERS NEW CONTRACT

Mr. McCARTHY. Mr. President, strikes make news; peaceful settlements of labor-management problems are frequently unreported or receive comparatively little attention.

Had there occurred a breakdown in the collective bargaining relationship between the Communications Workers of America, an affiliate of the AFL–CIO, and the Northwestern Bell Telephone Co., which operates in Minnesota, North and South Dakota, Iowa, and Nebraska, certainly that story would have been major news. It would have been placed on front pages of the newspapers and broadcast repeatedly on radio and television stations; the Nation and the world would have heard all of the details of this failure of labor-management relations in a vital segment of the American communications industry.

But there was no breakdown, no strike. It seems to me that full credit should be given to the representatives of the Communications Workers of America and to the officials of the Northwestern Bell Telephone Co. for reaching this agreement.

Credit is due particularly because of the contents of the new contract signed by the union and the company. This contract will bring great benefits not only to the two parties of the agreement, but to all of the people of this five-State area.

LIFE INSURANCE

I am particularly impressed by two aspects of the new contract that seem to offer great promise in preventing economic distress for wage earners' families. The first of these is the agreement of the Bell Co. to increase the amount of life insurance on each employee from $1,000 to $2,000.

MAJOR MEDICAL INSURANCE

The second aspect is the agreement on a program of major medical insurance, supplementing the existing health program for company employees. This special program, providing benefits in case of catastrophic illness or disability, meets a special need. We are becoming increasingly aware of the appalling damage—financial and moral—caused by long illnesses or disability which disrupt the financial affairs of low- or middle-income families. The provision for $15,000 in insurance in the new contract between the Communications Workers and Northwestern Bell Telephone Co. is a real shield against such financial disaster.

PROTECTION FOR THE RETIRED

A similar, though somewhat smaller, insurance protection against catastrophic illness or disability is being placed into effect at the same time for those Bell workers who are already retired. Certainly this is a major step forward in helping to provide decent, adequate medical care for our increasing number of older citizens. The some 46,000 retired Bell System workers throughout America—their number will be growing rapidly—have achieved a degree of medical protection.

We must give credit to the Communications Workers and the Northwestern Bell Telephone Co., for the advances which they have achieved in this new contract.

DISTORTING MUTUAL SECURITY

Mr. LAUSCHE. Mr. President, having been on the minority side in connection with the vote taken on the amendment of the Senator from Illinois [Mr. DOUGLAS] to give the administration discretionary power to withhold mutual aid from nations which in any manner interfere with the international use of the navigable waterways of the world, and also having been on the minority side in connection with the vote taken on the FULBRIGHT amendment which also dealt with that matter, I now submit to the Senate an editorial entitled "Distorting Mutual Security," which was published on May 5 in the New York Times; and I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. LAUSCHE. Mr. President, I should like to read to the Senate two parts of the editorial. As I have stated, the title is "Distorting Mutual Security." I now read from the editorial:

With the ultimate purpose of Congress' most recent action aimed at opening the Suez Canal to Israeli shipping we are in entire accord. With the method chosen by both Houses through their amendment last week to the mutual security authorization bill of 1960 we are in complete disagreement.

* * * * *

The great strength of the American nonmilitary aid program is—or ought to be—that it is given without political strings, that the recipient is not expected to "line up" with our side, that this kind of assistance is offered in the hope of encouraging underdeveloped countries to achieve their economic freedom as well as to solidify their political independence. This is the only basis on which nonmilitary aid should be offered, and the only basis on which the mutual security program can succeed.

In the long run it is political in the sense that a world of free nations is a major political objective of the United States. But to use nonmilitary mutual security as a handy political weapon to achieve an immediate political purpose, whether in Asia, Africa, or South America, would be fatal and would wreck the program, as it is already threatening in Congress to wreck the International Development Association, one of the major new weapons of economic assistance to the underdeveloped countries.

EXHIBIT 1

[From the New York Times, May 5, 1960]

DISTORTING MUTUAL SECURITY

With the ultimate purpose of Congress most recent action aimed at opening the Suez Canal to Israeli shipping we are in entire accord. With the method chosen by both Houses through their amendment last week to the mutual security authorization bill of 1960 we are in complete disagreement.

Senator FULBRIGHT is right in calling the congressional moves "a textbook case of how not to conduct international relations." What Congress did was to give the President discretionary power to withhold aid from nations waging "economic warfare" against other beneficiaries of mutual security—an innocuous proposal in itself but, in the context, a suggestion, as its sponsors intended, that the people of the United Arab Republic be deprived of American assistance until the canal is opened to Israel.

That Nasser is violating every rule of decent international conduct and is utterly unjustified in barring the canal to Israel or to anyone else is a fact beyond question and we have expressed ourselves upon it on this page many times. But to try to force him to change his position through a threat to withhold American aid is not merely to distort the purpose of the mutual security program. It is also to invite a hardening of Nasser's position and to induce him to seek further recourse in the Russian assistance which under such highly political circumstances is always available.

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THE CALENDAR

The PRESIDING OFFICER. Under the order previously entered, the call of the calendar will now be resumed.

BILL PASSED OVER

The PRESIDING OFFICER. Is there objection to the immediate consideration of Calendar No. 1277, Senate bill 511, for the relief of the estate of Eileen G. Foster?

Mr. PROUTY. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HART. Mr. President, the calendar was to be called immediately following the morning hour, but that order was set aside. So I believe that it might be well at this time to have a quorum call, in order to serve to alert any Senator who might be relying on the giving of such notice.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). Without objection, it is so ordered.

Mr. HART. Mr. President, I ask that the Senate now resume the consideration of measures on the calendar.

The PRESIDING OFFICER. The next measure on the calendar will now be stated.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 103) favoring the suspension of

deportation in the cases of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months:

A-7197635, Apsis, Chrysostome Alexander.
A-7415400, Apsis, Diane Helen.
A-7351220, Donze, Peter.
A-4031108, Farfan, Domingo.
A-3544790, Fatovic, Sime.
A-7137472, Rodriguez-Guzman, Guillermo.
A-10255185, Santos, Manuel.
A-9678132, Tsakiridis, Anastassios.
A-8960659, Young, Richard Kai.
A-2088508, Gomez, Salvador.
A-7083633, Lyras, Sozon.
A-6799270, Ojeda, Miguel Carrizales.
A-11134483, Ojeda, Simona Hernandez.
A-5962211, Schoenfeldt, Rudolf Herman.
A-10088698, Yew, Lai Wo.
A-10073984, Sirakof, Mehmadale Ibrahim.
A-3848598, Ying, Shih Tseng.
A-3354528, Ying, Agnes S.
A-4314277, Hochstaedt, Amalie.
A-3870732, Hochstaedt, Samuel.
A-9799578, Wong, How Tung.
A-9734746, Wai, Young.
A-5631916, Cooper, Morris.

JANIS PAPULIS

The bill (S. 2087) for the relief of Janis Papulis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (9) of section 212(a) of the Immigration and Nationality Act, Janis Papulis may be issued an immigrant visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act. This Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

HALINA KONIK WOJTUSIAK

The bill (S. 2499) for the relief of Halina Konik Wojtusiak was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Halina Konik Wojtusiak, shall be held and considered to be the natural-born alien child of John and Bernice Wojtusiak, citizens of the United States: *Provided*, That no natural parent of the beneficiary, by virtue of such parentage, shall be accorded any right, privilege, or status under the immigration and Nationality Act.

JOHN GEORGE SARKIS LINDELL

The bill (S. 2769) for the relief of John George Sarkis Lindell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205, of the Immigration and Nationality Act, the minor child, John George Sarkis Lindell shall be held and considered to be the natural-born alien child of Mr. and Mrs. Albert J. Lindell, both citizens of the United States.

LUIGIA MION

The bill (S. 2792) for the relief of Luigia Mion was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Luigia Mion, the fiancée of John Du Pratt, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided*, That the administrative authorities find that the said Luigia Mion is coming to the United States with a bona fide intention of being married to the said John Du Pratt and that she is found to be otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Luigia Mion, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Luigia Mion, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Luigia Mion as of the date of the payment by her of the required visa fee.

LOW WING QUEY (KWAI)

The bill (S. 2822) for the relief of Low Wing Quey (Kwai) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Low Wing Quey (Kwai) shall be held and considered to be the natural-born minor alien child of Low Shiu Hong, a citizen of the United States.

ANTIGONE APOSTOLAKI CASSEL

The bill (S. 2966) for the relief of Antigone Apostolaki Cassel was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Antigone Apostolaki Cassel, shall be held and considered to be the natural-born alien child of Kate R. Cassel, a citizen of the United States: *Provided*, That the natural parents of the said Antigone Apostolaki Cassel shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

KI SU (THERESA) MOUN

The bill (S. 2923) for the relief of Ki Su (Theresa) Moun was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Ki Su (Theresa) Moun, shall be held and considered to be the natural-born alien child of Rose D. Pender, a citizen of the United States: *Provided*, That the natural parents of the said Ki Su (Theresa) Moun shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

JOHN LIPSET

The Senate proceeded to consider the bill (S. 2528) for the relief of John Lipset, which had been reported from the Committee on the Judiciary, with an amendment, in line 6, after the word "Congress", to insert a comma and "and the provisions of section 205 of the Immigration and Nationality Act shall not be applicable in this case", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, John Lipset shall be deemed to have retained the status conferred upon him under Private Law 844 of the Eighty-fourth Congress, and the provisions of section 205 of the Immigration and Nationality Act shall not be applicable in this case.

The amendment was agreed to.

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

BILL PASSED OVER

The bill (S. 2681) for the relief of Yi Young An was announced as next in order.

Mr. HART. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

UNIVERSAL TRADES, INC.

The bill (H.R. 1456) for the relief of Universal Trades, Inc., was considered, ordered to a third reading, read the third time, and passed.

MARY V. JONES

The bill (H.R. 6083) for the relief of Mary V. Jones was considered, ordered to a third reading, read the third time, and passed.

ROBERT DALTON

The bill (H.R. 6493) for the relief of Robert Dalton was considered, ordered to a third reading, read the third time, and passed.

HUGHIE D. MARTIN AND IONE MARTIN

The bill (H.R. 7226) for the relief of Mr. Hughie D. Martin and Ione Martin was considered, ordered to a third reading, read the third time, and passed.

CHESTER A. SPINDLER

The bill (H.R. 7363) for the relief of Chester A. Spindler was considered, ordered to a third reading, read the third time, and passed.

CLARENCE T. TOLPO

The bill (H.R. 8280) for the relief of Clarence T. Tolpo was considered, ordered to a third reading, read the third time, and passed.

MAJ. JACK E. HUDSON

The bill (H.R. 8383) for the relief of Maj. Jack E. Hudson was considered, ordered to a third reading, read the third time, and passed.

CAPT. JACK RUBLEY

The bill (H.R. 8456) for the relief of Capt. Jack Rubley was considered, ordered to a third reading, read the third time, and passed.

ALBERTSON WATER DISTRICT, NEW YORK

The bill (H.R. 8868) for the relief of the Albertson Water District, Nassau County, N.Y., was considered, ordered to a third reading, read the third time, and passed.

MRS. ALICE ANDERSON

The bill (H.R. 8941) for the relief of Mrs. Alice Anderson was considered, ordered to a third reading, read the third time, and passed.

DANIEL C. TURNER

The bill (H.R. 9216) for the relief of Daniel C. Turner was considered, ordered to a third reading, read the third time, and passed.

GEORGE E. WILLIAMS AND WILLIAM L. JOHNSON

The bill (H.R. 9476) for the relief of George E. Williams and William L. Johnson was considered, ordered to a third reading, read the third time, and passed.

MRS. ANNE MORGAN

The Senate proceeded to consider the bill (H.R. 1607) for the relief of Mrs. Anne Morgan, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 2, after the word "this", to strike out "Act" and insert "Act: *Provided, however,* That the passage of this Act shall not be construed as an inference of liability on the part of the United States Government".

The amendment was agreed to.

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

The bill was read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 9862) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing was announced as next in order.

Mr. PROUTY. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2618) to authorize the exchange of certain war-built vessels for modern and efficient war-built vessels owned by the United States was announced as next in order.

Mr. PROUTY. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3387) to authorize appropriation for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, was announced as next in order.

Mr. PROUTY. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 4049) to amend the Federal Aviation Act of 1958 in order to authorize free or reduced rate transportation for certain additional persons, was announced as next in order.

Mr. PROUTY. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3019) to provide for certain pilotage requirements in the navigation of U.S. waters of the Great Lakes, and for other purposes, was announced as next in order.

Mr. PROUTY. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

EXTENSION OF EXPORT CONTROL ACT OF 1949

The bill (H.R. 10550) to extend the Export Control Act of 1949 for 2 additional years was announced as next in order.

Mr. HART. Mr. President, I ask unanimous consent to have an explanation of the bill printed in the RECORD at this point.

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

H.R. 10550, as its title shows, would extend the Export Control Act of 1949 for a period of 2 years from the present expiration date of June 30, 1960. This act, which is administered by the Secretary of Commerce by delegation from the President, authorizes the regulation of exports under standards based on national security, foreign policy, and domestic shortages.

The Department of Commerce recommended this 2-year extension of the Export Control Act last February. The State Department and the Defense Department have recommended it. All these recommendations are printed in the committee's report. We have had elaborate quarterly reports from the Department of Commerce, of which the 50th, covering the 4th quarter of 1959, is the latest. The committee has had the benefit of the brief testimony before the House Banking and Currency Committee, but in view of the strong support for the bill and the complete absence of any opposition to the extension, or any recommendation for amendment to the act, we have held no hearings.

The committee's report is full. It describes the statute and the administration of the controls, and the measures taken to bring about enforcement and compliance of the act and regulations issued under it. The full text of the act is also printed in the report.

In the light of present world conditions, it is in the interest of this country to continue the authority to regulate exports.

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

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

RETIRED FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1960—BILL PASSED OVER

The bill (S. 2575) to provide a health benefits program for certain retired employees of the Government, was announced as next in order.

Mr. LAUSCHE. Mr. President, I object.

Mr. HART. Mr. President, it is not an appropriate bill to be passed on the call of the calendar, in any event.

Mr. GRUENING. Mr. President, while this bill has been passed over, I hope it is without prejudice. I think it is a most desirable bill. It was sponsored by our late colleague, Senator Neuberger. I am one of the cosponsors. It is a bill designed to extend to some of our Federal retirees some of the benefits of health insurance which have been extended to other Federal employees, and I hope it will come up for favorable consideration in the near future.

Mr. HART. Mr. President, the junior Senator from Michigan shares exactly that feeling. However, there is involved an initial expenditure of some $15 million. It is an important item of legislation. It is appropriate for passage, but other than on a calendar call.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

BILLS PASSED OVER

The bill (H.R. 8241) to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress, was announced as next in order.

Mr. PROUTY. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 8289) to accelerate the commencing date of civil service retirement annuities, and for other purposes, was announced as next in order.

Mr. HART. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 10474) to authorize the construction of modern naval vessels, was announced as next in order.

Mr. PROUTY. Over.

The PRESIDING OFFICER. The bill will be passed over.

QUALIFICATIONS OF CHIEF AND DEPUTY CHIEF OF THE BUREAU OF SHIPS

The bill (H.R. 9464) to remove the requirement that, of the Chief and Deputy

Chief of the Bureau of Ships, one must be specifically qualified and experienced in naval engineering and the other must be specially qualified and experienced in naval architecture was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF LOAN OF NAVAL VESSEL TO THE GOVERNMENT OF THE REPUBLIC OF CHINA

The Senate proceeded to consider the bill (H.R. 9465) to authorize the extension of a loan of a naval vessel to the Government of the Republic of China, which had been reported from the Committee on Armed Services with an amendment, on page 2, after line 12, to insert a new section, as follows:

SEC. 5. Notwithstanding section 7307 of title 10, United States Code, or any other law, the President may, under conditions which he prescribes, lend one submarine to the Government of Canada for a period of not more than five years and may, in his discretion, extend such loan for an additional period of not more than five years. All expenses involved in the activation of this submarine including repairs, alterations, outfitting, and logistic support shall be paid by the Government of Canada. The authority of the President to transfer a submarine under this section terminates on December 31, 1961.

The amendment was agreed to.

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

The bill was read the third time, and passed.

The title was amended, so as to read: "An Act to authorize the loan of one submarine to Canada and the extension of a loan of a naval vessel to the Government of the Republic of China."

POSTHUMOUS AWARDS OF APPROPRIATE MEDALS TO CERTAIN CHAPLAINS

The bill (S. 2969) to authorize the award posthumously of appropriate medals to Chaplain George L. Fox, Chaplain Alexander D. Goode, Chaplain Clark V. Poling, and Chaplain John P. Washington was announced as next in order.

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

Mr. PROUTY. Mr. President, I ask unanimous consent to include in the RECORD, just prior to passage of the bill, a statement.

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

STATEMENT BY SENATOR WINSTON L. PROUTY, REPUBLICAN, OF VERMONT, ON THE LATE REVEREND GEORGE L. FOX, OF GILMAN, VT., ONE OF THE FOUR CHAPLAINS WHO WENT DOWN WITH THE TROOPSHIP "DORCHESTER"

The story of the heroism of the four chaplains aboard the U.S. troopship *Dorchester* when it was sunk by an enemy torpedo on February 3, 1943, has now become a part of the lore of American heroism. It is briefly related in the report of S. 2969, which is now being considered.

I wish today to tell you a little something about one of those four chaplains. George Lansing Fox, late of Gilman, Vt., was a man who inspired confidence in other men.

"Mr. Fox will not disappoint you." So wrote the Reverend Arthur Wentworth Hewitt, of Northfield, Vt., to the Bureau of Chaplains of the War Department. How prophetic those words.

George Lansing Fox was born in Lewistown, Pa., on March 15, 1900. At the age of 17 he enlisted in the Army and served for 2 years during World War I in the Ambulance Corps. As a result of this service, he received the Silver Star, the Croix de Guerre, the Purple Heart with one palm, the Verdun Medal, and the Victory Medal with six battle stars.

His experiences in the First World War plus his deeply religious nature led him to the ministry in the Methodist Church. Even before he received his ordination, he served as a lay preacher in West Berkshire, Vt.

After receiving a BA from Illinois Wesleyan in 1931 and an STB from the School of Theology of Boston University in 1934, he returned to Vermont, where he held pastorates at various times in Waits River, Union Village, and, lastly, at Gilman and East Concord.

At the time of his enlistment as a chaplain in the Army, he left a 17-year-old son, Wyatt Ray, then in the Marine Corps, and a daughter, Mary Elizabeth, in addition to his wife, Isadora. They are still residents of Vermont.

This last Veterans' Day, May 30, the Vermont Historic Sites Commission, assisted by veterans' organizations, dedicated a marker in Gilman, Vt., for the Reverend George Lansing Fox.

When George Fox was notified that he had been accepted as a chaplain, he wrote to Bishop Leonard, of the Washington area: "I am happy to have been chosen for this privilege and shall do my utmost to represent the Master and our church."

The award, posthumously, of the appropriate medal recommended by the report of the Armed Services Committee will not add to the record of his performance in the fulfillment of that promise, but it will confirm it.

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

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to award posthumously appropriate medals and certificates to Chaplain George L. Fox of Cambridge, Vermont; Chaplain Alexander D. Goode of Washington, District of Columbia; Chaplain Clark V. Poling of Schenectady, New York; and Chaplain John P. Washington of Arlington, New Jersey, in recognition of the extraordinary heroism displayed by them when they sacrificed their lives in the sinking of the troop transport Dorchester in the North Atlantic in 1943 by giving up their life preservers to other men aboard such transport.

SEC. 2. The medals and certificates authorized by this Act shall be in such form and of such design as shall be prescribed by the President, and shall be awarded to such representatives of the aforementioned chaplains as the President may designate.

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

CONVEYANCE OF CERTAIN REAL PROPERTY TO ORANGE COUNTY, CALIF.

The bill (H.R. 5349) to provide for the conveyance to Orange County, Calif., of all right, title, and interest in and to certain real property situated in Orange County, Calif., was considered, ordered to a third reading, read the third time, and passed.

Mr. MORSE had previously said: "Mr. President, I ask unanimous consent that when we reach Calendar No. 1334, H.R. 5349, there may be inserted in the RECORD at that point a statement explaining that the bill does not violate the Morse formula."

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

STATEMENT BY SENATOR MORSE

H.R. 5349 would authorize and direct the Administrator of General Services to convey to Orange County, Calif., all right, title, and interest of the United States to certain property, including improvements thereon, located in Costa Mesa.

The land in question was conveyed to Orange County in 1936 by the American Legion Post of Costa Mesa for the purpose of constructing a community hall and a county courthouse. A few months later the county sought and obtained the assistance of the WPA for the construction of the community hall.

The proposal of the county to WPA provided that (1) it would finance the cost of the project not covered by Federal funds, and (2) it would not sell, lease, donate, or otherwise dispose of the improvements to a private individual, corporation, or quasi-public organization. On the basis of this arrangement, the WPA in 1937 and 1938 expended the sum of $16,067.88 and the county $5,352.48 in the construction of the community hall and recreation building. On December, 1938, a few months after the building was constructed, the county, by quitclaim deed, conveyed the property back to the American Legion post.

In 1941, the Federal Works Agency requested that the county either acquire title to the property and operate the facility for the general public without discrimination or preferable consideration or, in the alternative, make restitution of the $16,067.88 spent by the Federal Government to build the community hall.

In October 1942, the American Legion post reconveyed the property to Orange County. In 1944, Orange County and the American Legion post entered into an agreement under which the post managed the community hall building for the county. According to the letter contained in the report from the Department of Justice, the county has operated the facility for the general public.

The interest of the United States in this matter arises from the expenditure of Federal funds, and the provisions of the county proposed on the use of the property. The Federal Government would be released of its interest through the enactment of the bill.

Senate Report No. 130; contains a reference to the case of *United States* v. *City of Columbus* (54 Fed. Supp. 37), which comments upon the legal effect of language such as that contained in the proposal of the county to the WPA. On this subject the Senate Report, at page 4, contains a quotation from the letter of the General Services Administration which reads as follows:

"In the case of the *United States* v. *the City of Columbus*, the United States sought to recover from the city of Columbus, N. Dak., the amount expended by it for the cost of materials used and the labor performed in the construction of a community recreation building as a WPA project, leased by the city as a liquor store, allegedly in contravention of the city's agreement to use the facility as a community recreation center. The court on motions for judgment on

the pleadings, states in pertinent part as follows:

" 'But once a project which in its application meets the specifications required by law, and receives approval, and is constructed under the supervision and control of WPA officials, is completed and turned over to the municipality, it is turned over without being impressed with an easement or right or restriction controlled by the United States, and may be used thereafter by the municipality in any manner which the laws governing that municipality allow. A contrary conclusion would, in my opinion, result in entanglements of such infinite complication as to be impossible of administration, judicial or otherwise, and was never within the contemplation of Congress.' "

I am advised that the case of *the United States* v. *the City of Columbus* has not been reversed or overruled. That being the case the decision is controlling and no objection of the bill exists under the Morse formula.

BILL PASSED OVER

The bill (S. 2857) to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under such act, was announced as next in order.

Mr. PROUTY. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

ELIMINATION OF PRORATION OF OCCUPATIONAL TAX IN CERTAIN CASES

The Senate proceeded to consider the bill (H.R. 4029) to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machine guns and certain other firearms, and for other purposes, which had been reported from the Committee on Finance with an amendment, on page 5, line 2, after "June 30,", to strike out "1959" and insert "1960".

The amendment was agreed to.

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

The bill was read the third time, and passed.

PROCLAMATION IN CONNECTION WITH THE CENTENNIAL OF BIRTH OF GENERAL OF THE ARMIES JOHN J. PERSHING

The Senate proceeded to consider the joint resolution (H.J. Res. 640) to authorize and request the President to issue a proclamation in connection with the centennial of the birth of General of the Armies John J. Pershing, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 1, after the name "Pershing", to strike out "The Secretary of the Army is hereby authorized and directed to act as the coordinating officer between such civic and patriotic organizations and the departments and agencies of the Government." and insert "The Secretary of Defense will be responsible for coordination between such civic and patriotic organizations and the departments and agencies of the Government."

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

FINAL REPORT OF LINCOLN SESQUICENTENNIAL COMMISSION

The joint resolution (H.J. Res. 598) to extend the time of the final report of the Lincoln Sesquicentennial Commission was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2759) to strengthen the wheat marketing quota and price support program was announced as next in order.

Mr. HART. Over, as not appropriate calendar business.

The PRESIDING OFFICER. The bill will be passed over.

NICHOLAS ANTHONY MARCANTONAKIS

The bill (S. 2627) for the relief of Nicholas Anthony Marcantonakis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Nicholas Anthony Marcantonakis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

SADAKO SUZUKI

The bill (S. 2833) for the relief of Sadako Suzuki was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Sadako Suzuki shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ADOLPHE HERSTEIN

The bill (S. 3114) for the relief of Adolphe Herstein was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Adolphe Herstein shall be deemed to have been born in France.

SAM DOOLITTLE

The bill (S. 3170) for the relief of Sam Doolittle was announced as next in order.

The PRESIDING OFFICER. Without objection, the Committee on the Judiciary will be discharged from further consideration of H.R. 9760, and the Senate will proceed to the consideration of that bill, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9760) for the relief of Sam Doolittle.

There being no objection, the bill (H.R. 9760) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Senate bill 3170 will be indefinitely postponed.

JEAN GOEDICKE

The bill (S. 3327) for the relief of Jean Goedicke was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Jean Goedicke, of Casper, Wyoming, is relieved of liability to pay to the United States the sum of $628.25, representing the amount of rentals owed by the said Jean Goedicke as lessee of certain Federal lands under an oil and gas lease (Buffalo 038682) issued to her on August 1, 1945, as a result of her failure to file a timely surrender of such lease due to a misunderstanding as to her responsibilities under such lease.

KRISTINA SELAN

The Senate proceeded to consider the bill (S. 2821) for the relief of Kristina Selan, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Kristina Selan, the fiancée of Jozef Selan, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided,* That the administrative authorities find that the said Kristina Selan is coming to the United States with a bona fide intention of being married to the said Jozef Selan and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Kristina Selan, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Kristina Selan, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Kristina Selan as of the date of the payment by her of the required visa fee.

The amendment was agreed to.

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

IRENA MARIA KOLLER

The Senate proceeded to consider the bill (S. 3081) for the relief of Irena Maria Koller, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "the", where it appears the second time, to strike out "natural parents" and insert "father and stepmother", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Irena Maria Koller, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Bruno Bruce Haber, citizens of the United States: *Provided,* That the father and stepmother of Irena Maria Koller shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

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

SONG SONG TAI

The Senate proceeded to consider the bill (S. 1349) for the relief of Song Song Tai, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Song Tai Song, shall be held and considered to be the natural-born alien child of Michael Francis Scott, a citizen of the United States: *Provided,* That the natural parents of the said Song Tai Song shall not, by virtue of such parentage; be accorded any right, privileges, or status under the Immigration and Nationality Act.

The amendment was agreed to.

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

The title was amended, so as to read: "A bill for the relief of Song Tai Song."

MARIA GENOWEFA KON MUSIAL

The Senate proceeded to consider the bill (S. 2635) for the relief of Maria Genowefa Kon, which had been reported from the Committee on the Judiciary, with an amendment, in line 4, after the name "Kon", to insert "Musial", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Maria Genowefa Kon Musial shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to this alien, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

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

The title was amended, so as to read: "A bill for the relief of Maria Genowefa Kon Musial."

YU SUI LING, ALSO KNOWN AS YEE SHUI LING

The Senate proceeded to consider the bill (S. 2739) for the relief of Yu Shu Lin, a minor, which had been reported from the Committee on the Judiciary, with amendments, in line 4, after the word "Act", to strike out "the minor child, Yu Shu Lin" and insert "Yu Sui Ling"; in line 6, after the words "natural-born", to insert "minor"; and in line 7, after the name "Yee", to strike out "Ngoon" and insert "Ngon"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Naturalization Act, Yu Sui Ling, also known as Yee Shui Ling, shall be held and considered to be the natural-born minor alien child of Yee Ngon Tom, a citizen of the United States.

The amendments were agreed to.

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

The title was amended, so as to read: "A bill for the relief of Yu Sui Ling, also known as Yee Shui Ling."

NIKOLIJA LAZIC

The Senate proceeded to consider the bill (S. 2886) for the relief of Nikolija Lazic, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 7, after the word "be", to strike out "(1) an alien registered on a consular waiting list pursuant to section 203(c) of the Immigration and Nationality Act under a priority date earlier than December 31, 1953, and (2)", and on page 2, at the beginning of line 1, to strike out "such act" and insert "the Immigration and Nationality Act", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of section 4 of the Act entitled "An Act to provide for the entry of certain relatives of United States citizens and lawfully resident aliens", approved September 22, 1959 (73 Stat. 644), Nikolija Lazic shall be held and considered to be eligible for a quota immigrant status under the provisions of section 203(a)(4) of the Immigration and Nationality Act on the basis of a petition approved by the Attorney General prior to January 1, 1959.

The amendments were agreed to.

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

WILHELMINA ORDONEZ

The bill (H.R. 1752) for the relief of Wilhelmina Ordonez was considered, ordered to a third reading, read the third time, and passed.

JAMES DEMETRIOS CHRYSANTHES

The bill (H.R. 2082) for the relief of James Demetrios Chrysanthes was considered, ordered to a third reading, read the third time, and passed.

CHAN KIT YING AND JAMES GEORGE BAINTER

The bill (H.R. 3786) for the relief of Chan Kit Ying and James George Bainter was considered, ordered to a third reading, read the third time, and passed.

MRS. E. CHRISTINE WILLIAMS

The bill (H.R. 3934) for the relief of Mrs. E. Christine Williams was considered, ordered to a third reading, read the third time, and passed.

STANISLAW GRZELEWSKI

The bill (H.R. 4562) for the relief of Stanislaw Grzelewski was considered, ordered to a third reading, read the third time, and passed.

JEAN K. SIMMONS

The bill (H.R. 4825) for the relief of Jean K. Simmons was considered, ordered to a third reading, read the third time, and passed.

DANIEL WILGING

The bill (H.R. 6843) for the relief of Daniel Wilging was considered, ordered to a third reading, read the third time, and passed.

SIMEEN HELENA CHAGHAGHI

The bill (H.R. 7254) for the relief of Simeen Helena Chaghaghi was considered, ordered to a third reading, read the third time, and passed.

DR. DEH CHANG TAO

The bill (H.R. 8672) for the relief of Dr. Deh Chang Tao was considered, ordered to a third reading, read the third time, and passed.

CHANGE IN NAME OF LOCKS AND DAM NO. 41, ON THE OHIO RIVER AT LOUISVILLE, KY.

The bill (S. 2985) to change the name of the locks and dam No. 41 on the Ohio River at Louisville, Ky, was announced as next in order.

Mr. HART. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1365, H.R. 10164, the companion House bill.

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

There being no objection, the bill (H.R. 10164) to change the name of the locks and dam No. 41 on the Ohio River at Louisville, Ky., was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Calendar No. 1364, S. 2985, will be indefinitely postponed.

SUSPENSION OF IMPORT DUTY ON CERTAIN AMORPHOUS GRAPHITE

The bill (H.R. 1217) to suspend for 2 years the import duty on certain amorphous graphite was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF DUTY ON IMPORTS OF CRUDE CHICORY

The Senate proceeded to consider the bill (H.R. 9308) to extend for 3 years the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory, which had been reported from the Committee on Finance, with an amendment, to strike out all after the enacting clause and insert:

That sections 1 and 3 of the Act entitled "An Act to suspend for two years the duty on crude chicory and to amend the Tariff Act of 1930 as it relates to chicory", approved April 16, 1958, as amended (72 Stat. 87; 19 U.S.C. 1001, par. 776 and note; Public Law 86-441), are each amended by striking out "July 16, 1960" and inserting in lieu thereof "June 30, 1963".

The amendment was agreed to.

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

The bill was read the third time, and passed.

The title was amended, so as to read: "An Act to extend until June 30, 1963, the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory."

BILL PASSED OVER

The bill (H.R. 6779) to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals), was announced as next in order.

Mr. PROUTY. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The call of the calendar is completed.

BRINGING THE FACTS OF THE ADMINISTRATION'S DOUBLE STANDARD TO THE ATTENTION OF THE AMERICAN PEOPLE

Mr. GRUENING. Mr. President, I rise at this point to compliment two of my colleagues—the able and distinguished Senators from Massachusetts and Minnesota [Mr. KENNEDY and Mr. HUMPHREY] on their debate in West Virginia last night.

Such a debate, engaged in by both with dignity, intelligence, and spirit, serves well the cause of democracy by reiterating for the American people the great issues of the forthcoming campaign.

I was particularly interested in noting that both participants in this colloquy made mention of the Eisenhower-Nixon administration's double standard under which it threatens a special session of the Congress if a nickel is cut from the requests for foreign aid but cries with anguish at proposals to spend far lesser sums here at home on exactly the same types of programs as abroad.

The mention of this fact by my colleagues was particularly appropriate in West Virginia, parts of which have suffered and are suffering economic hardships of serious proportions. It is indeed hard for people in depressed areas—and we have them in Alaska, also—to understand the attitude of an administration which seeks to aid economic distress abroad while fighting with might and main against practical programs to aid their own situations here at home.

Perhaps the psychiatrists can prescribe the proper treatment for this strange schizophrenia which afflicts the Eisenhower-Nixon administration—the first administration in the history of our country to support programs to aid foreign nations while fighting vigorously against exactly the same programs here at home.

I have repeatedly on the floor of the Senate brought the facts concerning this double standard of the current administration to the attention of my colleagues. I participated, with my able colleagues from West Virginia, in a discussion of the administration's double standard on coal mining—see the CONGRESSIONAL RECORD beginning at page 1668. Later, I discussed that same double standard with respect to school construction and teachers' salaries—see the CONGRESSIONAL RECORD beginning at page 2038; with respect to forestry research—see the CONGRESSIONAL RECORD beginning at page 2327; with respect to water pollution control—see the CONGRESSIONAL RECORD beginning at page 3360; and with respect to small business—see the CONGRESSIONAL RECORD beginning at page 6105.

This list may seem long, although far from complete. It will be a lot longer when the American public is fully apprised of the basic fact that the Eisenhower-Nixon administration is the first in American history to place the interests of people in foreign countries above those of our own people. The list is not nearly as long as it might be, for the Eisenhower-Nixon administration gives aid abroad to help almost every facet of human endeavor to activities it would not dream of engaging in at home. Apparently the bugaboo of avoidance of Federal control is a bugaboo reserved by this administration solely for domestic programs. Neither the aider nor the aided seem to worry about Federal domination in the foreign-aid program.

In the meantime, Mr. President, I take this occasion of commending both of my colleagues, Mr. HUMPHREY and Mr. KENNEDY, for calling the attention of the people of West Virginia—and of the Nation—to the curious double standard of the Eisenhower-Nixon administration.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7947) relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8684) to provide transitional provisions for the income tax treatment of dealer reserve income.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9660) to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10401) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1961, and for other purposes, that the House receded from its disagreement to the amendments of the Senate numbered 30 and 31 to the bill, and concurred therein.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, 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. MORGAN, Mr. CARNAHAN, Mr. ZABLOCKI, Mr. CHIPERFIELD, and Mr. JUDD were appointed managers on the part of the House at the conference.

BENT'S FORT NATIONAL MONUMENT, COLO.

Mr. ALLOTT. Mr. President, the cogent reasons for my recommendation that this body approve establishment of Bents Old Fort as a national monument have been heard here before. That my colleagues agreed and approved this bill was a source of great pleasure for me and the people of my State. I am hopeful that our colleagues in the other House, who are scheduled to consider the bill next week, will also approve it.

Reaction to this approval has appeared in the press of our State, too. An edi-

torial in the April 29 edition of the Denver Post clearly, interprets the feeling we in the West have for such historic places.

Mr. President, so that my colleagues may share this well done by the Denver Post, I ask unanimous consent that the editorial be reprinted in the RECORD at this point in my remarks.

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

COLORADO'S PAST: A TANGIBLE ASSET

Colorado, in company with other States of the Rocky Mountain empire, has a history book full of romance, strife, and adventure.

Americans appreciate this history—as witness the western novel and, more recently, the TV set.

For a long time Coloradans paid scant attention to their historical attractions.

To many native Coloradans these sites seemed pretty mundane. Also, the tourist industry wasn't very well developed.

Now two things have happened:

Colorado, since World War II, has had a huge influx of new residents. These people have a persistent interest in their State, its ghost towns, old forts, pioneer buildings, trails, and old mines.

Secondly, vacation travel to Colorado has grown. With the spread of interest in western subjects, coupled with this increase in travel, visitation has leaped forward at many sites.

Looking at it from another point of view, historical sites are an important part of Colorado's appeal to tourists.

Last year the Colorado Historical Society's museums drew 219,000 visitors. Many were hometowners. But many others contributed importantly to the State's tourist economy.

The historical society operates five museums, including the main one at East 14th Avenue and Sherman Street in Denver. Two of the museums are new.

The El Pueblo museum at Pueblo went into service last summer and the Baca House at Trinidad will open under State auspices June 15.

One other significant development is taking place in Congress.

After long study of the old Santa Fe Trail, the National Park Service picked the old Bent's Fort site near La Junta for development as a national monument.

A bill to implement this project passed the House Rules Committee this week and is ready for floor action.

Bent's Fort is an excellent choice. It dates approximately from 1830 when the Bent brothers, Charles and William, centered their lucrative fur trade at this site.

The fort served as the springboard for American expansion into what today is New Mexico.

It thus played a significant part in the manifest destiny that carried the American flag to the Pacific Ocean.

All southern Colorado will benefit culturally and economically if this project is approved and carried through to a high state of development.

There are, in addition, many community museums and sites in Colorado which are popular.

All of these attractions have a unique appeal based on the things that made each section of the State—and West—part of modern America.

They need not be musty manifestations of ancestor worship but rather the embodiment of a growing Nation's desire to understand its past and present.

Mr. ALLOTT. This editorial particularly points out that Bent's Fort is an excellent choice for this type of undertaking. Dating back approximately to 1830, when the Bent brothers, Charles and William, centered their lucrative fur trade at this site, has served as a springboard for American expansion into the West. I sincerely hope that we may see favorable action soon on this project.

AMERICAN LEGION ORATORICAL CONTEST

Mr. ALLOTT. Mr. President, oratory is no stranger to this Chamber. Its Members are able to listen and learn from splendid conversation and debate; we are, therefore, able to appreciate good oratory when we hear it. Such, I believe, is the speech presented by 12-year-old Ruby K. Lynch of Longmont in my own State of Colorado when she won the region 10 oratorical contest sponsored annually by the American Legion.

Each year the Legion, as part of its Americanism program, conducts a nationwide high school oratorical contest through its 50 departments. This year, over 350,000 students competed.

The subject used in 1960 was a phase of the Constitution of the United States chosen by the student. I think my friends will find Ruby's sincere and wonderful approach to this sacred document a refreshing experience.

Mr. President, I ask that the speech by Ruby K. Lynch be printed in the RECORD so that others may share her understanding of the background and meaning of our Constitution.

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

THE CONSTITUTION: TEMPLE OF LIBERTY
(By Ruby Kay Lynch, Longmont, Colo.)

It was a long bitter struggle that lasted from the time the first Pilgrim set foot on American soil to the final adoption of a governmental plan. The blueprint had been developed by men who knew the freedom cause and desired a united nation in the world. It was to become the predecessor of all other plans of government. It was to become an example to the world of men working together toward a common goal in a democratic society. This was the origination of our Constitution—our living blueprint of a free society. This, the Constitution of the United States of America was destined to become a temple of liberty.

Just as a building site must be located for a temple, ground had to be sought for the writing of our Constitution. The land had to be free. It had to be one which would offer freedom to the individual. The location was required to be one which would flourish under democracy. Until 1492, this land was not found. Even after its discovery, men did not think of it as a new way of life. It was only when the people, suppressed by tyranny, sought refuge in the New World, that the location was actually decided upon. It took many hard years, but when the Thirteen Colonies were formed, the location of the temple was found. Now that the building site had been located, the bitter struggle for the existence of our present day Constitution began. The first attempt at a governmental plan was the Articles of Confederation which gave Congress the powers over currency, Indian treaties, pacts with other nations and the power of declaring war. This plan was weak because it held no provisions for collecting duties or an executive head. It was termed a government of supplication. It was recognized by European nations and it gave a feeling of completely sovereign States.

At this time an idea was born into the mind of Alexander Hamilton. It was contractors such as he who got the Constitution Convention underway. The builders met to decide upon the governmental blueprint which was to be the second step of the building of the Temple of Liberty. This was the foundation of our Constitution. Now the framework of the temple could be started, the framework which resulted from many and varied compromises.

These were the beginnings of our Constitution. First had been the discovery of free soil, next was the drawing up of the blueprints, and finally the erection of our Government and society, our Temple of Liberty.

Let us now tour our temple and visualize what our shining example is that tells the world of freedom. As we first enter the temple, we pass three tall columns supporting the entrance. The first column is that of the legislative department—article 1. We can see its strength of providing a Congress which makes our laws. The second column is that of the executive department, the one which provides for a President to serve as head of our country. The third column is the one providing the judicial department of our Government. This is the division which tests the constitutionality of our laws. We notice that one column alone is not sufficient, and that all three are needed in order to maintain the structure of the temple, itself. Each checks the other; each helps the other; each helps in its own way to support the entrance of the temple. As we progress inside, we notice the inside to contain four other columns. These are the additional four articles. Examining them more closely, we can see the first provides for the protection of the separate States, duties of one to another and provisions for territories.

The second column is the one which makes it possible to amend the Constitution, to improve it to suit changing needs. The third column tells us of the supreme authority of the Constitution, to give one major force above the separate States. The last column provides for the ratification of the entire Constitution. These, therefore, are the seven major factions of the original Constitution, which represent the seven articles it contains.

After the writing of the Constitution a need was realized for additional freedoms. Therefore the Bill of Rights—the first 10 amendments—was established. Now, as we gaze about the temple, we see the magnificent beauty these amendments add. Illustrations of these adorn the walls. As we examine each one, we find the freedoms of speech, religion, assembly, petitions, and press guaranteed by the first portrait. Continuing, we can see an illustration of the right to bear arms, provision for a national army, and the amendment regarding arrest, searches and warrants. The next four pictures include the rights of accused criminals, rights when tried, trials by jury, and the provision of bails and punishments. The last two pictures depict the rights kept by the people, and finally, the rights reserved to the States and people.

Suddenly, we see the beautiful lighting effect. This is supplied by 12 lights of freedom, the other 12 amendments. These include the lights of the limitation of power of Federal courts, and a provision for the election of President and Vice President. Another light represents the prohibition of slavery, next to the symbol of the State limitations. Other lights remind us of the Negro's voting rights, income tax, senatorial elections, prohibition and its repeal, woman suffrage, and provisions for the so-called lame-duck amendment and the limitation of Presidential Office. It is these lights that illuminate the original Constitution and Bill

of Rights, the lights that make the temple glow with liberty and freedom.

And now we can see the completed temple as we gaze at the windows. Those are the windows through which people of the world may look in, seeing the magnificent temple. This is the governmental plan which shows the whole world a free and democratic society.

A bell is heard—the bell that is at the top of the temple ringing out to those who cannot see. Its sound penetrates the ears of those who are being suppressed and denied their freedoms. In addition to the bell there is a light which beckons to all people. This light reaches every possible corner of the earth, shining brightly, and encouraging people to seek freedom.

This is our temple. It was built by men and women who sacrificed their time, efforts, and lives so that it could exist. They were people dedicated to liberty and freedom. They chose the ground well. They spent many tedious hours drawing the plans. Now we can marvel at its beauty. We can see that our temple has endured over the ravages and storms of war and strife. We can look at the temple and be proud.

Yet how proud are we, when we fail to realize the significance and importance of our Constitution? Can we really say that we have made a thorough study of the document and appreciate all it gives us? We as American citizens must realize what we have and work tirelessly to preserve our temple of liberty. Every time we read a newspaper, we must remember, it is because of the Constitution that we can do so. The same is true when we listen to the radio, vote, go to church, read about our Representatives and Senators.

We have a right to be proud of our temple. But, we also have an obligation to not just admire it, but to support and preserve it. We have a Constitution which has set the pattern of others. We have a country and Nation for which to be thankful.

Yes, it is ours to uphold and preserve. We are proud of it, therefore we must keep it. We must see that the columns remain strong, keep the pictures and lights bright, and let the windows stay sparkling clean. We must ring the bell out everlastingly and keep the light beckoning to people of all walks of life. The responsibility is ours, we must accept it. For it is ours to preserve—the Constitution—temple of liberty.

CURECANTI PROJECT, COLORADO

Mr. ALLOTT. Mr. President, three of the four principal units in the Upper Colorado storage project are now under construction, as are some of the participating projects. Initiating construction on the fourth, the Curecanti project in Colorado has been recommended by the President for the upcoming fiscal year. Funds for that purpose are now being considered by the Appropriations Committees.

In the November 1959 edition of a national magazine, there appeared an article entitled "Doom of a Great Trout River," which contained an unusual number of misrepresentations.

I know of no subject in the world with respect to which it is possible to have so many quick and sudden misrepresentations as in the field of conservation and pseudo conservation. This article, apparently written by a man who would classify himself as a conservationist, is misleading. As a matter of fact, it contains many outright misstatements and fallacious statements; and the national circulation which was accorded this article by a man who knew nothing about what he was writing might tend in the long run to stop the great conservation practices going on in this country. It certainly does a great injustice to the Curecanti project, which is necessary for the development of my own State in its future preservation, use, and conservation of water.

In order to clarify the record somewhat I ask unanimous consent that there be printed, following my remarks, a letter written by one of the outstanding water attorneys in the West, John B. Barnard, Sr., who lays out quite clearly, and I believe honestly, the facts about the Curecanti unit.

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

BARNARD & BARNARD,
Granby, Colo., March 10, 1960.

EDITOR, OUTDOOR LIFE,
New York, N.Y.

DEAR SIR: Perhaps if this letter were being written to our local weekly newspaper, it should be entitled "Letter to the Editor." It is prompted by an article by Ben East, which appears in your November 1959 issue entitled on the front page, "Doom of a Great Trout River." The heading at the start of the article reads: "The Gunnison, One of the Most Famous of the U.S. Trout Streams, Is About To Die for Three Nonessential Dams." Herein, I propose to substitute some specific and pertinent facts for the misinformation contained in this article. Your publication justifiably enjoys a wide circulation; and certainly you, as editor, should be deeply concerned with the factual background, or the lack thereof, for all of the material which you publish.

Does the author of this article actually believe that the Congress would have authorized the advancement of $82,311,000 of Federal funds to construct these dams if they are nonessential? Does he really believe that President Eisenhower, who has been insistent, to the extent of inviting criticism of his policies, that public funds be not expended for nonessential projects or those not essential at this time, would have signed the measure authorizing the construction of the Curecanti project, if the three dams were nonessential? Is he of the opinion that the President's Bureau of the Budget, economy minded as it is, would have included an appropriation of the sum of $1,400,000 in its fiscal year 1961 recommendation to commence construction of these dams if they are nonessential? Does he believe that the Department of the Interior was completely in error when it ascribed and allotted $3,268,000 of these Federal funds to the recreation benefits which will flow from the three nonessential dams? Mr. Editor, answer these questions yourself. Appraise the facts your answers will disclose, and then determine, for yourself whether the wailing article to which I refer is based upon facts or upon misinformation, and the sensational fantasies and imaginings of the author, who I understand, spent less than 2 days in the Gunnison area gathering his data.

I am not unfamiliar with this "great trout stream." My first fishing experience on that part of the Gunnison River which is the subject of this article was in 1907, when, as a young lad, I fished with willow flies in a very attractive pool located just a few hundred yards upstream from the situs of the proposed Blue Mesa Dam which will form the largest of the three Curecanti reservoirs. My youthful wanderings then took me along the course of the river from Curecanti Needle upstream about 10 miles. I enjoyed it immensely, even though that stretch of the stream is a dangerous one to fish; and, in the many years which have passed since that early date, and as time would permit, I have returned to my favorite fishing spot to pursue one of my favorite outdoor sports. I have fished, also, on many of the miles of the Gunnison and its principal tributaries which will, in nowise be affected by the construction of the Curecanti project; and every fishing expedition gave me a thrill. I might add that I also much prefer stream fishing to lake fishing.

The title and subtitle of the article to which I refer, and the text itself, are all designed to create the completely false impression that the inundation of that portion of the Gunnison River which will be flooded by the Curecanti reservoirs means the inevitable "doom of a great trout river." This is based upon misinformation of the grossest sort; and I propose herein to tell you why I say that, and to give you the facts which both support my statement and refute those made by the author.

The principal tributaries of the Gunnison River are the East River, Taylor, Ohio Creek, Tomichi Creek, Cochetopa Creek, Cebolla Creek, Quartz Creek, and the Lake Fork. When sportsmen speak of the Gunnison as a "great trout river," they mean not only the stream itself between the situs of the proposed Crystal Dam and Almont, a distance of 67.5 miles, but they also mean, and justifiably so, all of the above-named and many minor tributaries. The principal tributaries are all comparatively large streams, and afford as good or better fishing than does the main stem of the Gunnison itself. Many prefer to fish them over the Gunnison. They are far less dangerous to fish than is the part of the main stream which will be affected by the Curecanti project. The combined length of the fishing stream of the Gunnison and the above-named principal tributaries is 329.5 miles.

From the Crystal Dam, which will be located 5 miles upstream from the south boundary of the Black Canyon National Monument to the upstream limits of the high water line of the Blue Mesa Reservoir, 8 miles below the city of Gunnison, is a distance of 47.5 miles. Were all of this 47.5-mile stretch of stream available for fishing, which it very definitely is not, then 15 percent of the "great trout river," which is the Gunnison system, would be affected for stream fishermen by the Curecanti project. I really believe that Mr. East and the rest of us who prefer stream fishing to lake fishing could find a mile or two in the remaining 282 miles of the Gunnison River and its principal tributaries in which we could pursue our hobby.

Now let's arrive at the facts as to the 47.5 miles of the Gunnison River proper which will be inundated by the Curecanti reservoirs. Let's take the Blue Mesa Reservoir first. Twenty-six miles of the Gunnison will be flooded by the Blue Mesa Reservoir. Of this 26 miles, 15.5 miles of it traverses posted areas. Stretches of the stream are posted with "No Trespassing" signs, primarily to keep ardent fishermen from tramping down hay crops, leaving pasture gates open, and committing other depradations to the disadvantage of ranchers; and it is not publicly open to stream or any other kind of fishermen. This leaves an 11-mile stretch which is, theoretically, available to stream fishermen. But is it? Look at the pictures of Don Benson, standing on a huge rock, on page 45 of your issue. You will note that the right bank of the river consists almost entirely of precipitous cliffs, down which only the most hardy soul will venture to pursue the wily rainbow or any other kind of game fish or animal. It is my estimate that, of the 11 miles of unposted stream above the Blue Mesa Dam, fully 40 percent is inaccessible to fishermen because of the presence of these cliffs. This leaves only 6.6 miles of open stream above Blue Mesa Dam for stream fish-

ing, out of the above total of 329.5 miles of fishing stream in the Gunnison River and its principal tributaries. Do these facts paint for you a picture of the doom of a great trout river?

It is 15 miles from the situs of the proposed Morrow Point Dam to the Blue Mesa Dam. This portion of the stream will be inundated by the proposed Morrow Point Reservoir. Here the river traverses the Black Canyon. Only one bank of the stream through the Black Canyon is or ever can be accessible or available to stream fishermen; the towering cliffs of the Black Canyon effectively keep them off the other bank. Here, except in low water periods, the Gunnison is a raging, swift flowing, turbulent stream. One may fish only in a very few places along one side, where pools are formed, and the water becomes sufficiently quiet so that a fisherman can ever keep his line in the water; and only hardy and skilled mountain men should even attempt to fish it.

It is 6 miles from the situs of the proposed Crystal Dam to the Morrow Point Dam. This stretch of the stream also will be flooded when the Crystal Reservoir is filled with water. No part of the stream here is now accessible to fishermen. The abandoned D. & R.G. Railroad emerges from the Black Canyon immediately below the situs of the Morrow Point Dam. From the point of such emergence to the Crystal Dam, the river flows through a portion of the Black Canyon which it is impossible for fishermen to enter or traverse. Parenthetically, when the Crystal Reservoir is filled, not only fishermen but gentle souls who prefer to observe scenic wonders the easy way may, by boat, traverse this presently inaccessible portion of the Black Canyon, and enjoy what I consider to be about the most spectacular and breathtaking scenic wonders on the face of the earth. They cannot see or enjoy them now.

It is my understanding that the regulation of the flow of the Colorado River by Hoover Dam and Lake Mead has made that portion of the stream below the dam an acceptable fishing area, whereas that was not true prior to the construction of that project. With the Gunnison River regulated by the Curecanti dams, and in view of the fact that present operation plans provide for the bypassing, at Crystal Dam, of a substantial and regulated flow of water, it is only logical to assume that the Gunnison River below Crystal Dam will become a great trout stream. At present it is not, being populated almost entirely by rough fish.

I again refer you to the pictures illustrating the author's article. Note the one at the lower left on page 46. Would you care to attempt to fish this stretch of the stream? The portion of the river immediately above Crystal Dam resembles that which is shown in the picture. However, the cliffs on each side of the stream in that stretch of the river tower probably 10 times as high as the hills shown on each side of the stream in this picture; they do not slope gently; they plunge almost perpendicularly for an up and down distance of close to one-half mile. Would you care to fish that part of the Gunnison?

I am a confirmed and lifelong devotee to the sport of stream fishing as contrasted to lake fishing. When the three Curecanti Reservoirs are filled, I plan only slightly to alter my previous fishing procedures when I go to the Gunnison River. I propose to find a mile or two of the 282 miles of the river which will not be affected by any of these reservoirs. And I will there pursue my fishing activities as ardently, and, I am sure, as successfully, as I did when I fished at Sapinero. At the close of my fishing day, I will return to one of the recreational areas which the Government plans to be established along the perimeter of the Blue Mesa Reservoir; and there will be several of them upon its 95 miles of high water line. There I will fry my fish in my trailer-house which will be lighted with electricity generated at the Blue Mesa powerplant, and heated from the same source. If daylight hours remain, I will take my grandchildren and make a boat trip out over the vast expanse of the Blue Mesa Reservoir, which I think will be one of the most beautiful bodies of water in America. And I think my evening rest will be disturbed very little by the fact that I cannot any longer fish on 47.5 miles of the Gunnison River, most of which I couldn't fish anyway, and if I am at all disturbed by the fact, I will console myself by remembering that 282 miles of that stream will remain to me and all other fishermen, who, like me, prefer stream fishing to lake fishing.

Please bear in mind that not all people who come to Colorado for their vacations, and the number is increasing tremendously year by year, come here to enjoy stream fishing. Many who visit Colorado like boating, swimming, water skiing, lake trolling, and other similar sports which now are denied them in the Gunnison Basin. Are we to sacrifice their pleasures and enjoyments for those of the very meager few who would like to see the Gunnison River remain as it is?

Let us look at the economy of the Gunnison Basin area. I live in Grand County immediately below Grandy Reservoir, a man-made lake which is a part of the Colorado-Big Thompson project. The Colorado River was at one time equally as good a trout stream as the Gunnison. I know this from experience, having fished both streams for many years. Many miles of the Colorado are now inaccessible for stream fishing because of the presence of Grandby Reservoir and the flow of water released therefrom. But I know that the portion of the economy of Grand County which is dependent upon tourists and visitors has tremendously increased since Grandby Reservoir was filled, because those who come here find not only stream fishing but a system of lakes of great beauty which they may enjoy in a wide variety of activities. Based on our experience here in Grand County, I predict that for every one fisherman who would visit the Gunnison area to fish in that portion of the Gunnison River which will be affected by the Curecanti project, hundreds will come to enjoy the remaining stream fishing, to pursue their piscatorial activities on the three reservoirs which will be created, to camp in comfort at the recreational areas to be established, to enjoy boating, yachting, water skiing, swimming and other activities now denied them.

Another phase of the discussion by the author of this article has to do with the necessity for the construction of the Curecanti Dams from the standpoint of the economy and welfare of the immediately affected areas and of the seven Colorado River Basin States. I do not propose to bore you with details of the Colorado River storage project, of which the Curecanti is one of the primary and necessary units. I shall only give you certain facts for your consideration, and suggest to you that a minimum amount of research on the part of your staff will tell you whether or not they are reasonably accurate.

The construction of the Curecanti reservoirs will make possible the irrigation, within the Gunnison Basin, of 83,550 acres of land which is now in sagebrush and, so far as production of crops is concerned, completely barren. It will provide supplemental water for 73,300 acres of lands which are presently, but inadequately irrigated. The Gunnison Basin lands involved are devoted primarily to the raising of livestock. The phenomenal increase in the population of America forecasts that the time will soon be here when more beef cattle must be raised if the demands of that population for beef are to be met. In no other way can these lands ever be made productive. I invite you and the author of this article to investigate carefully the accuracy of this and my following statements of fact.

Second, revenue received from the electrical energy to be generated at Curecanti, Flaming Gorge, and Glen Canyon Reservoir will make possible the construction of more than 43 participating projects in western Colorado which, without this power revenue, cannot be constructed, at least within the foreseeable future. These projects are designed to irrigate thousands of acres of presently unirrigated lands, and to provide supplemental water for more thousands of acres which are now inadequately irrigated. Again, forecasting the future, America in 25 or 50 years must depend heavily upon the production of these lands to feed its men, women, and children. Is a dam which creates a reservoir which serves these present and future purposes a nonessential dam?

Industry and municipalities throughout the seven States of the Colorado River Basin, and beyond, are power hungry. The demand so greatly exceeds the supply that many communities cannot be assured of an adequate supply of power past the year 1962. These communities, industries, municipalities, and great cities of the Colorado River Basin are as much entitled to an ample supply of power as are similar entities in the East. Is a dam which includes a powerplant which, in turn, will greatly augment this inadequate power supply a nonessential dam?

I shall not go further in discussing the benefits which will accrue to the Gunnison Basin, western Colorado, the State of Colorado, the seven States of the Colorado River Basin, and in fact, the United States of America, as the result of the construction of the Curecanti project. I merely invite you and those who oppose such construction, including the author of this article, to spend just a little time in further research on the subject.

The author of this article, on his muffled drums, beats a lugubrious requiem presaging the "doom of a great trout river." I think it would be more proper to arrange for an orchestra to play a fanfare announcing the birth of a recreational area and era which men will never see save only for the Curecanti reservoirs.

Yours very truly,

JOHN B. BARNARD.

Mr. ALLOTT. I have known Mr. Barnard, a very prominent Democrat of my State, as a man and as an attorney, as well as a friend, for 30 years.

I point out in conclusion that Mr. Barnard directs attention to the fact that the article referred to, which was given such nationwide circulation, is based almost exclusively upon a very cursory and short trip to this area by the author.

MOUNT EVANS, COLO.

Mr. ALLOTT. Mr. President, one of the most awesome sights to which the Colorado visitor may be treated is the mighty spectacle of Mount Evans. This massive peak, wearing its cape of snow 9 months of the year, lies just 35 air miles west of Denver, overlooking the heart of our State. Significantly enough, it is named for a man who strengthened that heart and made it throb with newfound pride and a bustling economy. The man is John Evans, appointed by President Lincoln as the second Governor of the year-old Colorado Territory.

This energetic Methodist layman-physician had already established a

successful carreer and might well have remained on his laurels rather than accepting the challenge of this new and raw land. But such was not the character of this farsighted pioneer. He saw the tremendous potential in Colorado, accepted the post and plunged forthwith into molding from the new territory a great State.

Mr. President, this period in the life of John Evans is a fascinating story of courage, energy, and skill. The story of this era is well-documented and colorfully told in the April 1960 issue of Together magazine.

So that my colleagues may share with me the warmth and pleasure of this story, I ask unanimous consent that it be reprinted in full at this point in my remarks.

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

JOHN EVANS

(Most Americans thought Colorado an inhospitable wilderness—until Lincoln sent this vigorous new Governor.)

(By Paige Carlin)

He was hardly the typical settler, this husky gentleman stepping off the stage that May day in 1862. New arrivals were scarcely a rarity in Denver City; none of the 3,000 inhabitants had lived there more than 4 years. But unlike most of those who had drifted in and out of Denver since 1858, John Evans was no fortune seeker. He had already built one fortune, as well as an enviable reputation, in Indiana and Illinois. Now he was in the Pikes Peak country on official business: President Lincoln had appointed him the second Governor of the year-old Colorado Territory.

Considering the success he had enjoyed in the Chicago area, it is remarkable that Dr. Evans even considered the offer of a political appointment in the remote and undeveloped West. Behind this bustling Methodist layman-physician was a distinguished career during which he had blazed new trails in medical knowledge; ahead—well, the vast Pikes Peak region was a frontier still menaced by hostile Indians. Its rugged mountains and high, dry plains seemed to hold little promise that the territory could ever attain stability.

Evans, however, was not a man to waste time worrying. Instinctively sensing the area's potential, he envisioned Denver as the future center of the sprawling Rocky Mountain region. Within a few months after his arrival, he had taken steps to deal with the Indian problem, had called on the legislature for schools and institutions to move the territory toward permanence, and had associated himself with Denver's first congregation of Methodists, then less than 3 years old. And he soon became a member of the church's board of trustees.

What sort of man was this who could so quickly set the city on the highway to prominence—and at the same time found one of present-day Colorado's first families?

By birth, Evans was an Ohio Quaker. Over his parents' objections he studied medicine in the office of a friendly doctor, practiced between school terms, and completed his training at Lynn Medical College in Cincinnati. In 1839, when he was 25, he moved to Attica, Ind., to practice. And there he made two friends—an educator named Matthew B. Simpson and a gangling politician who signed himself, "A. Lincoln."

Both men exerted heavy influence on Evans' life. Simpson, president of Indiana Ashbury (now DePauw) University, later became a bishop of the Methodist Episcopal Church. It was his persuasion that led the doctor to become a Methodist; it was also Simpson's view of education which Evans reflected later as he organized and reorganized educational institutions. As for Lincoln, the physician early became a leading supporter of the Illinois lawyer, winning the respect which eventually caused the Chief Executive to offer him the Colorado appointment.

As a small-town physician, young Evans wielded impressive influence himself. He won an extended battle for better facilities for Indiana's mentally ill and became superintendent of the new state hospital. And while continuing his Indiana work, he accepted a teaching post at Rush Medical College in Chicago, where he perfected obstetrical techniques which remained standard for many years.

Later, on moving to Chicago, he helped to establish the Illinois General Hospital of the Lakes as well as the Illinois and American Medical Societies. His investigations into the causes of cholera led him to push a national quarantine law through Congress.

While engrossed in these many interests, Evans found time to serve Chicago as an alderman, to lead a school reorganization which gave the city its first public high school, and to amass a fortune in real-estate transactions. His life, however, was not without sorrow.

In 1850 his wife, Hannah, followed in death three of the couple's four children. The health of his surviving daughter, Josephine, failed alarmingly. Subsequently, a daughter, Margaret, born to his second wife, Margaret Patten Gray, died in Chicago as a child. By the time the physician moved to Colorado, his family consisted of his wife, his daughter, Josephine, and a son, Robert. Another girl, Anne, was the first Evans born in the new territory.

Shortly before heading toward the Rockies, John Evans achieved one of his most noteworthy accomplishments: he called the 1850 meeting which resulted in the drafting of a charter and the purchase of land for Northwestern University. Evans' personal contributions to the school totaled more than $180,000 and he served on the board of trustees from its formation until his death, including 45 years as board president. In his honor the university's hometown was given the name it still bears, Evanston.

This, then, was the man America's 16th President sent to direct the destinies of the new territory—and who almost immediately took his place in the front ranks of Methodist pioneers and planners.

Denver's earliest Methodists met in cabins and public halls, then rented a carpentry shop for $21 a month. The frame building, located partly in the bed of Cherry Creek, was unfortunately washed downstream by high water in May 1864. Far from dismayed, the Denverites—backed by a $1,000 gift from their bishop—started work on a new brick building, which they dedicated on Lincoln's birthday, 1865. Thanks in part to Evans' generosity, the $21,000 structure, which came to be known as the Lawrence Street Methodist Church, was fully paid for the day it opened. Included in the Governor's gifts were four stained-glass windows—but a mixup delayed their delivery for 13 years.

These early contributions were merely the beginnings of Evans' work for the early Colorado church, which shared in the profits he realized in his business dealings.

When he bought an 80-acre tract of land adjacent to the city for $14,000, the purchase was labeled by many as folly. But within a dozen years the Evans Addition was the location of many of Denver's finest homes—and, typically, it became the site of another of Evans' beneficent projects. Asked by Methodist leaders to help provide a building to house a new mission Sunday school, the ex-Governor (he had resigned a few months after Lincon's assassination) decided to give land as well as cash. The structure was dedicated in 1878 as Evans Chapel in memory of his daughter, Josephine Evans Elbert, who had died 10 years earlier. In charge of the dedication was Evans' long-time friend, Bishop Simpson. Ten years after completion of the chapel, a much larger edifice, Grace Methodist Episcopal Church, was erected on the adjacent lots, which Evans also had given.

Today's Methodist-related University of Denver traces its lineage back to the colorful physician-Governor.

Education was ever a matter of Evans' concern. He had been in Colorado only a few weeks when, in his first address to the legislature, he stressed the need for an institution of higher education. Within 3 months a board of trustees had been formed to superintend construction of a school building. Typically, one of the first contributions, $500, came from the Governor. Construction was started in 1863, and in September 1864 Colorado Seminary opened its doors to some 35 or 45 pupils. When financial woes forced it to close in 1868, Evans, as board chairman, retained control over the property.

Colorado's admission to statehood in 1876 rekindled his enthusiasm and he guided through the legislature a proposal that the school, under Methodist sanction, should be reopened, tax-exempt. In 1879, Colorado Seminary, its building remodeled and enlarged, was back in operation as the University of Denver and Colorado Seminary. It never had to close again. Today the university has average quarterly registration of 5,500 students on two campuses. Adjoining the suburban grounds is the Iliff School of Theology.

During his lifetime John Evans gave the university about $150,000. And as chairman of the school's board of trustees, he gave uncounted hours of farsighted leadership. His son, grandson, and great-grandson have continued that tradition of leadership, serving as heads of the board.

In 1959, expansion of the University of Denver's downtown campus forced clearance of the Grace Church property, but Evans Chapel was saved. A $75,000 gift from the Governor's descendants permitted the beautiful little building to be dismantled stone by stone, then reconstructed on the school's suburban location.

John Evans' generosity with both his money and his time was not limited to churches and organizations of which he was a member. For a time he was chairman of the board of trustees for the First German Methodist Episcopal Church. He was a leading contributor to Asbury and Christ Methodist and First Baptist churches in Denver, and to the Baptist Woman's College (now Colorado Woman's College). He customarily gave $100 to every new church organization in Colorado, regardless of denomination.

Such a man could not pass long unnoticed among his fellow Coloradoans, particularly Methodists, who thrust many positions of leadership and honor upon him. None, however, meant more to him than his elections to the Methodist General Conference, first in 1872, and again in 1880, 1884, 1888, and 1892.

His work, buttressed by the labor of his descendants, has made the Evans name one of honor in the Centennial State and elsewhere. Today it is found on schools, streets, a town, and even on one of Colorado's most impressive mountains. Mount Evans, 14,260 feet high and 35 air miles west of the Colorado capitol, rises in massive dignity above its near neighbors. Snowcapped most of the year, the peak dominates Denver's spectacular westerly view toward the Continental Divide. Appropriately, the mountain first received its name by general agreement of Coloradoans; then, a few days before Evans' 81st birthday in 1895, the legislature made it

official. Today the world's highest auto road climbs to the summit, 150 feet higher than more publicized Pikes Peak.

When he died on July 2, 1897, John Evans had lived 83 years. Few other men ever made more complete use of a lifetime than did this physician, railroad builder (he led the fight which had brought two railroads to Denver by 1870), executive, educator, philanthropist, idealist, and—in the best sense of the word—churchman.

AMENDMENT OF MOTOR VEHICLE SAFETY RESPONSIBILITY ACT OF THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (S. 2131) to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, as amended.

APPOINTMENT OF SENATORS TO OFFICIAL DELEGATION OF AMERICAN BATTLE MONUMENTS COMMISSION

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Chair has been requested by the Vice President to announce his designation of Senators THOMAS E. MARTIN, of Iowa, and STEPHEN M. YOUNG, of Ohio, to represent the Senate on the official delegation of the American Battle Monuments Commission to dedicate six of the World War II American Military Cemeteries in Europe, during the period July 4–25, 1960.

THE POLARIS SUBMARINE AND NATIONAL DEFENSE

Mr. ENGLE. Mr. President, I wish to call to the attention of the Senate a series of three editorials appearing currently in the New York Times relating to national defense. They are numbered 1, 2, and 3. Although I do not agree in all particulars with all that is said in these editorials, I believe in general they present a very fine analysis of our defense posture.

I was particularly attracted to the editorial "National Defense—II" which was the second in the series, and in which the New York Times dealt with a matter I had under consideration in recent weeks. That is the position of the Polaris submarine as a part of our retaliatory strike force. The editorial makes the following statement:

> Judged by these yardsticks it becomes immediately apparent that the kind of deterrent—its degree of invulnerability and its flexibility—is far more important than number of missiles.

The editorial is referring to the fact that what we need in this country is an invulnerable or indestructible retaliatory strike force more than we need anything in the way of a defense.

Then the editorial goes on to refer to the Polaris submarine as being a weapon in that category, and makes the following statement:

> The ballistic missile nuclear-powered submarine, with its ability to cruise submerged across oceans and under the Polar ice cap and to launch 1,200-mile city-destroying rockets from beneath the sea, best fulfills today the definition of an invulnerable deterrent. It is mobile; hence its position cannot be preplotted; enemy missiles cannot "zero in" on it. It is hidden in the vastness of the sea and extremely difficult to find. These missile-firing submarines can be constructed and put into service much more quickly than we have been doing; if there is real concern about years of danger between now and 1965 we should speed up the Polaris program, rather than pour more tons of concrete for more fixed land sites.

I raise a question with reference to this editorial because I believe the New York Times has fallen victim to some of the progaganda with reference to the Polaris submarine. I do not believe the Polaris submarine, as presently perfected, has the invulnerability or the striking capability that is represented for it. I say that although I have vigorously supported the Polaris submarine as a portion of the retaliatory strike force of America at this time.

In order to get the facts on the record with reference to some of the basic questions in my mind with regard to the Polaris submarine, I wrote a letter to the Secretary of Defense, Mr. James S. Gates, Jr., under date of April 27, 1960, in which I asked him some questions.

I said to the Secretary:

> As you know, I have been a vigorous supporter of the development of the Polaris submarine. During recent weeks, however, I have become increasingly concerned about what appear to be some public misconceptions regarding this weapon system.
>
> From recent statements in the press and before congressional committees the public has been led to believe that the Polaris submarine is completely perfected and operational. Furthermore, I feel sure that the public generally has gotten the idea that the Polaris submarine is a wholly indestructible weapon and, therefore, may be a complete answer to all of our requirements for strategic forces.

May I say, Mr. President, that the editorial in the New York Times, and other statements I have seen, clearly substantiate this statement.

In my letter to the Secretary of Defense I go on to say:

> In order to clarify this matter in the public mind, I have prepared a series of questions on which I would appreciate your comments. It will be appreciated if you will refrain from including in your answer any classified information. If classified information directly affects or modifies any answer you give, I would appreciate your so indicating and I will arrange to get that information separately.

Mr. President, I want that information just in case I may be wrong about this matter, or the classified answers of the Secretary of Defense may modify to some extent the answers which otherwise could be given to the public.

The first question I asked was this:

> Have we as yet solved the technical problems involved in accurately firing a submerged missile? I understand that gravity information is required concerning the land mass from which a missile is fired and that this gravity information must be coordinated with information as to where the missile is going. I have not been able to figure out how we will get this information with reference to particular points under the sea when the Polaris submarine is traveling from place to place.

Mr. President, let me say that I know we are undertaking to put the Minuteman missile on flatcars throughout the country, and it is necessary for the Air Force to find the gravity information with reference to all the railway track areas on which those trains will operate. How the Navy can get that information in the vastness of the sea I have never been able to figure out.

The second question I asked was this:

> Have we been able to solve navigational problems which will make it possible for a submarine traveling under water to know precisely where it is at all times? For instance, what happens to the navigational problems where there are under water currents exceeding five knots? I have been informed that in launching a missile the launch platform must be on the same datum plane as that of the target. Have we solved these problems?

I asked that question because if there are these underwater currents—and we understand that there are vast rivers under the sea—they may change the position of the submarine. So far as I know, there is no way of finding out how far a submarine drifts under water when it is drifing in one of these major currents.

Therefore, it would be impossible to tell exactly where the submarine was at the time the missile was fired, and difficult if not impossible to achieve an accurate targeting of the weapons system.

Question No. 3, which I asked the Secretary of Defense, is this:

> Am I correct in the information I have that a gyrocompass navigational system degrades substantially when the submarine is deployed in areas about 70° latitude? If this is true, the North Atlantic does not constitute an ideal launching area not only because of ice but because of guidance problems.

I call attention to the fact that the New York Times in its editorial referred to the fact that the Polaris submarine could cruise under the ice in the Arctic. There are two problems connected with that. The first is with respect to getting up through the ice. I understand that is not the easiest job in the world. Punching a hole in the ice may dent the submarine and may cause structural damage to the submarine which may make it impossible for the submarine to operate.

But, in addition to that, I have been informed that the gyrocompass navigational system degrades substantially when the submarine is deployed in an area above 70° latitude.

If that is true, we would not have a good navigational system to shoot with. As a consequence, shooting the Polaris missile from a submarine in the Arctic would not work at all or very well.

It would not work because it may not be possible to get up through the ice; even after getting through the ice and after the missile was fired, it would not be possible to have it hit where it was supposed to hit inasmuch as the gyrocompass navigational system degrades substantially when the submarine is deployed in areas above 70° latitude; and of course all the area in the Arctic is above 70° latitude.

My fourth question was:

> If these questions have not all been solved, or if they have been solved and have not

been tested under operational conditions, do you believe it is wise to build a great number of these submarines until those problems are solved and their solutions tested under operational conditions?

The reason I raised that question was that I understand that we have authorized some 18 Polaris submarines, at great cost, but have never actually tested one from an operational standpoint. My point is that we ought not to build 40, 45, or 50, or any other great number of Polaris submarines until we know the answers to these questions, notwithstanding what the New York Times says in its editorial, namely, that the wise thing to do is to build a number of Polaris submarines, and perhaps only 50 or 100 of the Minuteman, the Atlas, the Titan, and the others.

My fifth question:

If the Polaris submarine must utilize a fixed predesignated, presurveyed underwater point as a part of its initial positioning process, will it not be possible for the Soviets to locate those underwater positions and destroy our submarines either by mining the locations or by using antisubmarine submarines?

This bears directly on what I am talking about, because if it is not possible to shoot a Polaris from under water, except in predesignated and presurveyed underwater positions which can be identified, then the Soviets can identify those positions, can mine them, and can protect them with antisubmarine devices, including antisubmarine submarines.

My sixth question:

If we assume that the Soviets have the same technical competence in underwater detection that we have, will it not be possible for the Soviets to locate our Polaris submarines and destroy them?

Of course, this is precisely the point I am making. I suggest that there are only a few places under water that can be designated in advance for the launching of Polaris missiles. Those, of course, would be known to the Soviets as well as to ourselves. They would be sites clearly identifiable under water. If we know where they are, we have every reason to believe that the Soviets will know where they will be and where our submarines will be.

Inasmuch as the Polaris is programed for a range of 1,500 miles, does not that limit the areas from which our submarines can launch a useful attack against the Soviet mainland to the Norwegian and Mediterranean areas?

I stress this particular question in view of the statement made in the editorial in the New York Times, which reads:

The ballistic missile nuclear-powered submarine, with its ability to cruise submerged across oceans and under the Polar ice cap and to launch 1,200-mile city-destroying rockets from beneath the sea, best fulfills today the definition of an invulnerable deterrent.

Then the editorial goes on to say that the submarines can be hidden in the vastness of the oceans.

The plain fact is that a Polaris submarine could launch an effective attack against the Soviet Union only from the Norwegian Sea and the Mediterranean Sea. Their programed range is such that they cannot reach any part of the Soviet Union except from those seas.

I continue with my letter to the Secretary of Defense with this comment:

My concern here is that during peacetime the Soviets can isolate the areas from which the Polaris can effectively operate, can thoroughly explore those areas for the purpose of determining our possible launch points, and keep those areas under complete surveillance with every type of detection system with which our own scientists are familiar. The present size of the Soviet underwater fleet suggests that the Soviets could practically saturate the limited areas from which the Polaris can operate with antisubmarine submarines and with the attendant detection systems on the sea, under the sea, and in the air.

The Soviets have tremendous knowledge of this area. We know how they can find submarines. As a matter of fact, I have the feeling that it will not be very long before it will be possible to tell when a submarine has crossed under the water 6 to 10 hours after it has gone by, because of the wake it creates, which still exists in the pattern of the sea, no matter how deep down it goes.

I continue:

This is what leads me to raise the question as to whether or not the Polaris has the invulnerable characteristic which has been credited to it in information given to the general public.

This also raises the question of what will be our response if some of our subs are destroyed and whether it is prudent to expose ourselves in this manner.

The point I am raising there is: What if we should happen to lose a few of those submarines? If they are blown up, nobody will know what has happened. The subs will not return; that is all. A very effective system to get rid of this deterrent weapon would be to knock out all the subs.

The Soviets have shot down our airplanes. I read on the news ticker a few minutes ago an admission by the Russians that they have shot down one of our airplanes. What makes anyone believe that the Soviets would not destroy one of our submarines in the Mediterranean or the Norwegian area, or elsewhere, if they happened to find one there? The submarine simply would not come back. There would be no proof of what had happened. It might be that the missile itself had developed a short circuit or some other trouble which caused it to explode underwater. There is no way to determine those things.

I continue in my letter to the Secretary of Defense:

Apparently my concern about Soviet tactics in destroying our submarines one by one during so-called peacetime is shared by Admiral Burke because he recently indicated to the Holifield Subcommittee on Military Operations that the Soviet ASW capability could force him to withdraw his submarines to more friendly waters. What bothers me here is that by doing so, they would be deprived of timely response of our strategic systems.

In other words, if our submarines are chased out of those waters, there will be no retaliatory striking force. I continue:

In raising these questions, I am not downgrading the Polaris submarine as an important element in our military arsenal. On the other hand, I believe that it ought to be made perfectly plain to the public that the Polaris submarine complements the other weapons systems upon which our entire defense posture relies; and, furthermore, that we should not move too rapidly with it until we have completely proven its operational capability. On this point I am informed that the cost of the Polaris is about $1.5 million per missile.

That is per missile, not per submarine.

However, when we add the cost of the submarines, the tender, and the necessary support forces, I am informed that the cost will be 8 to 10 times as much per missile on station. Am I correct on these figures? And if I am, how does the cost then per missile of this weapon system compare with the anticipated per missile cost of the Minuteman in silos or on railroad cars?

I then asked for an early response to these questions.

I have information that the fact of the matter is that Minuteman missiles can be put on railroad cars much cheaper than the cost of building Polaris submarines and their attendant systems.

So the questions I raise, first, is why should we build so many Polaris submarines when a Polaris submarine has never been tested at sea? Why should we commit ourselves, as the New York Times seeks to have the Government do, to a Polaris system of offense when we have not even shot one Polaris yet under operational conditions; under conditions of, say, heavy seas, where I understand if the missile pivots off a certain number of degrees, its operational system is no good?

Furthermore, the alleged invulnerability of the Polaris does not exist; it can be traced and can be found.

We know that the Soviets have between 400 and 450 submarines. They could saturate the areas from which the Polaris could attack and keep it out of range, if they wanted to do so.

In addition, as a final matter, I suggest to the Secretary of Defense that the cost of this weapons system actually is very much greater than the cost of the present program for the Minuteman.

Mr. President, I ask unanimous consent that the full text of my letter be printed at the end of my remarks. I have quoted substantially from the letter, but I have interpolated as I have gone along. Therefore, I should like to have the full text printed in the RECORD.

I ask unanimous consent also to have printed at the end of my remarks the three editorials with respect to our national defense which were published in the New York Times, the third of which was published in the Times today.

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

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
April 27, 1960.

The Honorable THOMAS S. GATES, Jr.,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: As you know, I have been a vigorous supporter of the development of the Polaris submarine. During recent weeks, however, I have become increasingly concerned about what appears to be some public misconceptions regarding this weapon system.

From recent statements in the press and before congressional committees the public has been led to believe that the Polaris submarine is completely perfected and operational. Furthermore, I feel sure that the public generally has gotten the idea that the Polaris submarine is a wholly indestructible weapon and therefore may be a complete answer to all of our requirements for strategic forces. In order to clarify this matter in the public mind, I have prepared a series of questions on which I would appreciate your comments. It will be appreciated if you will refrain from including in your answer any classified information. If classified information directly affects or modifies any answer you give, I would appreciate your so indicating and I will arrange to get that information separately.

1. Have we as yet solved the technical problems involved in accurately firing a submerged missile? I understand that gravity information is required concerning the land mass from which a missile is fired and that this gravity information must be coordinated with information as to where the missile is going. I have not been able to figure out how we will get this information with reference to particular points under the sea when the Polaris submarine is traveling from place to place.

2. Have we been able to solve navigational problems which will make it possible for a submarine traveling under water to know precisely where it is at all times? For instance, what happens to the navigational problems where there are underwater currents exceeding 5 knots? I have been informed that in launching a missile the launch platform must be on the same datum plane as that of the target. Have we solved these problems?

3. Am I correct in the information I have that a gyro compass navigational system degrades substantially when the submarine is deployed in areas above 70° latitude? If this is true, the North Atlantic does not constitute an ideal launching area not only because of ice but because of guidance problems.

4. If these questions have not all been solved, or if they have been solved and have not been tested under operational conditions, do you believe it is wise to build a great number of these submarines until those problems are solved and their solutions tested under operational conditions?

5. If the Polaris submarine must utilize a fixed predesignated, presurveyed underwater point as a part of its initial positioning process, will it not be possible for the Soviets to locate those underwater positions and destroy our submarines either by mining the locations or by using antisubmarine submarines?

6. If we assume that the Soviets have the same technical competence in underwater detection that we have, will it not be possible for the Soviets to locate our Polaris submarines and destroy them?

7. Inasmuch as the Polaris is programed for a range of 1,500 miles, does not that limit the areas from which our submarines can launch a useful attack against the Soviet mainland to the Norwegian and Mediterranean areas?

My concern here is that during peacetime the Soviets can isolate the areas from which the Polaris can effectively operate, can thoroughly explore those areas for the purpose of determining our possible launch points, and keep those areas under complete surveillance with every type of detection system with which our own scientists are familiar. The present size of the Soviet underwater fleet suggests that the Soviets could practically saturate the limited areas from which the Polaris can operate with antisubmarine submarines and with the attendant detection systems on the sea, under the sea, and in the air. This is what leads me to raise the question as to whether or not the Polaris has the invulnerable characteristic which has been credited to it in information given to the general public. This also raises the question of what will be our response if some of our subs are destroyed and whether it is prudent to expose ourselves in this manner.

Apparently my concern about Soviet tactics in destroying our submarines one by one during so-called peacetime is shared by Admiral Burke because he recently indicated to the Holifield Subcommittee on Military Operations that the Soviet ASW capability could force him to withdraw his submarines to more friendly waters. What bothers me here is that by doing so, they would be deprived of timely response of our strategic systems.

In raising these questions, I am not downgrading the Polaris submarine as an important element in our military arsenal. On the other hand, I believe that it ought to be made perfectly plain to the public that the Polaris submarine complements the other weapons systems upon which our entire defense posture relies; and, furthermore, that we should not move too rapidly with it until we have completely proven its operational capability. On this point I am informed that the cost of the Polaris is about $1.5 million per missile. However, when we add the cost of the submarines, the tender, and the necessary support forces, I am informed that the cost will be 8 to 10 times as much per missile on station. Am I correct on these figures? And if I am, how does the cost then per missile of this weapon system compare with the anticipated per missile cost of the Minuteman in silos or on railroad cars?

Your early response to these questions will be very much appreciated.

Sincerely yours,

CLAIR ENGLE,
U.S. Senator.

[From the New York Times, May 3, 1960]

THE NATIONAL DEFENSE—I

The House of Representatives is scheduled to begin today debate on the national security budget for the next fiscal year. To this critically important subject we propose to devote three editorials—the first of which, dealing with the space program, we publish today.

SPACE—THE BALANCE SHEET

Any nonpartisan evaluation of U.S. space accomplishments will find reasons for pride and some for sorrow.

From a standing start we have forged into a clear-cut scientific lead in the race for space. The United States has launched successfully 18 earth satellites and two other deep-space probes; 11 of these are still in orbit, plus a reentry capsule of another satellite. The U.S.S.R. has launched a total of six satellites or deep-space probes; two are still aloft. Despite the far greater weight of the Soviet space vehicle the United States has gathered far more scientific information from space. In instrumentation, communications, electronics, reliability and guidance U.S. space vehicles have made giant steps; in these aspects of space exploration we need fear no comparisons with Russia or any other nation.

However, in awareness of the political and psychological importance of space achievements Moscow has been far more perceptive than Washington. Our greater proficiency in the accumulation of scientific data has been more than offset in world opinion by the Russian "firsts": first sputnik; first deep-space probe; first picture of the "dark side" of the moon; first rocket to hit the moon. Moreover, the Soviet space program excels our own in the greatly superior thrust of the Soviet boster rockets.

In organization and administration of the space program—a problem which has confused and slowed our efforts—the United States at last seems to be making order out of disorder. The National Aeronautics and Space Administration—the civilian agency, must work hand in hand with the Pentagon and with the Atomic Energy Commission if maximum utilization of the Nation's scientific and technological resources are to be insured. After much pulling and hauling and shifting of subsidiary agencies, some interagency teamwork seems to be evident in Washington, and the once acid space rivalry in the Pentagon has now been controlled—or at least dampened—by recent organizational changes. The present organization, with authority for the space program divided among several agencies, is far from ideal. But it can be made to work, and there are signs that it is working.

This review of past achievements and present position gives some cause for pride but none for complacency.

SPACE—THE FUTURE PROGRAM

The exploration—and particularly the exploitation—of space will be expensive. Dr. T. Keith Glennan has estimated that the NASA budget alone will require about $12 to $15 billion over the next decade. The Pentagon is now budgeting at the rate of almost half a billion annually for space projects, and the Atomic Energy Commission, which is developing nuclear power for space vehicles, absorbs added millions.

These are large sums—so large that there is no room in our space program for ill-conceived projects, for unnecessary duplication, for wasteful rivalry or for schemes that are more costly than they are worth. The suggested miltary "base on the moon" would seem to fit into the category of the functionally useless, if indeed, it should ever be technically feasible. Nevertheless, the exact shape of our future space programs must be approached with an open mind, for no one knows today what we shall find in the infinite.

We can see a short way ahead, and for these next few years our planned program is sound, with one current exception. The NASA space budget for the 1961 fiscal year requested, as submitted to Congress, $915 million. The House, despite all its vocal protests in the past about our standing in the space race, has cut almost $39 million from this amount. This cut is pennywise and pound foolish. It is all the more inexplicable, in view of a reduction imposed by Congress last year in the current year's appropriation for NASA, a reduction which has slowed the overall program, and which the President is now seeking to have restored. The new cut could well delay Project Mercury or force the elimination of important scientific experiments. Even if the full amount requested is funded, NASA will not have enough money in 1961 to provide "backup" boosters for space projects that may fail at takeoff. The administration budget, indeed, pares the space budget almost too fine. If we accept the fact that we are in a space race—as we should—we must act accordingly, and the Senate should increase the NASA budget, rather than decrease it.

For the more distant future, we can only feel our way. There are two principles which should serve as guidelines. The first is that our imagination, our concept, must approach the magnitude of the task. We are literally trying to plumb the infinite; the closed or biased mind, the little man, the preconception, have no place in such a program. The second principle must complement the first. Our space program, while reaching out into the infinite, must be keyed to specific goals—scientific, military, political and psychological goals, to goals that are

economically feasible and that are in balance with the higher priority needs of our own environment.

There is a third point—derived from our experience with the International Geophysical Year and our explorations in the Antarctic. During the IGY—and more particularly in the Antarctic—scientists and technicians of the United States and Soviet Russia exchanged information, and in some few instances worked side by side to plumb the mysteries of nature. Our future space program should, whenever possible, exploit the possibilities of such mutual effort. Science and exploration can serve as a bridge between peoples, and the international conquest of space might help to shatter the Iron Curtain.

[From the New York Times, May 4, 1960]

THE NATIONAL DEFENSE—II

In this, the second of three editorials on the subject of national security, we consider the question of the so-called missile gap.

Missiles and other systems capable of delivering nuclear warheads on targets hundreds, or thousands, of miles away obviously are of key importance to deterrence against general war. Their development, production and procurement is generously funded in the 1961 budget, but critics say the funding is not generous enough and that by 1962 the Soviet Union will have ready for use two to three times as many intercontinental ballistic missiles as we shall have.

At the outset, several points seem clear. First, in a matter that could mean life or death to the Nation, budgetary considerations must not be the limiting factor. The United States is spending for security only about 9 to 10 percent of its gross national product, as compared to Russia's 25 percent.

Second, deterrence is a complex problem. Successful deterrence—that is, convincing any potential enemy before the event that it would be foolhardy, indeed ruinous, to attack us or our allies—obviously cannot be keyed to any one weapons system or, indeed, to weapons alone. Deterrence, in its broadest sense, implies defensive as well as offensive weapons of many types, passive or civil defense, and political, psychological and economic measures.

Third, Congress should avoid what the services call "the numbers racket." Numbers of weapons alone, without reference to strategic requirements, have no meaning. To put the same point in another way, deterrent strength must be keyed to the Nation's strategic concept. Our entire strategy has been based upon the idea that we shall not strike first; in other words, our deterrent—if it is to deter—should be able to survive any enemy surprise attack and then to inflict unacceptable damage upon the enemy. This means that our offensive nuclear capability must be more or less invulnerable to enemy attack; it must be hidden, protected or mobile.

DETERRENT POWER

All these considerations profoundly influence any dispassionate and nonpartisan consideration of the defense budget. Judged by these yardsticks it becomes immediately apparent that the kind of deterrent—its degree of invulnerability and its flexibility—is far more important than number of missiles. Judged by the same yardsticks it is clear that our present ICBM—the Atlas missile—is only one element of our deterrent power, though an important one.

Judged again by the same yardsticks, one is forced to conclude that the United States, influenced too much by service rivalries, industrial pressures, technological uncertainties and the numbers racket, has developed a tremendous overkill capability (the capability of devastating Russia many times over) and a very expensive yet fractionally effective warning and defensive system against enemy attack. The bulk of our missiles and planes is at fixed land bases—the locations of which are well known to Russia, and which cannot be protected against surprise attack.

Congress should recognize that the best defense is a good offense, and that the tremendous and expensive defensive systems—the DEW line, Nike-Hercules, and so on—cannot insure anything like an invulnerable deterrent. We have produced weapon after weapon which has approached technical obsolescence even before it was fully operational. Therefore the recent decision of the Air Force virtually to eliminate the Bomarc B long-range defensive missile program and to cut back heavily the Sage control system are sensible decisions, even though they were forced by budgetary limitations, rather than technological logic. Similarly the Defense Department is wise today to restrict the Nike-Zeus antiballistic missile to development funds until its utility has been proved.

FOR CONGRESS TO CONSIDER

But Congress will find that some things have been left undone. The ballistic missile nuclear-powered submarine, with its ability to cruise submerged across oceans and under the Polar ice cap and to launch 1,200-mile city-destroying rockets from beneath the sea, best fulfills today the definition of an invulnerable deterrent. It is mobile; hence its position cannot be preplotted; enemy missiles cannot "zero in" on it. It is hidden in the vastness of the sea and extremely difficult to find. These missile-firing submarines can be constructed and put into service much more quickly than we have been doing; if there is real concern about years of danger between now and 1965 we should speed up the Polaris program, rather than pour more tons of concrete for more fixed land sites.

A fleet of 45 to 50 missile-firing submarines, plus several hundred land-based ICBM's to reach those targets Polaris cannot reach, plus the newer bombers of the Strategic Air Command (on ground or air, alert) equipped with air-to-surface long-range missiles, constitute a formidable deterrent.

But we must look to the future. Missiles, once launched, cannot be recalled; they have a strategic inflexibility which means they must be supplemented by other delivery systems. The piloted missile-firing plane, provided it can keep the air for days at a time, can become tomorrow another form of invulnerable mobile deterrent, similar in a different medium to the Polaris submarine today. Most professional opinion now believes that there will continue to be military use for the piloted aircraft as long as one can foresee.

In this light, the decision to cut back so severely the North American B–70 Valkyrie supersonic bomber program would appear to be a mistake, unless a compensating additional amount had been added to the development funds for a nuclear-powered bomber.

Thus, the U.S. defense budget must be studied in detail, not condemned or supported on the basis of a gap in one weapon or one system. Enough money is being made available to provide a reasonable deterrent against nuclear aggression, but not enough of it is going to the most important element of defense today—a mobile missile-launching capability, and to a flexible instrument of strategy—the piloted plane.

[From the New York Times, May 5, 1960]

THE NATIONAL DEFENSE—III

The doctrine of massive retaliation—at a time and place of our choosing—is, of course, an essential component, indeed a primary component, of our strategic concept, but it provides no total answer to our defense needs. In considering the national defense budget, Congress must determine whether or not the Nation has made sufficient provision for limited war forces. For limited war, as current history has clearly demonstrated, is by far the most likely kind of military emergency we face.

Congressional committees have already highlighted some of our principal weaknesses in deterring and fighting limited wars. In general, our first and greatest weakness is the increasing obsolescence of much of the Army, Navy, Air Force, and Marine Corps equipment and weapons useful for so-called conventional war. Put quite simply, the great stockpiles of weapons and equipment accumulated during World War II and Korea are being worn out, or are reaching technological senility more rapidly than we are replacing them. The numerical size of our forces also has been shrinking steadily, not only in number of men in uniform but in number of modern and effective arms in use and in stockpile. This shrinkage does not necessarily imply a proportionate decrease in the Nation's combat effectiveness. For new weapons, with greater speeds, ranges, firepower, and so on, can obviously accomplish the same combat tasks as a larger number of older weapons.

There is, however, a clear-cut limitation to the shrinkage process—and in ships, planes, and men (in particular) the services are reaching the point of no return. Admiral Burke, in recent testimony, pointed out that since 1955—the year he took office—the fleet's strength has declined from 1,030 ships to about 817, and from 9,761 aircraft to about 6,800. The construction and modernization program is by no means keeping pace with the increase of obsolescence.

The reduction in numbers is of particular importance in air strength in any situation limited to the use of conventional weapons only. For no missile has yet been developed—or is soon likely to be developed—that can replace the flexibility and effectiveness of piloted aircraft in attacks on tactical targets. Congress should hoist a warning signal against further reductions in numerical strength—particularly in air strength in the fighter, fighter-bomber, attack and light bomber categories.

THE OBSOLESCENCE FACTOR

The obsolescence factor affects all our services. The Army has a particularly good case to make for modernization and replacement. The Army and Marines have many effective new weapons either on the drawing board, in advanced stages of development or in small-scale production. But testimony already given to Congress indicates that the Army is actually barely holding its own. The funds which the administration has provided are not ample to fully replace broken-down, old, or wornout equipment.

The same observations can be made about the Military Air Transport Service, and the Navy's amphibious fleet. These are the two elements of conventional strength which must provide mobility. MATS is now operating only one really modern cargo plane; there is no doubt that modernization of its fleet is badly needed. Similarly, the Navy's amphibious groups require faster and larger ships.

There are also weaknesses in antisubmarine warfare and in other fields. Most important is the fighting man himself. Many steps to improve his morale and strengthen the incentives for service careers have been taken in recent years; others are still needed. Above all, Congress must avoid the overload factor; the manpower strength of the Armed Forces should be maintained at a level sufficient to avoid overloading those in uniform with constant exercises, alerts, and oversea obligations. At the same time the manpower level must be high enough to maintain operational units—particularly those in forward positions—at top manning levels. It is disgraceful, for in-

stance, that the U.S. Army apparently finds it necessary to flesh out its two skeletonized divisions in Korea—divisions closer to the common enemy than any other combat units—with Koreans. Congress should ascertain whether this is a result of budget parsimony or Army misuse of manpower.

There is still another problem Congress should consider—the entire broad problem of the procurement of military manpower, and especially the status and utility of the Reserve Officers Training Corps. The size of the Reserves, particularly of the ground forces of the National Guard and the Reserves, would appear, too, to be growing while the Regular Army is shrinking, a fact that will inevitably result in time in a lopsided ground force.

Thus it is clear there are many problems and many weaknesses in our capability for deterring or fighting limited war. Not all of these problems or weaknesses are as yet really dangerous. It is not necessary, perhaps to point out to the more extremist critics that we still have, as Lebanon and other incidents have shown, a very considerable capability to react with strength to limited threats. Nevertheless, unless the weaknesses discussed are soon eliminated, our conventional forces will become in future years a wasting asset.

THE NEED FOR ALLIES

It is clear that the defense budget requires some major carpentry. But the structure of our security, no matter how strengthened by Congress, can never be firm without additional support.

These editorials have focused upon the contemporary needs of our armed services and our standing in the space race. But the formula for security in the atomic age is far more complex than this; the Atomic Energy Commission, for instance, and the political, economic and psychological elements of national power are major factors.

Above all, it should be reemphasized, particularly at a time when some are urging a "go-it-alone" policy, that the United States is not now—and can never be again—"an island entire of itself." The days of self-sufficiency and isolation are over; the technological revolution in warfare has doomed forever the "Fortress America" concept. We need bases, "outpost lines," friends and allies overseas; we need the world and the world needs us and our military and economic aid.

Modern security means mutual security—NATO, SEATO and other ties. It means a global view, not a maginot line complex. We cannot stand alone.

THE DU PONT-GENERAL MOTORS ANTITRUST CASE

Mr. FREAR. Mr. President, yesterday I received a communication from the mayor of the city of Dover, Del.

This letter, not unlike hundreds and hundreds of others I have received, bespeaks the interest and welfare of a small American investor who, in this instance, is threatened with punitive and confiscatory tax consequences if an involuntary distribution of General Motors stock by the Du Pont Co. is ordered by the Supreme Court, in the Du Pont-General Motors antitrust case.

I emphasize, Mr. President, that in addition to the more than 250,000 Du Pont shareholders, there are some 700,000 General Motors stockholders, making a total of nearly 1 million persons, who will feel an adverse tax impact if this divestiture takes place.

Remedial legislation—Senate bill 200—in behalf of the individual and corporate shareholders is before committee, and would ease the tax burden. I hope both the Senate and the House in their wisdom and in recognition of the rights of nearly 1 million of their fellow citizens will see fit to act affirmatively before adjournment.

I ask unanimous consent that the letter be printed at this point in the RECORD

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

CITY OF DOVER, DEL.,
MAYOR AND COUNCIL,
April 30, 1960.

U.S. Senator J. ALLEN FREAR,
Senate Office Building,
Washington, D.C.

DEAR ALLEN: As stated in our conversation of a few weeks ago—I note in my opinion, the attack by the Department of Justice and the Supreme Court on the Du Pont and General Motors case is having its effect on the stock market and the economy in general, of the country. The attempted confiscation from big business and stockholders is so unpredictable as to discourage business in general. I resent this interference in my holdings which I have been thrifty enough to accumulate, in order to take care of the family in the future years.

I resent this to the point that we folks back home believe that unless this high-handed action is stopped our general economy is bound to suffer.

If this happened behind the Iron Curtain I would understand it, but thank God we live in the U.S.A. and it must not happen here.

You may use this letter and my name if you care to and any other way that I can help; please feel free to advise.

Sincerely,

W. EDWARD HAMAN,
Mayor.

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

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENGLE in the chair). Without objection, it is so ordered.

VISIT TO THE SENATE BY MEMBERS OF THE PARLIAMENT OF CHILE

Mr. MANSFIELD. Mr. President, I asked unanimous consent for the approval of the Senate that the Ambassador of Chile and his party may accompany the Chilean parliamentarians when, shortly, they will be brought to the floor by the Senator from Oregon [Mr. MORSE].

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

VISIT TO THE SENATE BY MEMBERS OF THE PARLIAMENT OF CHILE

Mr. MORSE. Mr. President, once again as chairman of the subcommittee which deals with Latin American affairs of the Committee on Foreign Relations I have the honor of presenting to the Senate some visiting parliamentarians from Latin America. On this occasion they are from that great democracy in Latin America, Chile. They are accompanied to the floor of the Senate, under the unanimous-consent approval of the Senate, by the very able Ambassador from Chile, who is serving his country in the United States with great distinction.

I am pleased to ask the Ambassador to rise and be recognized by the Senate. I present Ambassador Walter Müller. [Applause, Senators rising.]

Mr. President, one of the parliamentarians visiting us is a Senator from the Senate of the Parliament of Chile, Senator Hugo Zepeda, who was born in 1907. He studied law at the University of Chile. He was admitted to the bar in 1928. He has worked as a lawyer since that time, specializing in mining and noncriminal law. He served in the Chamber of Deputies from 1933 until his election to the Senate of Chile in 1957. He also served as an adviser to the Chilean Mine Credit Bank and as a director of the National Smelter. At present he is the president of the Liberal Party of Chile, the president of a mining company in Chile, and a director of a mining company. He is a former president of the Rotary Club of Coquimbo. We are very honored to have this distinguished Senator with us, and I am pleased to present him to the Senate at this time. [Applause, Senators rising.]

Mr. President, we have with us today two Members of the Chamber of Deputies of the Chilean Parliament. We have with us Mr. Edmundo Eluchans, who was born in 1927. He received a degree in law from the University of Chile in 1949. He is a former provincial president of the Conservative Youth of Valparaiso. He is a former teacher of civic education and political economy. He was elected as a United Conservative Party Member of the Chamber of Deputies in 1957. Concurrently, he is a professor of civil law at the Catholic University of Valparaiso and a writer for one of the great newspapers of Chile. He engages in a private practice of law. It is with great pleasure that I present Deputy Eluchans. [Applause, Senators rising.]

One other visitor from the Parliament of Chile, Mr. President, is Deputy Ignacio Palma, who was born in 1910 in Santiago. He studied architecture and civil engineering at the University of Chile, graduating in 1939. While a student, he was the president of the Association of Catholic Universities and of the Chilean Students' Federation of the University of Chile. He was Minister of Public Lands and Colonization from 1950 to 1952. He was elected to the Chamber of Deputies from South Chile in 1953, and was reelected in 1957. He served as Second Vice President of the Chamber of Deputies in 1958. He is a former president of one of the great parties of Chile. He is a practicing architect and a member of the Chilean Engineers Association.

I am likewise privileged and honored to present to the Senate Deputy Palma. [Applause, Senators rising.]

Mr. President, I wish to say that a group of us who serve on the Committee

on Foreign Relations had lunch with these distinguished visitors this noon. We are the beneficiaries from that opportunity, Mr. President, because we had a wonderful exchange of points of views with our visitors. I think they have demonstrated again the position which some of us have urged for so long, that there should be a great increase in the exchange of parliamentarians between the United States and Latin America.

I know I bespeak the wishes of the entire Senate when I extend to these men, these great leaders of Chile, our very cordial and warm reception.

The PRESIDING OFFICER (Mr. ENGLE in the chair). The Chair joins in the very warm welcome to our distinguished visitors from Chile. The Senate is proud and happy to have you with us in the Senate Chamber.

Mr. MANSFIELD. Mr. President, I wish to join with the distinguished senior Senator from Oregon and the Acting President pro tempore, the Senator from California [Mr. ENGLE], in welcoming our fellow parliamentarians from Chile. They represent a great country and a proud people. Chile is a country which has made many contributions to the welfare of all the Americas. It is a country which we are proud to call friend. We hope that this will be only the first of many visits on the part of other parliamentarians from your great country, and we hope, also, that some of us will be able to visit Chile more frequently.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1961—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10401) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1961, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of May 5, 1960, p. 9596, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HAYDEN. Mr. President, as this bill passed the Senate it provided for appropriations totaling $589,212,625 for the agencies and bureaus of the Department of the Interior, exclusive of the Bureau of Reclamation and power marketing agencies, and the various related agencies, including the U.S. Forest Service.

The conference committee bill provides for appropriations totaling $557,667,600 for the programs and activities of these agencies. This total is over the budget estimates of $530,330,300 by $7,337,300; over the House bill of $543,375,600 by $14,292,000; under the Senate bill of $589,212,625 by $31,545,025.

I ask unanimous consent to have included in the RECORD a tabulation setting out the appropriation for the current year, the budget estimate, the House allowance, the Senate allowance, and the conference allowance for each appropriation in the bill.

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

Department of the Interior and related agencies appropriation bill, fiscal year 1961

[Does not include funds in the pending 2d supplemental appropriation bill, 1960 (H.R. 10743)]

Appropriation title	Appropriation, fiscal year, 1960 (1)	Budget estimate, 1961 (2)	House allowance (3)	Senate allowance (4)	Conference allowance (5)
TITLE I—DEPARTMENT OF THE INTERIOR					
DEPARTMENTAL OFFICES					
Office of Saline Water:					
Salaries and expenses	[1] $1,755,000	$1,355,000	$1,355,000	$1,755,000	$1,355,000
Construction	[2] 1,850,000	2,040,000	2,040,000	2,440,000	2,040,000
Total, Office of Saline Water	3,605,000	3,395,000	3,395,000	4,195,000	3,395,000
Office of Oil and Gas, salaries and expenses	[3] 480,000	480,000	480,000	480,000	480,000
Office of the Solicitor, salaries and expenses	3,091,000	3,400,000	3,248,000	3,348,000	3,248,000
Office of Minerals Exploration, salaries and expenses	[4] 850,000	1,100,000	550,000	550,000	550,000
Total, departmental offices	8,026,000	8,375,000	7,673,000	8,573,000	7,673,000
BUREAU OF LAND MANAGEMENT					
Management of lands and resources	[5] 27,852,000	[6] 24,475,000	24,525,000	28,554,400	25,950,000
Construction	200,000	350,000	350,000	350,000	350,000
Construction (*indefinite appropriation of receipts*)	(7,550,000)	([7])			
Oregon & California grant lands (*indefinite appropriation of receipts*)	(——————)	[8](8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)
Range improvements (*indefinite appropriation of receipts*)	(768,655)	(925,000)	(925,000)	(925,000)	(925,000)
Total, Bureau of Land Management	28,052,000	24,825,000	24,875,000	28,904,400	26,300,000
BUREAU OF INDIAN AFFAIRS					
Education and welfare services	[9] 60,925,000	63,669,000	63,669,000	63,669,000	63,669,000
Resources management	[10] 22,512,000	22,684,000	22,684,000	24,338,000	23,084,000
Colorado River Indian Reservation benefits, Southern and Northern Reserves (*indefinite appropriation of receipts*)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)
Construction	13,575,000	13,575,000	13,575,000	14,825,000	14,215,000
Road construction (liquidation of contract authorization)	14,600,000	13,000,000	13,000,000	16,000,000	14,500,000
General administrative expenses	3,715,000	3,739,000	3,739,000	3,739,000	3,739,000
Liquidation of Klamath and Menominee Agencies	250,000	150,000	150,000	150,000	150,000
Distribution of funds of the Creek Indians	[11] 100,000				
Payment to Klamath Tribe of Indians	100,000				
Total, Bureau of Indian Affairs, exclusive of tribal funds	115,777,000	116,817,000	116,817,000	122,721,000	119,357,000
Tribal funds (not included in totals of this tabulation)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
GEOLOGICAL SURVEY					
Surveys, investigations, and research	42,350,000	[12] 43,365,000	43,000,000	45,065,000	43,650,000

[1] Includes $400,000 in the Supplemental Appropriation Act, 1960.
[2] Includes $1,550,000 in the Supplemental Appropriation Act, 1960.
[3] Includes $90,000 in the Supplemental Appropriation Act, 1960.
[4] Excludes $250,000 transferred to "Health and safety, Bureau of Mines," pursuant to authority in the Second Supplemental Appropriation Act, 1960.
[5] Includes $775,000 in the Supplemental Appropriation Act, 1960; and $2,450,000 in the Second Supplemental Appropriation Act, 1960.
[6] Excludes $850,000 for activities transferred in the estimates to "Oregon and California grant lands."
[7] Excludes $7,078,000 for activities transferred in the estimates to "Oregon and California grant lands."
[8] Includes $7,928,000 for activities previously carried under the following: "Management of lands and resources," $850,000; and "Construction," $7,078,000.
[9] Includes $2,225,000 in the Supplemental Appropriation Act, 1960.
[10] Includes $213,000 in the Second Supplemental Appropriation Act, 1960.
[11] Appropriated in the Mutual Security Appropriation Act, 1960.
[12] Includes $350,000 for activities previously carried under "Operating expenses, Atomic Energy Commission."

Department of the Interior and related agencies appropriation bill, fiscal year 1961—Continued

[Does not include funds in the pending 2d supplemental appropriation bill, 1960 (H.R. 10743)]

Appropriation title	Appropriation, fiscal year, 1960 (1)	Budget estimate, 1961 (2)	House allowance (3)	Senate allowance (4)	Conference allowance (5)
TITLE I—DEPARTMENT OF THE INTERIOR—Continued					
BUREAU OF MINES					
Conservation and development of mineral resources	$21,277,000	$21,667,000	$21,667,000	$22,624,000	$22,017,000
Health and safety	[13] 6,637,000	6,782,000	6,782,000	6,782,000	6,782,000
Construction				2,885,000	2,185,000
General administrative expenses	1,197,000	1,207,000	1,207,000	1,207,000	1,207,000
Total, Bureau of Mines	29,111,000	29,656,000	29,656,000	33,498,000	32,191,000
FISH AND WILDLIFE SERVICE					
OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE					
Salaries and expenses	340,000	382,000	342,000	342,000	342,000
BUREAU OF SPORT FISHERIES AND WILDLIFE					
Management and investigations of resources	13,520,000	18,050,000	18,220,000	18,770,000	18,645,000
Administration of Alaska game law (*indefinite appropriation of receipts*)	(*268,000*)	(.....)			
Construction	3,410,000	3,410,000	3,485,000	4,841,000	4,535,000
General administrative expenses	631,200	950,000	950,000	950,000	950,000
Total, Bureau of Sport Fisheries and Wildlife	17,561,200	22,410,000	22,655,000	24,561,000	24,130,000
NATIONAL PARK SERVICE					
Management and protection	[14] 16,772,000	18,976,000	18,500,000	19,076,000	18,575,000
Maintenance and rehabilitation of physical facilities	[15] 14,435,000	15,250,000	15,000,000	15,250,000	15,000,000
Construction	[16] 16,735,000	16,600,000	18,000,000	21,413,125	18,000,000
Construction (liquidation of contract authorization)	30,000,000	34,000,000	30,000,000	31,000,000	30,000,000
General administrative expenses	1,475,000	1,485,000	1,485,000	1,485,000	1,485,000
Total, National Park Service	79,417,000	86,311,000	82,985,000	88,224,125	83,060,000
BUREAU OF COMMERCIAL FISHERIES					
Management and investigations of resources	6,345,000	[17] 6,249,000	6,249,000	7,051,000	6,591,000
Administration of Alaska fisheries (*indefinite appropriation of receipts*)	(*398,000*)	(.....)			
Construction	[18] 400,000	2,400,000	2,400,000	2,400,000	2,400,000
Fisheries loan fund	3,000,000				
Limitation on administrative expenses, fisheries loan fund	(*515,000*)	(*250,000*)	(*250,000*)	(*250,000*)	(*250,000*)
General administrative expenses	325,000	[17] 361,000	361,000	361,000	361,000
Administration of Pribilof Islands (*indefinite appropriation of receipts*)	(*1,940,000*)	(*2,070,000*)	(*2,070,000*)	(*2,070,000*)	(*2,070,000*)
Total, Bureau of Commercial Fisheries	10,010,000	9,010,000	9,010,000	9,812,000	9,352,000
Total, Fish and Wildlife Service	27,971,200	31,802,000	32,007,000	34,715,000	33,824,000
OFFICE OF TERRITORIES					
Administration of territories	2,606,000	2,560,000	2,560,000	3,060,000	2,810,000
Trust Territory of the Pacific Islands	5,225,000	5,225,000	5,225,000	5,225,000	5,225,000
Alaska public works	[19]	[19]	[19]	[19]	[19]
Total, Office of Territories	7,831,000	7,785,000	7,785,000	8,285,000	8,035,000
OFFICE OF THE SECRETARY					
Salaries and expenses	2,706,600	2,723,000	2,723,000	2,723,000	2,723,000
Total, definite appropriations	341,241,800	351,659,000	347,521,000	372,708,525	356,813,000
Total, indefinite appropriations	11,036,653	11,107,000	11,107,000	11,107,000	11,107,000
Total, title I, Department of the Interior	352,278,453	362,766,000	358,628,000	383,815,525	367,920,000
TITLE II—RELATED AGENCIES					
COMMISSION OF FINE ARTS					
Salaries and expenses	[20] 42,300	69,000	42,300	42,300	42,300
FEDERAL COAL MINE SAFETY BOARD OF REVIEW					
Salaries and expenses	70,000	70,000	70,000	70,000	70,000
DEPARTMENT OF AGRICULTURE					
FOREST SERVICE					
Forest protection and utilization:					
Forest land management	[21] 102,265,800	88,159,700	88,159,700	101,495,800	92,159,700
Forest research	[22] 14,526,400	16,332,000	16,332,000	20,545,400	17,332,000
State and private forestry cooperation	12,327,800	12,334,800	12,334,800	13,584,800	12,334,800
Total, forest protection and utilization	129,120,000	[23] 116,826,500	116,826,500	135,626,000	121,826,500
Forest roads and trails	[24] 28,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Access roads	[25] 1,000,000	1,000,000	1,000,000	2,000,000	1,000,000
Acquisition of lands for national forests:					
Superior National Forest		1,000,000	750,000	750,000	750,000
Cache National Forest	50,000				
Special acts (*indefinite appropriation of receipts*)	(*10,000*)	(*10,000*)	(*10,000*)	(*10,000*)	(*10,000*)
Cooperative range improvements (*indefinite appropriation of receipts*)	(*700,000*)	(*700,000*)	(*700,000*)	(*700,000*)	(*70,000*)
Total, definite appropriations	158,170,000	148,826,500	148,576,500	168,376,000	153,576,500
Total, indefinite appropriations	710,000	710,000	710,000	710,000	710,000
Total, Forest Service, Department of Agriculture	158,880,000	149,536,500	149,286,500	169,086,000	154,286,500

[13] Includes $250,000 transferred to this appropriation from "Salaries and expenses, Office of Minerals Exploration," pursuant to authority in the Second Supplemental Appropriation Act, 1960.
[14] Includes $125,000 in the Second Supplemental Appropriation Act, 1960.
[15] Includes $435,000 in the Second Supplemental Appropriation Act, 1960.
[16] Includes $3,135,000 in the Second Supplemental Appropriation Act, 1960.
[17] Reflects transfer in the estimates of $33,000 from "Management and investigations of resources," to "General administrative expenses," Bureau of Commercial Fisheries.
[18] Includes $55,000 in the Second Supplemental Appropriation Act, 1960.
[19] The 1960 act continues available $350,000 of prior appropriations for administrative expenses and the budget estimate proposes $300,000 for this purpose in 1961. The Senate and House approved the budget request.
[20] Includes $4,500 in the Supplemental Appropriation Act, 1960.
[21] Includes $4,000,000 in the Supplemental Appropriation Act, 1960; and $20,450,000 in the Second Supplemental Appropriation Act, 1960.
[22] Includes $500,000 in the Supplemental Appropriation Act, 1960.
[23] Includes $19,000 for activities transferred in the estimates from "Salaries and expenses, Library," Department of Agriculture.
[24] Includes $2,000,000 in the Supplemental Appropriation Act, 1960.
[25] Included in the Supplemental Appropriation Act, 1960.

Department of the Interior and related agencies appropriation bill, fiscal year 1961—Continued

[Does not include funds in the pending 2d supplemental appropriation bill, 1960 (H.R. 10743)]

Appropriation title	Appropriation, fiscal year, 1960 (1)	Budget estimate, 1961 (2)	House allowance (3)	Senate allowance (4)	Conference allowance (5)
TITLE II—RELATED AGENCIES—Continued					
INDIAN CLAIMS COMMISSION					
Salaries and expenses	$180,000	$195,800	$195,800	$195,800	$195,800
NATIONAL CAPITAL PLANNING COMMISSION					
Salaries and expenses	400,000	408,000	408,000	408,000	408,000
Land acquisition, National Capital park, parkway, and playground system	2,286,000	2,425,000	250,000	1,050,000	250,000
Total, National Capital Planning Commission	2,686,000	2,833,000	658,000	1,458,000	658,000
SMITHSONIAN INSTITUTION					
Salaries and expenses	7,718,000	7,768,000	7,768,000	7,768,000	7,768,000
Additions to the Natural History Building		13,500,000	13,500,000	13,500,000	13,500,000
Salaries and expenses, National Gallery of Art	1,834,000	1,848,000	1,848,000	1,848,000	1,848,000
Total, Smithsonian Institution	9,552,000	23,116,000	23,116,000	23,116,000	23,116,000
CIVIL WAR CENTENNIAL COMMISSION					
Expenses	100,000	100,000	100,000	100,000	100,000
OUTDOOR RECREATION RESOURCES REVIEW COMMISSION					
Salaries and expenses	[25] 850,000	1,180,000	950,000	1,000,000	950,000
TRANSITIONAL GRANTS TO ALASKA					
Grants	[25] 10,500,000	6,000,000	6,000,000	6,000,000	6,000,000
LINCOLN SESQUICENTENNIAL COMMISSION					
Expenses	145,000				
U.S. TERRITORIAL EXPANSION MEMORIAL COMMISSION					
Expenses	4,500				
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION					
Expenses	150,000				
HUDSON-CHAMPLAIN CELEBRATION COMMISSION					
Expenses	25,000				
BOSTON NATIONAL HISTORIC SITES COMMISSION					
Expenses	[25] 20,000				
Total, definite appropriations	182,494,800	182,390,300	179,708,600	200,358,100	184,708,600
Total, indefinite appropriations	710,000	710,000	710,000	710,000	710,000
Total, title II, related agencies	183,204,800	183,100,300	180,418,600	201,068,100	185,418,600
TITLE III—VIRGIN ISLANDS CORPORATION					
Contributions	130,000	691,000	691,000	691,000	691,000
Revolving fund		2,538,000	2,538,000	2,538,000	2,538,000
Loans to operating fund		1,235,000	1,000,000	1,000,000	1,000,000
Limitation of administrative expenses, Virgin Islands Corporation	*(172,000)*	*(172,000)*	*(172,000)*	*(172,000)*	*(172,000)*
Total, title III, Virgin Islands Corporation	130,000	4,464,000	4,329,000	4,329,000	4,329,000
Grand total:					
Definite appropriations	523,866,600	538,513,300	531,558,600	577,395,625	545,850,600
Indefinite appropriation of receipts	11,746,653	11,817,000	11,817,000	11,817,000	11,817,000
Total	535,613,253	550,330,300	543,375,600	589,212,625	557,667,600

Mr. HAYDEN. Mr. President, I shall be glad to answer any questions Senators may have concerning the action of the conference committee.

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

Mr. HAYDEN. I yield to the Senator from Maryland.

Mr. BEALL. It was with great disappointment that I received notice the conference committee deleted $800,000 in Capper-Cramton funds from the Interior appropriations bill.

These funds represented the one-third Federal share to acquire lands for stream-valley parks in Maryland and Virginia.

During the hearings before the Appropriations Committee, I pointed out that the failure to approve these funds would be a breach of faith on the part of the Federal Government. This breach is now complete.

Considering the flood control and soil erosion benefits which would have resulted from these projects, I believe that we may soon regret this false economizing.

The District of Columbia has suffered much damage from floods which have had their beginnings in Maryland. Future damage and danger to the lives of District residents can be averted only by expediting these projects at the earliest possible date.

I will not oppose the adoption of the conference report. However, I should like some assurance from the distinguished chairman of the Appropriations Committee—and I may say the chairman of the Senate committee approves of this appropriation—that the action of the conference committee does not represent a repudiation of the Capper-Cramton Act.

Mr. HAYDEN. Mr. President, I sincerely regret to say that we could not persuade the House conferees to accept what I thought was a very reasonable appropriation under the provisions of Capper-Cramton Act. There is a provision for Federal money to be matched by the States two for one. There was also provision for loans. There was no loan provision provided in the Senate bill.

I thought it was better, inasmuch as we were not appropriating as much as was requested, to allow $400,000 to Maryland and Virginia, each State putting up $800,000. But the House was adamant and they did not want it, and that was it.

Mr. BEALL. I thank the distinguished chairman for his splendid cooperation and his understanding of the necessity of the project. Certainly, the chairman of the Appropriations Committee has been most cooperative all through the time hearings were held on this matter, and I thank him.

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

Mr. HAYDEN. I yield to the Senator from Montana.

Mr. MANSFIELD. I commend the chairman of the Appropriations Committee, who has been a friend of the West, and, in this instance, a friend of the Indian credit program, which provision was put in the bill as it passed the Senate, but which, unfortunately, has

been deleted because of the insistence of the House.

Mr. President, on many occasions I have addressed the Senate and discussed with my colleagues the very serious need for making a substantial loan fund available to our many Indian tribal organizations so that they might proceed with their individual development programs. As I have said so many times, I believe that if we are to achieve success in improving conditions on our Indian reservations, it is necessary that these people help themselves with the assistance and guidance of the various Federal agencies.

In Montana several of our Indian tribal organizations have prepared land development programs both large and small. These programs are submitted to the proper Federal officials in the Bureau of Indian Affairs, and in most cases they show a great deal of ingenuity and individual effort on the part of these Indians. However, that is just about as far as they ever go because the revolving fund for tribal loans is overcommitted and there has been little success in revitalizing this revolving fund.

When the Senate passed the Interior appropriations bill, it included language providing a direct appropriation of an additional $754,000 which would be available for loans from the revolving fund for loans. This would have then made it possible for several of these credit programs to be considered. However, estimates indicate that there are unadvanced commitments in excess of over $1 million.

This Senate action had given some hope to the Indian leaders in my State because they do have a sincere interest in developing their own reservations but they do need financial assistance. But now I am again disappointed because the conference on this money bill rejects the Senate language and the credit programs will continue to be in a state of confusion. I feel that the Congress and the administration are being derelict in their responsibilities to America's first citizens, the Indians, if we do not try to assist them in improving their own livelihood.

Education has been a major force in improving opportunities for our Indian population; health conditions are improving, but reservation development programs are being hamstrung because of the present status of the revolving fund.

Mr. President, I wish to urge as strongly as I can that consideration be given to the direct appropriation of funds for such a loan program in one of the supplemental appropriation bills that will be considered before the adjournment of Congress. I know that the distinguished chairman of the Senate Committee on Appropriations is sympathetic with the need, and I do hope that he will be able to again consider this matter within the committee at an early date.

Again, Mr. President, despite my disappointment in this particular matter, I commend the chairman for his great efforts and the tremendous assistance which he has given to those of us who are interested in the betterment of the conditions of our Indians.

I wish to congratulate the chairman and the Senate conferees on the effort they have made to put into full effect the program for the national forests. I am extremely disappointed that the House would agree to only $4 million more for forest land management and $1 million for forest research.

Today the air is filled with talk about the virtues of multiple-use on our national forests. We will not attain the goals of multiple-use and the harmonious use of our natural resources in our forests unless the investments are made for each and every one of the important elements of the national forest program. This is the key to achieving real multiple-use.

I hope that it will be possible before the Congress adjourns for us to take another look at the Forest Service program and to discuss it with our friends in the House. It is my fervent desire that we fully implement this much needed national forest program.

Mr. MURRAY. Mr. President, I am dismayed that the conferees on the Interior appropriation bill receded from the constructive position taken by the Senate Appropriations Committee regarding the revolving credit fund.

As pointed out in the Appropriations Committee report, the revolving fund is overcommitted. Yet the administration recommended that $754,000 be transferred from this fund to other purposes. There are already unadvanced commitments in excess of $1 million that cannot be granted until payments are made into the fund. Additionally, the Indian Bureau has under consideration further loan requests from deserving and needy tribes. Furthermore, some tribes would like to make requests for loans but have been discouraged from doing so by Bureau officials because the loan fund is overcommitted.

The action of the conferees means that the present poor policy of robbing the credit fund will continue. That fund was set up for loans for Indians. Through the years more than $4 million has been taken from the fund to be used for administration. Now we are asked to take another $754,000 from the fund—as soon as that much accumulates from loan repayments—and use it for other purposes.

I think this amount of almost $5 million that has been used for administration instead of loans should be restored to the fund. I think we should do so this year, when the supplemental appropriations bill is considered. I wish to suggest this procedure to the able chairman of the committee, the senior Senator from Arizona.

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

Mr. HAYDEN. I yield to the Senator from Florida.

Mr. HOLLAND. If my understanding is correct, the action taken on Senate amendment No. 18 is such as to provide that none of the funds covered by the appropriation for acquisition of land for the national park system may be used for the acquisition of the land in the Everglades National Park, Fla. Is that understanding correct?

Mr. HAYDEN. That is correct.

Mr. HOLLAND. I am exceedingly disappointed in that, though I know the conferees did their best to sustain the action of the Senate.

Mr. President, I want the RECORD to show what has happened. The State of Florida contributed $2 million in cash for the acquisition of private land within the original boundaries of the park. The State of Florida also contributed, out of State lands, some 550,000 acres of land and several hundred thousand acres of submerged land.

In its wisdom, the 85th Congress finalized the boundaries of the park so as more nearly to bring them out to the originally intended boundaries, thus fixing permanent boundaries at that time.

It was represented to the Senate and the Congress at that time that when that extension or finalization of boundaries should be completed, the State of Florida stood ready to convey a large additional area, which has been done; and I want the RECORD to show it.

It was also stated that the Collier interests stood ready to convey a large additional acreage of land, which has been done.

The act which finalized the boundaries provided for an authorization as much as $2 million to complete the acquisition of lands in this new area not theretofore included.

It seems to me that Congress is deplorably deficient in living up to the commitments of the Federal Government in turning down this first request for Federal funds that has ever reached Congress for the acquisition of land within that park, wherein the State of Florida and private interests have completely fulfilled their obligation. Florida's fulfilled participation, I have been told, is much larger in value than in the case of any other State, in setting up or finalizing any other national park.

While I regret this conference committee action, I express my gratitude for the efforts of the Senator from Arizona, who saw that this item was put back in this bill after it had been originally eliminated in the House. I am sure he used every effort to retain it in the bill.

May I say that I hope in a supplemental bill during this session this objective may be attained, because the value of land there will continue to rise, if all present predictions are realized. Besides that fact, the final plans for location of the west coast headquarters and the outlining of the tours and the like on the west side of the park, adjoining the Gulf of Mexico, cannot be soundly made until this additional acquisition of private lands is carried out.

I wanted the RECORD to show these facts.

Mr. HAYDEN. The Senator is completely correct with respect to his statement. We made those representations. Apparently the House committee needs further education. Inasmuch as the appropriation was not provided by the House to start with, it was very difficult to try to persuade them to restore the amount.

Mr. HOLLAND. Notwithstanding the fact that it was in the budget.

Mr. HAYDEN. Yes. I regret that the Senate conferees were not able to sustain the position of the Senate with respect to two items included in the land acquisition program of the National Park Service. The President's budget included a request of $450,000 for the acquisition of lands in the Everglades National Park. The House, in acting on the bill, specifically disallowed this request, and the sum of $450,000 was provided in the Senate bill for the acquisition of these lands. The House conferees insisted on their position, while the Senate conferees maintained that these funds were required for an immediate implementation of the provisions of Public Law 85–482, which established new boundaries for the Everglades National Park. However, it was the position of the House conferees that it is not necessary to proceed immediately with this program, and they insisted on their position.

The President's budget also included an item of $950,000 for the acquisition of lands in a number of national park areas. The House bill included $410,000 for this purpose, and the Senate bill provided the budget estimate of $950,000. Again, the House conferees were insistent on their position and we were not able to maintain any of the Senate increase for this item.

The lands which will be acquired will have to be determined by administrative action.

Mr. HOLLAND. I thank the Senator. I should like to ask a question about one additional Florida item.

The Senator will recall that among several items to be paid out of a single budgeted amount there was a small extension of the national monument at St. Augustine, which centers around the old Spanish fort located there.

It is my understanding—and I hope I am correct—that the amount left in the bill for land acquisition, which is $410,000, without being earmarked, may, if it is determined to be necessary, be used to complete the very small acquisition of 3 or 4 acres.

Mr. HAYDEN. The Senator has correctly stated the situation.

Mr. HOLLAND. I thank the Senator.

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

Mr. HAYDEN. I yield.

Mr. BARTLETT. I should like to ask the chairman of the committee if my understanding is correct that substantially all the funds added by the Senate for acceleration of certain technical programs of the Forest Service were deleted in conference, including a proposed forestry laboratory in Alaska?

Mr. HAYDEN. We got an agreement on $5 million of the $18 million which we had in the bill. However, the Fairbanks Laboratory was eliminated.

Mr. BARTLETT. It is my understanding that this laboratory was only one of many which were eliminated as a result of the conference.

Mr. HAYDEN. That is correct.

Mr. BARTLETT. I thank the chairman and the members of the committee for having sought to bring the laboratory into existence. I express the hope that funds for that purpose will soon be provided.

I have one other question. The Senate added funds for land surveys in Alaska in an amount just under $900,000. Those funds were deleted in the conference, were they not?

Mr. HAYDEN. Yes. The Senator will recall that we were not successful in an effort to get funds in the supplemental bill for the current fiscal year for this purpose. If we are going to speed up this program we will have to have a budget estimate; it seems to me.

Mr. BARTLETT. I would hope that the administration would send up such a budget estimate to Congress at a very early date this year, in a supplementary request, and press vigorously for its adoption, because the State cannot acquire the land to which it is entitled under the Statehood Act until the survey money is provided.

I thank the chairman. I commend the Senator for all of his help in connection with the affairs of the West.

Mr. HAYDEN. I thank the Senator from Alaska.

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

Mr. HAYDEN. I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, I was disappointed to learn that the House conferees had refused to concur in the action taken by the Senate committee in attempting to supplement the Indian credit program by transferring the $754,000, heretofore set aside for administrative purposes, into the fund itself, so that this additional money would be made available in the revolving credit fund for the Indians.

As the distinguished chairman of the Appropriations Committee knows so well, today the general revolving credit fund is oversubscribed in the amount of nearly $1½ million.

Mr. HAYDEN. That fact was brought to the attention of the House conferees. It is my hope that the appropriate legislative committee will look into this matter. I feel that there is a definite need for new legislation dealing with the various Indian credit programs.

Mr. CHURCH. I appreciate that. It is my understanding that for the past year or so the Appropriations Committee has advocated a change in the system of making Federal loans to Indian tribes, specifically, the repeal of certain statutes which created some of those funds, and perhaps the consolidation of the Navajo-Hopi funds and the Oklahoma welfare fund with the general fund.

As chairman of the Senate Subcommittee on Indian Affairs, I suggest to the distinguished Senator from Arizona that the staff of the Appropriations Committee and the staff of my subcommittee consult on this problem and attempt to draft legislation looking toward the establishment of a better credit program for Indian tribes.

Mr. HAYDEN. I shall be happy to do so.

Mr. CHURCH. We are eager to cooperate with the Senator in every way.

Mr. MOSS subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD prior to the vote on the conference report on the Interior Department appropriation bill a statement which I had prepared for that occasion.

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

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

STATEMENT BY SENATOR MOSS ON INTERIOR APPROPRIATIONS CONFERENCE REPORT

I compliment Senator HAYDEN and the Senate conferees on their excellent work on this bill. In many instances I note that the will of the Senate prevailed.

I am, however, disappointed with the levels of appropriation provided for the program for the national forests. Funds for this fine program were not requested by the administration even for the minimum first year goals in the appropriation requests submitted. The Senate committee took action to completely fulfill the first year goals. I regret that the House conferees could not go along, and that appropriations in the conference version of this bill are much lower for both forest research and land management.

I am particularly disappointed in the forest land management appropriation. Earlier this year it was my privilege to hold hearings in Twin Falls, Idaho, on grazing problems, and I am convinced that unless we make continued and substantial investments in range development in the West, continued cuts in grazing permits will be inevitable. Balanced range units can best be achieved by a program of land rehabilitation.

I am convinced that a sound program is necessary to provide the income from our timber and range resources, both for the Government and the growing population of the West.

The Secretary of Agriculture has labeled the program for the national forests "Operation Multiple Use." The goals of this program will not be realized by the coining of a phrase. Use must be preceded by development. Development requires an investment in capital improvements. This is a basic business axiom. The chairman of our Appropriations Committee and its members have amply demonstrated, not only this year but in preceding years, that they completely understand and endorse this position. I regret to say that the budgets presented by the administration have not recognized the need for capital investment.

Wishing will not restore the range with usable grasses. Cattle and sheep cannot digest paper programs. Wishes will not put the right trees in the forests. The construction of homes requires wood, not dreams. Fancy phraseology won't provide campgrounds for the 70 million people who visit our national forests. What is required are substantial fireplaces, real picnic tables and usable roads. Plans won't hold the soil on an eroding mountainside. What is needed is realistic soil conservation work which provides proper vegetation cover. Water can only be supplied through proper water management and the Bureau of the Budget cannot manipulate America's need for water as it does the budget figures.

When Secretary Benson presented the program for the national forests, he said "demands are now such that a comprehensive program for the orderly growth of development and management activities is of demonstrated urgency." The budget that was presented did not meet this demonstrated

urgency. The action by the Senate did meet the problem and the results of this conference report provide far less than the record shows is needed.

If we are to attain genuine multiple use on our national forests, there must first be multiple development.

Mr. COOPER subsequently said: Mr. President, I am very glad that the conference report on the appropriation bill for the Department of the Interior includes $540,000 for land acquisition in Mammoth Cave National Park.

While I understand the difficult problem in composing the differences between House and Senate bills, I must say that I was disappointed that there was no increase for State and private forestry cooperation, as proposed by the Senate, and that amounts for forest research and forest land management were not maintained at a figure closer to the Senate bill. As the distinguished chairman of the committee knows, I have strongly supported the cooperative forestry, tree planting, fire protection, and forest research programs. I recognize, however, that much of the increase over the House bill approved by the conference was for forestry.

I call the chairman's attention to the amount appropriated for the U.S. Geological Survey. We in Kentucky know that this is important work. For example, Kentucky is the first State of comparable size to complete its topographical mapping on the new scale of 1 to 24,000. This accomplishment, in which Kentucky ranks first, is the result of a cooperative program under which the State of Kentucky paid $3½ million of the cost, on a full 50–50 matching basis. These large-scale maps are now available for every acre of land in my State, and have already returned their cost in savings on highway construction.

Because it has completed topographical mapping, Kentucky is now in an ideal position to begin bedrock mapping, using the same base maps. Geologic mapping holds tremendous possibilities for the economic growth of Kentucky, and for the development of its natural resources.

I call to the attention of the committee that the Kentucky Legislature has appropriated $300,000 to begin detailed geologic mapping of the entire State. The action by the State came too late for this project to be included in this appropriation bill for the Department of the Interior. I have therefore asked the Department of the Interior to submit a supplemental appropriations request for the project, and am today urging the Bureau of the Budget to submit promptly to the Congress an estimate for the Federal share of the 1961 work.

I know that the Congress has consistently encouraged projects of this kind, and as far as I know the Appropriations Committees have always seized the opportunity to accelerate the work of the U.S. Geological Survey on a cooperative basis. I am proud that my State, which is not a wealthy State, has taken the initiative in providing its share of the funds for this important work.

I simply call this project to the attention of the Senate at this time, so as to insure its receiving the attention it deserves, and to call the attention of the Appropriations Committees to the necessity for acting on it before adjournment.

I ask unanimous consent that my letter of April 25 to Secretary Seaton, and the reply I received from Under Secretary Bennett, and my letter today to the Director of the Bureau of the Budget, be included in the RECORD at this point.

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

APRIL 25, 1960.

Hon. FRED SEATON,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: The Kentucky Legislature has appropriated $300,000 for fiscal 1961 to commence bedrock geologic mapping of the State of Kentucky, in cooperation with the U.S. Geological Survey. I think you will agree that this action by the State, to provide the basic information needed to further its industrial and mineral development, and assuming half the cost of a comprehensive 10-year mapping program, is most welcome. I am sure your Department will wish to take advantage of this opportunity to accelerate the work of the U.S. Geological Survey on a cooperative basis.

The action by the Kentucky Legislature occurred after preparation of the Federal budget for fiscal 1961, and following the presentations by your Department before the Senate and House committees in support of its appropriations requests. While I know the committees of the Congress have always been favorably disposed toward matching approved projects of this kind, and while this administration has frequently stated its support for Federal-State cooperative programs, Federal matching funds for this project could not be included in the regular 1961 appropriation for the Department of the Interior, because it was not known what action the State would take at the time the bill was considered by the Congress.

I realize that your Department has some discretion in allocating appropriated funds, and in establishing priorities for the several projects of the U.S. Geological Survey. It is my understanding that the Kentucky bedrock mapping program does not necessarily require a specifically earmarked appropriation. For this reason, it may be possible for your Department to allocate funds so that the Kentucky project can be carried forward until another appropriation is approved for the Department of the Interior. I hope that this may be done, and strongly urge that you consider the importance of this work in reviewing plans for the work of the Geological Survey in the coming year.

In the event that funds are not now available to commence the Kentucky project, or if you believe it a more orderly procedure, I hope the Department of the Interior will request a supplemental appropriation for the Federal share of this project. I would be very glad to support such a request before the Bureau of the Budget and the committees of the Congress.

Last July I discussed this proposal with Dr. Wallace W. Hagan, State geologist of Kentucky. Dr. Hagan points out: "This program is fundamental to the exploration and development of the mineral resources of Kentucky, to the construction of highways and dams, to the study of soils and building of ponds, and to the exploration for oil, gas, water, coal and other minerals. It will aid in the proper development of our State and national parks and forests, and it will materially aid in the mineral and industrial development of Kentucky."

Dr. F. J. Welch, dean of the College of Agriculture at the University of Kentucky, has talked to me about the importance of the geologic mapping program. This project is also supported by the Kentucky Chamber of Commerce, and a number of other groups.

As you know, Kentucky was the first State of comparable size to complete the new topographical mapping. The State is therefore in an excellent position to proceed with this next basic mapping program.

I know of no more hopeful development for the economy of Kentucky than the oil discoveries and exploration now under way. Geological mapping would provide basic information needed to develop the oil, gas and mineral resources of the State, as well as information on soil, and bearing characteristics for modern highway construction.

As you know, eastern Kentucky is one of the most critically distressed regions in the United States. Better roads are needed to attract industry and bring new opportunity to eastern Kentucky. Identifying and locating additional mineral resources in eastern Kentucky holds great promise for this region.

The situation in eastern Kentucky, as in West Virginia, is acute. Basic resource information is urgently needed. While Kentucky is not a wealthy State, the importance of geologic mapping to its future is indicated by the willingness of the legislature to appropriate funds to get this program under way promptly.

I am convinced that the geologic mapping program is vital to the progress of my State, and to the fuller development of its basic resources. I strongly urge that you take whatever steps are necessary to secure prompt initiation of this project, and ask that Federal matching funds for it be included in future appropriations requests of the Department.

Sincerely,

JOHN SHERMAN COOPER.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 2, 1960.

Hon. JOHN SHERMAN COOPER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR COOPER: Your letter of April 25 urging the Department of the Interior to secure prompt initiation of a cooperative State-Federal geologic mapping program of the entire State of Kentucky is most welcome. You can be assured that the necessary steps within our power will be taken to make it possible for the U.S. Geological Survey to match the $300,000 recently appropriated for fiscal year 1961 by the Kentucky Legislature to commence the cooperative geologic mapping program. In addition, the Department will include matching funds for continuance of this work in its forthcoming appropriations requests.

We are looking forward to participating in this challenging program, the largest geologic mapping program ever undertaken on a cooperative basis. The Department of the Interior, through the U.S. Geological Survey, has for many years stressed the vital importance of geologic mapping to the sound economic development of the Nation, and it is indeed rewarding to find such enthusiastic support as evidenced by the State of Kentucky.

Thank you again for your letter and your offer of assistance in behalf of this program.

Sincerely yours,

ELMER F. BENNETT,
Under Secretary of the Interior.

MAY 5, 1960.

Hon. MAURICE H. STANS,
Director, Bureau of the Budget, Washington, D.C.

DEAR MR. STANS: The Kentucky Legislature has appropriated $300,000 for fiscal 1961 to commence bedrock geologic mapping of the State of Kentucky in cooperation with the U.S. Geological Survey. I think you will

agree that this action by the State, to provide the basic information needed to further its development, and assuming half the cost of the program, is most welcome.

I know this administration strongly endorses cooperative projects of this kind, and encourages State initiative and matching. I believe these cooperative matching projects have also had the steady support of the Congress. However, Federal matching funds for this project could not be included in the regular 1961 appropriation for the Department of the Interior, because it was not known what action the State would take at the time the bill was considered by the Congress.

This project has the approval of the Department of the Interior, and I have discussed it with Under Secretary Bennett. I have urged the Department to submit a supplemental request for the project at the earliest possible date, and I hope this will be done. I enclose my letter of April 25 to the Secretary of the Interior, together with a copy of Under Secretary Bennett's reply.

I hope very much that you will submit a budget estimate for the Federal share of this project in fiscal 1961, so that the program can be started shortly after July 1, and so that the funds already appropriated by the Kentucky Legislature can be utilized.

Sincerely,

JOHN SHERMAN COOPER.

STATEMENT OF SENATOR COOPER

The U.S. Geological Survey has traditionally worked very closely with individual State geological surveys and State mineral resource agencies in planning and executing its geologic mapping programs. It is my understanding that the Federal Geological Survey is currently engaged in geologic mapping activities in direct financial cooperation with 18 States (including Kentucky) and Puerto Rico. Much of this work, including the current mapping in Kentucky, is related to specific mineral and mineral fuels investigations, and commodity resource studies of limited areas within these States.

In recognition of the fundamental importance of geologic mapping to the orderly development of its natural resources and to its economic growth, Kentucky has recently proposed a statewide program of geologic mapping to be supported equally by funds provided by the Kentucky Geological Survey and U.S. Geological Survey. This program, to begin in fiscal year 1961, is designed to provide complete detailed geologic map coverage of the entire State (over 40,000 square miles) within the next 10 years, and is by far the most ambitious and challenging geologic mapping program ever undertaken by a State in cooperation with the Federal Geological Survey. Indeed, the funds required for this program in the first year alone ($600,000 total) will nearly equal the size of all other cooperative State-U.S. Geological Survey geologic mapping programs combined. Kentucky has already approved its share of funds to start this important program, and I understand the Department of the Interior will shortly request supplemental funds with which to match this State offering.

The proposed cooperative geologic mapping program is a logical sequel to the highly successful cooperative topographic mapping program which the State of Kentucky and the Geological Survey carried out from 1950 to 1956 at a cost of $7 million.

This program involved the preparation of a series of topographic maps covering the entire State. It was the largest program of its kind undertaken in any State up to that time, and was carried out on schedule and most efficiently. State officials have reported that use of the resulting maps in such fields as highway location and industrial and agricultural development has already benefited the State by an amount greater that the total cost of the program. These benefits will continue to accrue as time goes on, and it is anticipated that the geologic maps that are now to be made will be equally valuable in the future development of the State.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

UNLIMITED DEDUCTIONS FOR CHARITABLE CONTRIBUTIONS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1368, House bill 6779.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 6779) to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals).

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with amendments, on page 1, line 7, after the word "following", to strike out " "For purposes of this subparagraph, if the sum of the charitable contributions and the income taxes paid during the taxable years in any period of two consecutive taxable years within such ten preceding taxable years exceeds 90 percent of the sum of the taxpayer's taxable incomes for such two consecutive taxable years, and if the sum of the charitable contributions and the income tax so paid during each such consecutive taxable year exceeds 75 percent of the taxpayer's taxable income for such year, the 90 percent test shall be considered satisfied with respect to both such consecutive taxable years; but no taxable year shall be included in more than one period of two consecutive taxable years." and, in lieu thereof, to insert "For purposes of this subparagraph, in the case of taxable years ending before January 1, 1961, within such ten preceding taxable years, if the sum of the charitable contributions and the income taxes paid during the taxable years in any period of two consecutive taxable years exceeds 90 percent of the sum of the taxpayer's taxable incomes (as so computed) for such two consecutive taxable years, and if the sum of the charitable contributions and the income tax so paid during each such consecutive taxable year exceeds 75 percent of the taxpayer's taxable income (as so computed) for such year, the 90 percent test shall be considered satisfied with respect to both such consecutive taxable years; but no taxable year shall be included in more than one period of two consecutive taxable years and not more than two periods of two consecutive taxable years within such ten preceding taxable years shall be taken into account.", and on page 3, line 9, after "January 1,", to strike out "1959" and insert "1960".

The amendments were agreed to.

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

The bill was read the third time and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to reconsider was laid on the table.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an excerpt from the committee report.

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

GENERAL STATEMENT

Under present law, the charitable contribution deduction of an individual generally is limited to 20 percent of the taxpayer's adjusted gross income, although in the case of contributions to churches, schools and colleges, and hospitals the limitation is 30 percent instead of 20 percent. However, in addition to this, a deduction for charitable contributions without limitation also is allowed where certain conditions are met.

Before an individual is eligible for the unlimited charitable contribution, however, he must establish that he has for an extended period of time given the bulk of his income to charity or to the Government in the form of taxes. More specifically, to be eligible for the unlimited charitable deduction he must in the current year and in 8 out of 10 preceding years have given 90 percent of his taxable income to charity or to the Federal Government in the form of income taxes. (For this purpose, taxable income is relatively large, since it is computed without regard to charitable contributions, personal exemptions, or any net operating loss carryback to the year in question.)

In the Technical Changes Act of 1958 Congress recognized the restrictive nature of the present rules and provided an exception to the general rules set forth above. It provided that in determining whether the 90-percent test was made income taxes could be attributed to the year in which they were incurred rather than the year in which they were paid. With respect to that change, one of the committee reports indicated it was made because it was believed unfortunate to deny the benefits of the unlimited charitable contribution deductions merely on the grounds of the timing of the income-tax payments.

This bill also is concerned with the question of timing, but in this case it is the timing of the charitable contributions. Cases have appeared where the taxpayers did not qualify for the unlimited charitable contribution deductions because of year-to-year fluctuations in the charitable contributions, even though in 8 out of the last 10 years more than three-quarters of their income went to charity or for taxes, and even though the 90-percent test would have been met if it were computed on the basis of the average charitable contributions and taxes paid in 2-year periods.

The House bill provided that the 90-percent test was to be considered as met for any 2 consecutive years in the 10-year period preceding the taxable year if the total of the charitable contributions and taxes for the 2-year period met the 90-percent test. However, in each of the 2 years the charitable contributions and taxes had

to represent 75 percent of the taxable income (before charitable contributions, personal exemptions, or net operating loss carryback) and no one year could be included in more than one 2-year period.

COMMITTEE AMENDMENT

Your committee has amended the House bill in four respects. First, no more than two periods of 2 consecutive years may be taken into account in determining whether the 90-percent test has been satisfied in 8 out of 10 prior years.

Second, the period to which the bill applies and within which the averaging device may be employed is limited to the 10-year period ending before January 1, 1961. Thus, under your committee's bill this averaging device will not become a permanent feature of the tax law. It will, however, make it less difficult for taxpayers to qualify for the unlimited charitable-contribution deduction in the current and future years by averaging income and contributions and taxes in years prior to January 1, 1961. Neither the House bill nor your committee's bill have changed the requirement of present law that contributions and taxes must exceed 90 percent of the taxpayer's income (properly adjusted) in the current year before he may take the unlimited deduction. The bill only goes to the question of whether the taxpayer has established a pattern of giving 90 percent or more of his income to charity or to the Government in the form of taxes in 8 out of 10 years. Although the bill applies to taxable years beginning after December 31, 1956, a taxpayer will be permitted to average two periods of 2 consecutive years whether such 2-year period occurred prior to or after December 31, 1956, so long as those years come within the 10-year period ending before January 1, 1961.

Third, a clerical amendment has been made to the bill to make it absolutely clear that the term "taxable income" as used in this provision means taxable income computed without regard to personal exemptions, charitable contributions, and net operating loss carrybacks.

Fourth, because of the passage of time since the bill was acted upon by the House, the effective-date provision has been amended so that while the bill continues to apply to taxable years beginning after December 31, 1956, no credit or refunds are to be paid as a result of this bill for any years beginning before January 1, 1960.

EXCHANGE OF CERTAIN WAR-BUILT VESSELS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1308, Senate bill 2618.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2618) to authorize the exchange of certain war-built vessels for modern and efficient war-built vessels owned by the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 2, line 1, after the word "acquire", to insert "at any time within 5 years from the date of enactment of this act"; in line 10, after the word "years", to insert "immediately"; in line 20, after the word "service", to insert "The Secretary of Commerce shall consult with and obtain the approval of the Defense Department before any vessel of a military type is traded out under the provisions of this subsection."; in line 25, after the word "vessel", to insert "or vessels"; on page 3, line 1, after the word "exchange", to insert "No payments shall be made by the United States to the owner of a traded-in vessel in connection with any exchange under this subsection."; in line 7, after the word "requisition", to insert "or otherwise"; in line 8, after the word "vessel", to insert "at any time within 20 years of the date of construction thereof"; on page 4, after line 6, to strike out:

(6) Subsection (c) of this section shall not apply to the exchange of vessels under this subsection.

After line 8, to insert:

(6) Neither subsection (e) of this section, nor the nontaxable exchange provisions of the Internal Revenue Code, shall apply to the exchange of vessels under this subsection.

After line 15, to insert:

(8) The owner of the traded-in vessel, at his own expense and in a manner satisfactory to the Secretary of Commerce, shall (A) effect deactivation and preparation of the traded-in vessel and its equipment for storage or layup; (B) make delivery of such vessel and its equipment at a location designated by the Secretary of Commerce; and (C) execute a bond, with one or more approved sureties, conditioned upon indemnifying the United States from all loss resulting from any lien against such vessel existing at the time of the exchange.

And, on page 5, after line 2, to insert:

(9) No tanker vessel shall be traded out under the provisions of this subsection.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 510 of the Merchant Marine Act, 1936, is amended by adding a new subsection as follows:

"(i) In order to improve the type and suitability of vessels operating in the domestic and foreign commerce of the United States, and to further the policies of this Act, the Secretary of Commerce is authorized (subject to the provisions of this subsection) to acquire at any time within five years from the date of enactment of this Act war-built vessels (as defined in section 3(b) of the Merchant Ship Sales Act of 1946) in exchange for more modern or efficient war-built vessels owned by the United States. Such exchanges shall be subject to the following conditions:

"(1) The traded-in vessels shall have been owned and operated without subsidy under title VI of this Act by a citizen or citizens of the United States, and documented under the laws of the United States, for at least three years immediately prior to the date of the exchange.

"(2) The fair and reasonable value of the traded-in and traded-out vessels shall be determined, as of the date of the exchange, pursuant to subsection (d) of this section.

"(3) In determining said fair and reasonable value the Secretary shall consider the cost of placing the vessels in class with respect to hull and machinery, and, with respect to any traded-out vessels of the military type, the cost of reconverting and restoring such vessels for normal operation in commercial service. The Secretary of Commerce shall consult with and obtain the approval of the Defense Department before any vessel of a military type is traded out under the provisions of this subsection.

"(4) The value of the traded-out vessel which is in excess of the value of the traded-in vessel or vessels shall be paid in cash at the time of the exchange. No payments shall be made by the United States to the owner of a traded-in vessel in connection with any exchange under this subsection.

"(5) A contract shall be entered into under this subsection by any person acquiring a traded-out vessel, which shall provide (A) that in the event the United States shall, through purchase or requisition or otherwise, reacquire ownership of said vessel, at any time within twenty years of the date of construction thereof, the owner shall be paid therefor the value thereof, but in no event shall such payment exceed the fair and reasonable exchange value determined under this subsection (together with the actual cost of capital improvements thereon) depreciated to the date of such purchase or acquisition, or the fair and reasonable scrap value of such vessel, as determined by the Secretary of Commerce, whichever is the greater; (B) that such determination shall be final; (C) that in computing the depreciated exchange value of such vessel, the depreciation shall be computed on the vessel on the schedule adopted or accepted by the Secretary of the Treasury for Federal income tax purposes as applicable to such vessel; (D) that such vessel shall remain documented under the laws of the United States for a period of at least five years after the date of the exchange, or twenty years from the date of its construction, whichever is the later date; and (E) that the foregoing conditions respecting requisition or acquisition of ownership by the United States and documentation shall run with the title to such vessel and be binding on all owners thereof. Any other conditions respecting purchase or requisition by the United States heretofore applicable by statute to any traded-out vessel are hereby made inapplicable to such vessel.

"(6) Neither subsection (e) of this section, nor the nontaxable exchange provisions of the Internal Revenue Code, shall apply to the exchange of vessels under this subsection.

"(7) Any repairs or reconversion necessary at the time of the exchange to place the traded-out vessel in class and prepare it for commercial operation shall be performed in a shipyard within the continental United States.

"(8) The owner of the traded-in vessel, at his own expense and in a manner satisfactory to the Secretary of Commerce, shall (A) effect deactivation and preparation of the traded-in vessel and its equipment for storage or layup; (B) make delivery of such vessel and its equipment at a location designated by the Secretary of Commerce; and (C) execute a bond, with one or more approved sureties, conditioned upon indemnifying the United States from all loss resulting from any lien against such vessel existing at the time of the exchange.

"(9) No tanker vessel shall be traded out under the provisions of this subsection."

The amendments were agreed to.

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

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

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

The motion to reconsider was laid on the table.

RETIRED FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1960

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1321, Senate bill 2575.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2575) to provide a health benefits program for certain retired employees of the Government.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service, with an amendment, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Retired Federal Employees Health Benefits Act of 1960."

DEFINITIONS

SEC. 2. As used in this Act—

(a) The terms "employee", "member of family", "dependent husband", "health benefits plan", "carrier", "employee organization", and "Commission" have the same meanings as in the Federal Employees Health Benefits Act of 1959.

(b) "Retired employee" means an employee or member of a family who would be an annuitant under the Federal Employees Health Benefits Act of 1959 had he not become an annuitant prior to the effective date of that Act.

ESTABLISHMENT OF HEALTH BENEFITS PROGRAM

SEC. 3. The Commission is authorized and directed to establish a health benefits program for retired employees and members of their families who are not eligible for coverage under the Federal Employees Health Benefits Act of 1959. Such program shall permit retired employees enrolled, on the effective date of this Act, in any health benefits plan of a carrier approved under the Federal Employees Health Benefits Act of 1959, or of a carrier otherwise approved by the Commission, to continue such enrollment under the provisions of this Act. The Commission may withdraw from participation in the plan of any carrier when in its judgment the number of retired employees and members of their families enrolled in such plan is not large enough to warrant the administrative cost of continuance, but in any such case the retired employees and members of their families covered by such plan shall be given full opportunity for transfer to another approved plan.

ENROLLMENT

SEC. 4. The program authorized by this Act shall not be applicable to any retired employee or member of his family unless such retired employee elects, within ninety days after October 1, 1960, to be covered by such program, and consents to the deduction from his annuity or other benefit payments of such amounts as are prescribed pursuant to section 5 as his contributions to the cost of such program.

CONTRIBUTIONS

SEC. 5. (a) (1) Except as provided in paragraph (2), if a retired employee enrolls in an approved health benefits plan, the Government shall contribute toward his subscription charge such amounts as the Commission by regulation may from time to time prescribe. The amounts so prescribed shall not be less than the minimums or more than the maximums in the following schedule:

	Monthly minimum	Monthly maximum
If retired employee is enrolled for—		
Self only	$2.70	$3.80
Self and spouse	5.40	7.60
Self and spouse who is a nondependent husband	2.70	3.80
Self and family	6.50	9.20
Self and family which includes a nondependent husband	3.80	5.40

(2) If the total monthly subscription charge is less than $5.40 for a retired employee enrolled for self alone, $10.80 for a retired employee enrolled for self and spouse, or $13.00 for a retired employee enrolled for self and family, the contribution of the Government shall be 50 per centum of such subscription charge, except that if a female retired employee enrolls for self and a nondependent husband, the Government's contribution shall be 25 per centum of such subscription charge or if a female retired employee enrolls for self and family which includes a nondependent husband the Government's contribution shall be 30 per centum of such subscription charge.

(b) There shall be withheld from the annuity or compensation of each enrolled retired employee so much as is necessary, after deducting the contribution of the Government, to pay the total charge for his enrollment.

(c) The amounts authorized by subsection (a) to be contributed by the Government shall be paid from annual appropriations which are hereby authorized to be made for such purpose.

RETIRED EMPLOYEES' HEALTH BENEFITS FUND

SEC. 6. (a) The contributions of retired employees and the Government shall be deposited in the Retired Employees' Health Benefits Fund, hereinafter referred to as the "Fund", which is hereby created and which shall be administered by the Commission.

(b) The Fund shall be available without fiscal year limitation for all payments on account of health benefits plans and for payment of expenses incurred by the Commission in administering this Act, but not to exceed 2 per centum of the Government contribution.

(c) Any contributions remaining in the Fund after the payments described in subsection (b) have been made and any dividends or other refunds made by a carrier shall be set aside in the Fund as a contingency reserve for that carrier. Such contingency reserve may be used to defray increases in future rates of or to reduce the retired employees' and the Government's contributions, or to increase the health benefits provided, as the Commission may from time to time determine.

(d) The Secretary of the Treasury is authorized to invest and reinvest any of the moneys in the Fund in interest-bearing obligations of the United States for the purpose of the Fund. The interest on and the proceeds from the sale of any such obligations shall become a part of the Fund.

ADMINISTRATION

SEC. 7. (a) The Commission shall administer this Act, negotiate contracts for the plans provided in section 3 without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), and prescribe such regulations as are necessary to give full effect to the purposes of this Act. Such regulations may include, but are not limited to, the following:

(1) Minimum standards to be met by a carrier;

(2) Exclusions of retired employees from coverage;

(3) Beginning and ending dates of coverage;

(4) Temporary extension of coverage;

(5) Changes in enrollment;

(6) Questions of dependency;

(7) Certificates and other information to be furnished retired employees;

(8) Contributions during periods of suspension of annuity payments and in other extraordinary situations; and

(9) Adjustment of contributions to nearest ten cents.

(b) The Commission may request carriers to furnish such reasonable reports as the Commission determines to be necessary to enable it to carry out its functions under this Act. The carriers shall furnish such reports when requested and permit the Commission and representatives of the General Accounting Office to examine such records of the carriers as may be necessary to carry out the purposes of this Act.

(c) Each agency of the United States or the District of Columbia which administers a retirement system for annuitants shall keep such records, make such certifications, and furnish the Commission with such information and reports as may be necessary to enable the Commission to carry out its functions under this Act.

(d) There are hereby authorized to be expended from Employees' Life Insurance Fund, without regard to limitations on expenditures from that Fund, for fiscal years 1960, 1961, and 1962, such sums as may be necessary to pay administrative expenses incurred by the Commission in carrying out the health benefits provisions of this Act. Reimbursements to the Employees' Life Insurance Fund for sums so expended, together with interest at a rate to be determined by the Secretary of the Treasury, shall be made from the Retired Employees' Health Benefits Fund which is hereby made available for this purpose.

SEC. 8. The Commission shall transmit to the Congress annually a report concerning the operation of this Act.

EFFECTIVE DATE

SEC. 9. The health benefits program provided for by section 3 of this Act shall take effect January 1, 1961. The contributions provided for by section 5 of this Act shall take effect on December 1, 1960, with respect to annuity or compensation accruing for periods beginning on and after that date.

Mr. YARBOROUGH. Mr. President, I desire to thank the distinguished majority leader for his diligence in bringing the bill up for consideration.

The bill before the Senate today stands in the nature of a monument to the fine work of the late Senator Neuberger. It was through his efforts that a bill was enacted last year for present Federal employees. The bill now under consideration was introduced by him and cosponsored by a number of other Senators, including Members not on the Post Office and Civil Service Committee, as well as committee members.

Retired employees should be grateful to the Senator from North Carolina [Mr. JORDAN] who, as chairman of the subcommittee appointed to replace the late Senator Neuberger, picked up where Senator Neuberger left off and carried the present bill through the subcommittee and the full committee, and reported it to the Senate.

At all times the chairman of the full committee, the Senator from South Carolina [Mr. JOHNSTON], aided the subcommittee and aided Senator Neuberger

during his lifetime, and then the Senator from North Carolina. I was happy to be associated with the Senator from North Carolina, as well as other Senators, in this work, and to be a member of the subcommittee under the chairmanship of the Senator from North Carolina, who cosponsored the bill with Senator Neuberger and other Senators.

Every member of the subcommittee worked long and hard in behalf of our retired employees, so that they, too, might have the benefit of a health program designed to fit their needs.

The bill is designed to give persons retired prior to the effective date of the Health Benefits Act of 1959 a somewhat similar program on a somewhat comparable basis as will be enjoyed by employees who retire in the future.

While the Health Act of 1959 was passed last year, persons retiring this date would not be eligible under that act, because it does not become effective until July 1, 1960.

The conditions of eligibility are the same; that is, the former employee must have retired on an immediate annuity with 12 or more years of service or due to disability. The contribution of the Government will approximate 50 percent of the cost of the program under the same conditions as approved last year with respect to current employees and future retirees. The Civil Service Commission has estimated that the first year cost to the Government will be from $15 million to $20 million, and will decrease each year as the number of persons already retired diminishes.

The bill authorizes the Civil Service Commission to establish such a program to become effective January 1, 1961.

Retirees currently enrolled in a health benefits plan of a carrier approved under the 1959 act are authorized to continue such enrollment except that when the enrollment in any such plan becomes so small as to be uneconomical approval may be withdrawn by the Civil Service Commission, provided the remaining retirees are given an opportunity to transfer enrollment to another plan. That is to prevent so many different companies and that the administrative costs would become topheavy.

The retirees' contribution to the cost of the program will be withheld from his monthly retirement check by the Civil Service Commission. The Government's contribution will be by annual appropriation to the fund.

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

Mr. YARBOROUGH. I yield to the distinguished Senator from Ohio.

Mr. LAUSCHE. Will the Senator from Texas explain how the person who is retired from work makes his contribution to the fund, in order to qualify for these increased benefits? He is retired. The moment he participates, he becomes the beneficiary in the same manner as those who retired after the 1959 law went into effect. Is not that true?

Mr. YARBOROUGH. It is not quite as generous as that. Those who have already retired will not participate quite as fully, because, as a group, they are older, and the actuarial plans do not apply as favorably to the elder group as they do to present employees. So, while their scale of payments will be comfortable, there are some slight differences in benefits.

Mr. LAUSCHE. Is that because the expectancy of life is shorter?

Mr. YARBOROUGH. The life expectancy of this group is shorter; yes.

Mr. LAUSCHE. How do they contribute to the fund so as to actuarily support this increased burden that falls upon them?

Mr. YARBOROUGH. The amount is withheld from their checks. They get a retirement check each month from the Government. Their payment will be withheld from their checks, just as with employed employees the premium is withheld from their salary checks.

Mr. LAUSCHE. How long after a retired employee enrolls in the system does the Government continue to deduct from his benefit check the amount of the premium?

Mr. YARBOROUGH. So long as he stays in the program. It is not mandatory. The retired employees are not required to join. The same is true with respect to salaried employees; they do not have to join the present plan. Some will not join. We know that that is the fact, because they have indicated they will not join. It is a voluntary plan. It is not a compulsory plan so far as the retired employees are concerned. They may join, or not. If a retired employee does not join, no deduction will be made from his check.

Mr. LAUSCHE. Has the committee determined that by qualifying these retired employees will still keep the fund actuarily sound?

Mr. YARBOROUGH. This is a separate plan from the present plan. That is why we are enacting a separate law. Last year the retired employees were very greatly disappointed that they were not included in the Health Act of 1959. They felt that they were discriminated against. That is particularly true with reference to employees who are going to retire before July 1, 1960. They felt they could have been working while the law was being enacted and after it was signed by the President. We had to give the Civil Service Commission time to actuarily work out a sound plan. They said, "We need until July 1, 1960." The present plan will not become effective until July 1, 1960. The employees who retire after July 1, 1960, will not be covered by the 1959 Health Act.

This plan was set up separately for these retired employees. It will not become effective until January 1, 1961, particularly because the Federal Civil Service Commission has said that they need time to work it out. So there will be a hiatus of 6 months when there will be no coverage for these retired employees.

Mr. LAUSCHE. This is a separate fund, then.

Mr. YARBOROUGH. Yes. The Health Act of 1959 is a separate fund also.

They are separate funds. The Government puts in so much and the employees put in so much. These are separate funds. The one that will go into effect in July is the Health Act of 1959. Neither under the 1959 act nor under the proposed act will it be possible to dip into the reserve fund. These are separate funds, actuarially sound.

Mr. LAUSCHE. With reference to health and hospitalization, will the Senator describe what is covered by those two terms?

Mr. YARBOROUGH. The Civil Service Commission is given discretion to buy the best policy they can get. It is not described exactly what benefits the retired employees will get. Of course, certain limitations are set forth. The Federal Government will put in a certain amount for a single person, a certain amount for a man if he is married, and a certain amount for a husband with a nondependent spouse, for example. This limits what it will cost the Federal Government per person. We put on the Civil Service Commission the burden of going out and buying the cheapest policy they can get with the most benefits and the best benefits for the employees. We know from the Post Office and Civil Service Committee, from the number of witnesses who have presented testimony, that the insurance companies are bidding for the business. They can bid lower prices and present cheaper plans than if a person went out on the open market looking for such a plan.

Mr. LAUSCHE. These premiums make available to them service by way of hospitalization and medical care. Is that correct?

Mr. YARBOROUGH. Yes; hospitalization and medical care.

Mr. LAUSCHE. I should like to ask this question. Based upon this separate fund for the retired employees, has the actuarial study indicated that the contributions made by the insured and the Government will be adequate to support it?

Mr. YARBOROUGH. It works the other way. They have said this: "We will take this much money and we will buy this much protection"; instead of saying, "We are going to buy so much protection, so you get the money." They will take whatever money they have and get the best they can. There is another type of policy for employees, which is called minimal participation. In other words, the more an employee pays in the better the coverage he gets. That applies to the present coverage, of course.

With the retired employee it was not felt that it was possible to get that much. It was felt that it was not possible to get that better type of policy for the older people. What the people in this actuarial group could buy was more limited, because as these people in this group get older their percentage of illnesses increases. So the plan under discussion fixes limits as to how much money it will cost, and then puts on the Civil Service Commission the burden of going out and getting the best protection possible for these people.

As we know, many health policies provide an age limit of 65 or 70, and those policies are not renewable after that age. In other words, a person may carry it

for practically all his life, and then all at once the company will say to him, "You are over the age limit. We will not carry you any longer."

In other cases when a person gets sick, he suddenly discovers the fine print in the policy which states that the policy is cancelable at the option of the company. That will not be true in connection with these policies. The subscriber will pay his money and the Government will pay its money, and the subscriber will be covered. That policy cannot be canceled.

Mr. LAUSCHE. I wish to join with the Senator from Texas in condemning those companies that issue those policies. I do not approve of the cancellation of a policy at the option of the insurance company. The companies will collect the premiums from a person, and as soon as he becomes ill, the company will cancel. Many of those policies have that clause in it which gives the company the right to cancel the policy under those conditions.

Mr. YARBOROUGH. Yes. As a result, the person has no protection.

Mr. LAUSCHE. I should like to ask a question with respect to the types of relatives that may be covered by the proposed act. Are they greater in scope than those included in the act covering presently nonretired employees?

Mr. YARBOROUGH. No; this is not broadened.

Mr. LAUSCHE. Is that correct?

Mr. YARBOROUGH. That is correct.

Mr. LAUSCHE. Then it does not broaden at all the present limitations with respect to who may be covered. Is that correct?

Mr. YARBOROUGH. No; it does not broaden that at all.

Mr. LAUSCHE. Has there been any serious discussion in committee concerning the wisdom of allowing this broad scope of relatives who may be covered, and for which the Government has to pay the premium?

Mr. YARBOROUGH. It is not a broad scope. It is limited to children under 21 years of age.

Mr. LAUSCHE. There is something said about nondependent spouses.

Mr. YARBOROUGH. That is with relation to nondependent spouses; yes. A nondependent spouse cannot come under the plan. If a person working for the Government has a spouse who does not work, she could be covered. However, if the spouse earns a full salary, she is not covered by her husband's insurance. She would have to buy her own insurance.

Mr. LAUSCHE. I observe from the report that there are 315,000 retired couples whose annuities average $175 a month, and that there are about 100,000 widows whose annuities average $55 a month, who would qualify for enrollment.

Mr. YARBOROUGH. They would be eligible if they subscribed.

Mr. LAUSCHE. The Senator from Texas has stated that this plan would entail a cost of about $18 million a year.

Mr. YARBOROUGH. From $15 million to $20 million is the estimate that we have obtained.

Mr. LAUSCHE. As I understand, each year the amount will become lower, because the number of participants will grow smaller.

Mr. YARBOROUGH. Yes.

Mr. LAUSCHE. It will cost $18 million a year the first year.

Mr. YARBOROUGH. I do not say it will be $18 million. The estimate is between $15 million and $20 million. It will be in that range.

Mr. LAUSCHE. Is my understanding correct that whatever the cost is, the cost will be borne equally by the Government and the retired employees?

Mr. YARBOROUGH. It figures out substantially that way. I believe the figures show that the Government employee will pay 55 percent and the Government 45 percent. It will not be exactly equal. The theory of the law is equal, but when the annuity tables were drawn up, it did not figure out that way. The employees will have to pay 55 percent.

Mr. LAUSCHE. I thank the Senator from Texas.

Mr. YARBOROUGH. I believe that completes the explanation.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute for the bill.

The amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the emendment and the third reading of the bill.

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

The bill was read the third time and passed.

Mr. YARBOROUGH. Mr. President, I desire to thank the distinguished majority leader for the diligence he has shown in having the bill called up. These retired employees and their widows have felt "let down" because they were not included in the bill last year, but the committee was advised at that time that it was actuarily unsound to attempt to include them in the bill with the employees who are covered under the Federal Employees Health Act of 1959.

I think this is a very beneficial bill and will help the majority of Federal employees who are about to retire and who have previously retired. They will know that they will be covered.

Mr. JOHNSON of Texas. I appreciate the compliment of my colleague. I think the beneficiaries of the legislation will appreciate the diligence and assistance he has shown in connection with it.

Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. YARBOROUGH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRINT WITH ILLUSTRATIONS COMMITTEE PRINT ENTITLED "RELATIVE WATER AND POWER RESOURCE DEVELOPMENT IN THE U.S.S.R. AND U.S.A."

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1120, Senate Resolution 259.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 259) to print with illustrations a committee print entitled "Relative Water and Power Resource Development in the U.S.S.R. and U.S.A."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JOHNSON of Texas. Mr. President, an excellent study of the relative water and power resource development in the U.S.S.R. and the United States was made last fall by members of the Committee on Interior and Insular Affairs. The Senator from Utah [Mr. Moss] is the author of the resolution which has been reported unanimously, and which provides for the printing of additional copies of this very important study. So far as I am aware, there is no objection to the printing of this report.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 259) was agreed to, as follows:

Resolved, That the committee print entitled "Relative Water and Power Resource Development in the U.S.S.R. and the U.S.A.," consisting of a joint subcommittee report and staff studies of the Committee on Interior and Insular Affairs and the Committee on Public Works, be printed with illustrations as a Senate document.

SEC. 2. There shall be printed for the use of the Committee on Interior and Insular Affairs three thousand seven hundred additional copies of such Senate document.

PRINTING WITH ILLUSTRATIONS COMMITTEE PRINT ENTITLED "RELATIVE WATER AND POWER RESOURCE DEVELOPMENT IN THE U.S.S.R. and U.S.A."

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1128, Senate Resolution 260.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 260) to print with illustrations a committee print entitled "Relative Water and Power Resource Development in the U.S.S.R. and U.S.A."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution which had been reported from the Committee on Rules and Administration, with an amendment, to strike out all after the word "Resolved," and insert "That there be printed for the use of the Committee on Public Works three thousand seven hundred additional copies of the Senate document entitled 'Relative Water and Power Resource Development in the U.S.S.R. and the U.S.A.' "

Mr. ELLENDER. Mr. President, what is the difference between Senate Resolution 259 and Senate Resolution 260? The language is the same in both resolutions, is it not? It appears to me that

it is the same report which is sought to be printed.

Mr. JOHNSON of Texas. Senate Resolution 259 relates to the printing of the report for the benefit of the Committee on Interior and Insular Affairs; Senate Resolution 260 calls for its printing for the Committee on Public Works.

Mr. ELLENDER. It is the same report, though, is it not?

Mr. JOHNSON of Texas. It is the same report, but one committee desires some copies, and the other committee wants some copies. The Committee on Public Works desires copies because the report reflects the hydroelectric development in the U.S.S.R.

Mr. ELLENDER. But the report would be the same; would it not?

Mr. JOHNSON of Texas. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution, as amended, was agreed to as follows:

Resolved, That there be printed for the use of the Committee on Public Works three thousand seven hundred additional copies of the Senate document entitled "Relative Water and Power Resource Development in the U.S.S.R. and the U.S.A.".

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which Senate Resolution 259 and Senate Resolution 260 were agreed to.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AREA REDEVELOPMENT

Mr. JOHNSON of Texas. Mr. President, S. 722 is the bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas. It is popularly known as the area redevelopment bill. It passed this body last year.

The House yesterday struck out the language of the Senate bill and added an amendment in the nature of a substitute. This is a matter of general interest to all Members of this body. I do not wish to call up the bill without advance notice to all Senators. On the other hand, it is a very important bill, and we shall want to consider it and discuss it as soon as possible.

I do not think it should be called up this afternoon, but it may be called up later in the day. Perhaps I shall ask that the Senate convene early tomorrow and try to consider the bill tomorrow or on Saturday, or perhaps on Monday. I shall discuss the matter with the minority leadership as well as with majority Members who are vitally interested in the matter. However, I desire all Senators to know that the House bill is at the desk and can be called before the Senate at any time. Either it can be sent to conference, or a motion can be made to concur in the House amendment. I am not certain what procedure will be followed, but I desire the RECORD to show that the measure is here, and that we expect to have it discussed and acted upon at an early date.

Mr. ELLENDER. Is the Senator informed as to the difference between the two bills? Is there a sufficient difference, so that the committee would have to reconsider the bill?

Mr. JOHNSON of Texas. I have talked with members of the committee who are very much interested in the bill. I am informed that the House made a substantial reduction in the amount contained in the bill as passed by the Senate. I believe the Senate bill provided for $380-odd million, while the House bill provides for $250 million.

The Senator from Pennsylvania is familiar with the House bill. I believe the House substantially reduced the amount which was provided in the bill passed by the Senate last year.

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

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. The principal difference is that the original Senate bill provided $389 million, which would be a direct loan from the Treasury. The House bill provides $251 million, and requires an appropriation. There are other differences, which are more or less minor in extent, but these are the two principal differences.

Mr. JOHNSON of Texas. The amount of $389 million was passed by the Senate?

Mr. CLARK. Yes.

Mr. JOHNSON of Texas. That was a loan program. The House bill provides $251 million?

Mr. CLARK. The House bill provides $251 million, and calls for an appropriation.

Mr. JOHNSON of Texas. The House bill, then, is an authorization for $251 million?

Mr. CLARK. That is correct.

Mr. ELLENDER. Will that be in the form of grants?

Mr. CLARK. No; it will be almost entirely in the form of loans. There is a small sum of $75 million for grants, which is provided in the House bill, for the people who are able to persuade the administrator that they are unable to do the financing by themselves.

Mr. ELLENDER. Are the other provisions the same?

Mr. CLARK. They are substantially the same. The differences are minor and technical.

Mr. ELLENDER. Did I correctly understand the Senator from Texas to say that the bill will not be called up this afternoon?

Mr. JOHNSON of Texas. No; I did not say that, although I do not expect that it will be called up. However, I do not want to be foreclosed from doing so. I shall suggest the absence of a quorum before doing so. I want to talk with the minority leader about it, but he is not in the Chamber now. But I made no such statement, and I do not wish to.

Mr. President, I wonder whether the Senator from Pennsylvania will state the number of the bill reported from the Committee on Post Office and Civil Service, inasmuch as the Senator from Ohio is in the Chamber.

Mr. CLARK. It is Calendar No. 1323, House bill 8241, to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1323, House bill 8241; and I invite the attention of the Senator from Delaware and the Senator from Ohio to this measure.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 8241) to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 8241), which had been reported from the Committee on Post Office and Civil Service, with amendments.

The PRESIDING OFFICER. The first committee amendment will be stated.

The first amendment reported by the Committee on Post Office and Civil Service was, on page 1, at the beginning of line 3, to strike out:

That (a) section 9(c) of the Civil Service Retirement Act (5 U.S.C. 2259(c)) is amended—

(1) by striking out "The annuity of a Member retiring under this Act" and inserting in lieu thereof "The annuity of a Member, or of a former Member with title to Member annuity, retired under this Act"; and

(2) by inserting, in paragraphs (2), (3), (4), and (5) thereof, or performed in a position in which he is subject to this Act after his separation from service as a Member," immediately following "prior to his separation from service as a Member,".

And, in lieu thereof, to insert:

That (a) subsection (1) of section 1 of the Civil Service Retirement Act is amended by striking out the words "in the case of an employee separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service or a Member separated before he has completed five years of Member service" and inserting in lieu thereof "in the case of an employee or Member separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service".

(b) Subsection (f) of section 6 of such Act is amended by striking out the words "Member service" where they first appear in such subsection and inserting in lieu thereof the words "civilian service".

(c) Subsection (b) of section 8 of such Act is amended by striking out the words "Member service" in the first sentence and inserting in lieu thereof the words "civilian service".

(d)(1) So much of subsection (b) of section 9 of such Act as precedes the first proviso is amended to read as follows:

"(b) The annuity of a congressional employee retiring under this Act shall be computed as provided in subsection (a), except that with respect to so much of his service as a congressional employee and his military service as does not exceed a total of fifteen years, and with respect to any Member service, the annuity shall be computed by multiplying 2½ per centum of the average salary by the years of such service:".

(2) Clause (1) of the second sentence of such subsection is amended by inserting after the words "congressional employee" the words "or Member, or any combination of such service".

(e) The first sentence of section 9(c) is amended to read as follows:

"(c) The annuity of a Member, or of a former Member with title to Member annuity, retiring under this Act shall be computed as provided in subsection (a), except that if he has had at least five years' service as a Member or a congressional employee, or any combination of such service the annuity shall be computed, with respect to (1) his service as a Member and so much of his military service as is creditable for the purposes of this clause, and (2) so much of his congressional employee service as does not exceed fifteen years, by multiplying 2½ per centum of the average salary by the years of such service."

The PRESIDING OFFICER. The question is on agreeing to this committee amendment.

The amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, may we have an explanation of the bill?

Mr. CLARK. Mr. President, this House bill deals with the reemployment of former Members of Congress.

The bill as passed by the House has been amended by the Committee on Post Office and Civil Service by striking out certain provisions and inserting new text.

The purpose of the bill is to remove a number of inconsistencies and to correct certain inequities in the operation of the Civil Service Retirement Act.

Mr. President, this measure is a very technical one; but I shall do my best to explain it as simply as possible.

Under present law, 5 years of service as a Member of Congress are required in order for a former Member of Congress to obtain initial coverage under the Retirement Act or to regain coverage previously acquired by him by virtue of earlier service as an employee, in a position subject to the act. In other words, this bill deals with the problem which confronts a Member of Congress who previously served the Government in an administrative position, either on Capitol Hill or in the departments downtown or out in the field. The purpose of the bill is to try to make more equitable the retirement rights of such persons who have come under the retirement plan, either in the first instance as an employee, or as a Member of Congress, and then their status has changed, and their retirement rights have, as a result, been adversely affected.

As I have said, under present law one must have 5 years of service as a Member of Congress in order to obtain initial coverage under the Retirement Act or to regain coverage which had been won, for example, by virtue of earlier service as an employee in a position covered by the act.

This quirk in the law means that such a covered employee, when elected to Congress, would lose his coverage until he completed 5 years of service as a Member of Congress. Of course, during those 5 years a Member of the House of Representatives would have to run for reelection twice, following his initial election; and in his reelection campaigns he might be defeated. Then he would no longer be covered under the act.

On the other hand, coverage in the case of a Government employee is based on any combination of 5 years of service, whether continuous or not. In other words, such a person can be covered on the basis of the total of his noncontiguous periods of service as a Government employee; but he will be out of luck if, in the meantime, he is elected to Congress, and then is defeated before he serves 5 years in Congress, even though thereafter he is reelected. He will lose his coverage unless he serves for 5 continuous years. Thus, in the case of a Government employee, coverage once obtained is not lost.

Mr. LAUSCHE. Mr. President, from what page is the Senator from Pennsylvania reading?

Mr. CLARK. I am reading from page 1 of the report of the Committee on Post Office and Civil Service, under the subheading "Purpose."

Mr. LAUSCHE. I thank the Senator.

Mr. CLARK. I shall continue to paraphrase the report:

The bill will correct this anomalous situation, by basing the coverage in all instances on any combination of 5 years of civilian service. Thus, if an employee with 5 years or more of service is elected to Congress, his coverage will continue without a break. Or, for example, if an employee has 4 years of service, then he will acquire coverage after he serves for 1 year as a Member of Congress, instead of having to serve in Congress for 5 years, as required by present law.

Mr. LAUSCHE. Mr. President, at this point will the Senator from Pennsylvania yield?

Mr. CLARK. I am happy to yield.

Mr. LAUSCHE. Let us assume that for 4 years an employee of the Federal Government worked at a salary of $5,000, and then was elected to the Senate, and received a salary of $22,500. How would his retirement compensation be determined, and how would that compensation differ in the event he worked 5 continuous years as an employee, as compared with the compensation received by one who worked 4 years as an employee and 1 year as a Member of the Senate or as a Member of the House of Representatives?

Mr. CLARK. I wonder whether my friend will defer his question until I complete my general statement on the bill, and then reach a discussion of the basis of credit. Otherwise, we may become confused.

Mr. LAUSCHE. Very well.

Mr. CLARK. Mr. President, present law accords retirement credit for civilian employee service performed before, but with one exception not after, Member service. The exception occurs when a former Member is reemployed in a civilian position subject to the act for a period of time sufficient to acquire title to a separate and additional employee annuity—5 years. However, without such separate employee annuity title, civilian employee service performed after leaving Congress now produces no additional retirement benefits. The bill corrects this obvious inequity by making provisions for computation or recomputation of the former Member's annuity, to include credit for any civilian service, performed subsequent to his service as a Member of Congress.

In other words, if before becoming a Member of Congress, one has served as a civilian employee of the government, he will receive retirement credit for that service. But after he becomes a Member of Congress, under present law he does not receive retirement credit unless thereafter, as a former Member, he is reemployed in a civilian position subject to the act for a period of time sufficient to enable him to acquire title to a separate and additional employee annuity, which means employment for 5 years. However, without such separate employee annuity title, civilian employee service performed after such a person leaves Congress will not now produce any additional retirement benefits.

Now let me say a word about the reemployment of a retired Member of Congress on what we call a when-actually-employed basis. Under existing law, a retired Member of Congress—whether retired because of voluntary retirement or because he was defeated in an election—who accepts appointment to a civilian position on an intermittent-service basis or on a "when-actually-employed" basis—in other words, part-time—or on a full-time or substantially full-time basis without compensation is required to forfeit his entire annuity for the full period of his employment, even though he receives only an occasional day's pay or even though he receives no pay at all, under a "without compensation" appointment. In other words, if he is given per diem employment once or twice a week or two or three times a month, this condition applies, and he will forfeit his entire annuity.

The bill will change that situation, by making provision for continuing the former Member's annuity on a proper pro rata basis in the circumstances I have described, but with no resulting increase in retirement benefits. During any such period or periods of reemployment on an intermittent-service basis—in other words, when employed for a certain number of days a week or a certain number of days a month—or an a when-actually-employed basis—in other words, whenever he is called to work, but not on a regular basis—the employing agency would be required to reduce the former Member's salary by the amount of his annuity appropriately allocable to his period or periods of reemployment; and, quite properly, the money so withheld would be returned to the Retirement Fund.

I admit that this is rather complicated, but I believe it is reasonably fair.

Now let me discuss the basis of credit, about which the Senator from Ohio asked a short time ago.

Mr. ELLENDER. First, Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I am happy to yield.

Mr. ELLENDER. Suppose such a man works 2 days a week, for an entire year. Will an entire year be added to the credit he receives?

Mr. CLARK. No; only the number of days he actually worked.

Mr. ELLENDER. Only the number of days he actually worked?

Mr. CLARK. Yes.

Mr. ELLENDER. How is that proportioned?

Mr. CLARK. I am told he gets no additional credit for the part-time employment. If he were working 2 days out of 5, for example, he would get credit for two-fifths.

Mr. ELLENDER. Let us assume that out of 365 days he worked 100 days. Would he get credit for 100 days, and not the 365 days? Is that correct?

Mr. CLARK. If he works full time, he gets credit for the whole 100 days. If he works part time, he does not get credit for it.

Mr. LAUSCHE. If the Senator will yield, what does the Senator mean by "credit?"

Mr. CLARK. It is counted for an additional annuity.

Mr. ELLENDER. Did the committee have specific cases before it to give rise to the bill we are now considering?

Mr. CLARK. Oh, yes; very definitely.

Mr. ELLENDER. How many were there? I find many such bills are enacted to take care of two or three or four persons. I am wondering how many persons would be affected by this bill if it should be enacted.

Mr. CLARK. My recollection is somewhere between half a dozen and a dozen. I know of two by name, but there are more than that.

Mr. ELLENDER. I am not anxious to learn the names.

Mr. CLARK. I know. There are more than that number. I have seen a list. I can say to the Senator from Louisiana the number involved is not large, but this is not a bill for one man or two men.

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

Mr. CLARK. Yes.

Mr. LAUSCHE. Let us assume that a Congressman served for 5 years and he became entitled to a pension, up to a certain amount. He then takes a position with the Government. What he earns in that new position and the length of his service go to his credit in building up his retirement rights. Is that correct?

Mr. CLARK. That is correct. Why should that not be so, really?

Mr. LAUSCHE. What are the prospects of building up his retirement rights as to the amount of payments?

Mr. CLARK. Let me get now to the basis of credit.

Mr. LAUSCHE. The Senator will get to that. Very well.

Mr. CLARK. With respect to the basis of credit, and this is pretty complicated, I will ask my friend to follow me closely. I am referring to page 2 of the committee report, under the heading "Basis of Credit."

I read:

> Once the decision is reached that credit is to be allowed for services under any specified set of circumstances different in any respect from those set forth in existing law.

Then we have to answer this question as to the amount on which the credit is to be based:

> Under present law, the annuity of a Member is computed at 2½ percent of average salary times years of Member service, congressional employee service not in excess of 15 years, and creditable military service.

Then we come to service in addition to these three bases—that is, Member service, congressional employees service, and creditable military service:

> Other service is then credited independently under a formula which provides: 1½ percent for years of service up to 5; 1¾ percent for years of service between 5 and 10 and 2 percent for years of service over 10.
>
> Similarly, the annuity of a congressional employee is computed at 2½ percent of average salary for his congressional employee and creditable military service not exceeding 15 years. Credit for any other service of any kind is then computed independently under the 1½-, 1¾-, and 2-percent formula—

Which I have just recited—

> as in the case of a Member.
>
> The annuity of employees generally is computed, in the main, under a formula which provides: 1½ percent for years of total service not in excess of 5; 1¾ percent for years of total service between 5 and 10; and 2 percent for years of total service in excess of 10.

All I have been telling the Senator so far is existing law.

This bill as it came from the House would have credited former Members for subsequent service in appointive civilian positions at the 2½-percent rate applicable now only to Members and limited congressional employee service. We did not think that this was right, so we changed it, and, from what I have just said, the Senator can see that the credit for service could be computed in any one of a number of ways. But the way we have done it carries out, we believe, fully the objective of giving retirement credit to former Members of Congress who are subsequently employed in civilian service in appointive positions. However, under the committee amendment, credit for such service would be computed under the formula applicable to Federal employees generally for comparable civilian service.

In other words, we do not give any special "break" to a Congressman by reason of his former service; and, in order to achieve that, in subsections (a) and (b) of the first section of the bill, we amended the annuity formulas for congressional employees and Members of Congress. Each formula as amended would require application of the same system which applies to regular Federal employees—that is, 1½ percent, 1¾ percent, and 2 percent, the three-step formula used in the case of employees generally—to the total service of the retiring congressional employee or Member, with the 2½ percent factor to be used, in either instance, only with respect to years of service for which it is currently authorized.

Application of the formula of 1½, 1¾, and 2 percent would be based on the total service of the retiring individual, whether he be a congressional employee or a Member. Thus, for the service which is not covered by the 2½-percent factor, the 1¾-percent factor would be applied to years of total service between 5 and 10, and the 2-percent factor would be applied for service in excess of 10 years.

I know this is complicated, but I believe it is fair.

Mr. ELLENDER. Assuming that the employee is entitled to 2½ percent, on what figure would that be based? What is the basis for it?

Mr. CLARK. It is based, as it is under current law, on the highest 5 years.

Mr. ELLENDER. On what amount? Suppose for a few years one received $5,000, for a few years $10,000, and for a few years a higher amount?

Mr. CLARK. It is based on the 5-year average of the highest salary. This proposal does not make any change in the present law in that regard.

Mr. LAUSCHE. Mr. President, if the Senator will yield, I get back to my original question. If I have been in the Senate for 5 years, and I then take a job for the Federal Government and work at it for 10 years, at $8,000 a year, the basis, in computing my retirement benefits, would be the 5 years in which I was in the Senate, and would be based on a salary of $22,500 a year.

Mr. CLARK. That is exactly correct. This bill would make no change in that provision.

Mr. LAUSCHE. Very well.

Mr. CLARK. Let me point out that if the Senator were working for the National Aeronautics and Space Administration at $21,000 a year, in an exempt position, and worked for 5 years, and then left, because of some situation, or because he was no longer useful to the administration—the Senator might simply get sick and tired of the work—and then came to work as a clerk at $3,000, $4,000, or $5,000 a year, the annuity under existing law would still be based upon the $21,000 for the 5 years, under the law as it now reads.

Mr. LAUSCHE. Yes. Under the present law a Congressman who takes a job with the Federal Government is not allowed any credits for the new job, is he?

Mr. CLARK. Yes; he would get the credit if he worked 5 years or more.

Mr. LAUSCHE. It is not a fact, then that a Congressman could take a mediocre job, let us say at a salary of $5,000 or $6,000 a year, and each year he worked he would be building up a retirement compensation based on 5 years' salary at $22,500 a year? Will the Senator answer the question "yes" or "no"?

Mr. CLARK. The answer is "Yes," under existing law.

Mr. LAUSCHE. Yes.

Mr. CLARK. This bill makes no change in existing law in that respect.

Mr. LAUSCHE. Is it not a fact that it operates inequitably, because with respect to the Congressman and to the high-ranking Cabinet members the salary is extraordinarily high, and, therefore, the base for the compensation would be fixed at a high figure?

Mr. CLARK. I do not think that this is inequitable at all. Frankly, I think it is only just, right, and fair.

Another thing applies, also. If a man works for a long period of time at a clerk's salary, which is low, and then is elected to Congress and serves in the Congress at $22,500 a year, at the end of his term, at the end of his career, he would still get the congressional retirement pay.

All I am pointing out is that the bill would not change that provision a bit.

Mr. LAUSCHE. I respect the Senator's judgment, but the goodness with which this proposition strikes him is completely contrary to the badness with which it strikes me.

Mr. CLARK. This is not an unusual disagreement between two good friends.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. WILLIAMS of Delaware. About how many employees would be effected by this provision?

Mr. CLARK. I tried to estimate that. Frankly, I do not know. My best estimate is that it is somewhere between a half dozen and a dozen.

Mr. WILLIAMS of Delaware. That is all who would be affected by the bill now before us?

Mr. CLARK. That is correct. I only know of two, myself, but I am told by others there are a number more.

Mr. WILLIAMS of Delaware. The Senator would say it would not be over 8 or 10 at the most? Do I correctly understand the Senator to say that?

Mr. CLARK. I am unable to get from the staff information which would enable me to accurately answer the Senator.

Mr. WILLIAMS of Delaware. I am not asking for an accurate answer. I only want a reasonable estimate. I understood the Senator to tell the Senator from Ohio and the Senator from Louisiana the number was about a half dozen.

Mr. CLARK. That is my best guess.

Mr. WILLIAMS of Delaware. The next question is, would the bill change the existing formula, other than that which is now applicable either to Members of Congress or others?

Mr. CLARK. Certainly. I went through that quite carefully.

The bill would provide a somewhat more favorable basis for certain service. However it is not significant as can be noted from the report on the bill.

Also, as will be noted from the report of the Civil Service Commission, the cost of this measure would be negligible.

Mr. WILLIAMS of Delaware. The Senator said this would not make any significant change. What is the insignificant change which would be made?

Mr. CLARK. I would have to go over the whole complicated computation again.

Mr. WILLIAMS of Delaware. I heard the Senator give the explanation. He made it so complicated I did not understand it. Stated simply, how will this change the formula for John Doe?

Mr. CLARK. Very simply, this would make it possible in certain circumstances for a Member of Congress who has been back and forth between civilian employment and the Congress to get slightly more retirement benefit than he would get at present, and I think justly so, because in my opinion the present law is not equitable in that regard.

Mr. WILLIAMS of Delaware. In what way or manner is the law to be changed? There must be some mathematical formula. We cannot simply pass a bill which says, "slightly." Either the bill changes the formula or it will not. What will it do? I am not necessarily objecting to the bill; I am simply asking for information.

Mr. CLARK. I understand what the Senator is trying to do, only too well.

Let me try again to make this clear.

As amended by the bill, the formula would require the regular 1½ percent, 1¾ percent and 2 percent three-step formula to be used in the case of employees generally in computing the total service of the retiring congressional employee or Member, with the 2½ percent factor to be used, in either instance, only with respect to years of service for which it is currently authorized. The net result would be to make it possible for Members of Congress who are in and out of the Congress and of Federal employment to get the same annuity, based on the five years of highest pay, which they would have gotten if they had stayed only in the civilian service or had stayed only in Congress.

Mr. WILLIAMS of Delaware. Is that the only change in the bill? Is that the only change in the formula?

Mr. CLARK. I have been talking largely about section 1. Now let us talk about sections 2, 3, and 4.

Mr. WILLIAMS of Delaware. I thought we were speaking of the bill.

Mr. CLARK. We are speaking of the bill, but there are four sections of the bill. My good friends from Delaware, Ohio, and Louisiana have, with customary courtesy, interrupted me before I finished explaining the terms of the bill.

Mr. WILLIAMS of Delaware. I beg the Senator's pardon. I shall wait until the Senator explains the other three sections.

Mr. ELLENDER. Before the Senator proceeds, can the Senator tell us of the number who will benefit from passage of the bill? How many are Representatives in Congress or Senators? Are they all Senators and Representatives—"lame ducks"?

Mr. CLARK. No. To my knowledge there is one present Representative who used to be an employee. There is one former Representative who is presently an employee. I understand from the staff—and I have not undertaken to find out the name—there are one or two Senators involved.

Mr. ELLENDER. Are there any administrative assistants involved, any employees of the Senate or of the House?

Mr. CLARK. I know of one former administrative assistant.

Mr. ELLENDER. Yes.

Mr. CLARK. Now, wait a minute. He is presently a Member of Congress.

Mr. ELLENDER. I do not mean a Member of Congress. Are there any administrative assistants who may have lost their jobs?

Mr. CLARK. I do not know of any. The staff does not know of any.

Mr. WILLIAMS of Delaware. Is it not a fact that every employee of the Congress is involved in this bill? Let us stop shadowboxing. Is it or is it not a fact?

Mr. CLARK. That could be the case.

Mr. WILLIAMS of Delaware. I understand that. I desire to propound a question which, as the Senator presenting the bill, the Senator from Pennsylvania should be able to answer. Does or does not the bill apply to every employee of the congressional or legislative branch as well as to every Member of Congress? Surely the Senator from Pennsylvania can answer that.

Mr. CLARK. If a member who is on the staff of a Congressional Member or Senator serves more than 15 years——

Mr. WILLIAMS of Delaware. It applies to every Member or legislative employee who has more than 15 years' service. Is not that correct?

Mr. CLARK. From this point on, if this bill is passed, he will receive the same retirement benefits he would have received, and the same benefits as the employees who are not congressional employees, but who are working downtown or in the field. In other words, this gives congressional employees no preference. After the 16th year they get benefits which are computed on the same basis as the benefits presently received by other Federal employees who are not on the staffs of Senators or Representatives.

Mr. WILLIAMS of Delaware. I am inclined to think there may be some merit to some parts of the bill, but I think we should have a clear explanation of it. Have we broadened the provision to include everyone? The Senator says it equalizes benefits. Can the Senator reduce that statement to mathematics and tell us what they receive now and what they will receive under the bill?

Mr. CLARK. All I can say is that my friend from Delaware is being his usual very astute self in a very able effort to complicate and confuse a rather simple issue.

Mr. WILLIAMS of Delaware. Having listened to his explanation I do not think it is possible for me to confuse the Senator from Pennsylvania.

Mr. CLARK. Section 1 of the bill does what I have said. The Senator is bringing up some other parts of the bill. I shall be happy to go on to sections 2, 3, and 4, and explain them to the best of my ability. I freely admit that the Senator from Delaware is a great deal brighter in this regard than I am.

I call attention to page 6 of the committee report, dealing with section 2:

This section amends section 403 of title IV of Public Law 84-854, which provides in

general for continuation of rights acquired under prior laws to employees and Members retired or otherwise separated prior to October 1, 1956, the effective date of the Civil Service Retirement Act Amendments of 1956.

The bill would add an exception to section 403 to afford Members of Congress separated before October 1, 1956, with title to deferred annuity which would otherwise begin at age 62, an annuity commencing at age 60 if the former Member has at least 10 years of Member service. While the retirement date might be moved up to age 60 in each affected case, payment of the annuity could not commence earlier than the first of the month following enactment of the bill.

Under the Member provisions of the Retirement Act prior to October 1, 1956, the deferred annuity provided at age 60 after 10 years' Member service (available now only to Members separated on or after April 1, 1954) is a reduced annuity. The reduction is one-fourth of 1 percent for each full month the Member lacks of being age 62 at retirement date. Annuities afforded under this amendment would be so reduced. Since retirement date in each case would be age 60, the age reduction in each instance would be 6 percent.

The number of former Members who will benefit is not known, but will doubtless be very limited. Cost is not material.

To my knowledge this takes care of only one Member of Congress.

I now turn to section 3.

This section amends Public Law 85-465 to extend the widow-and-widower annuities provided therein to certain overlooked cases.

The purpose of the survivor annuity provisions of Public Law 85-465 (see H. Rept. 1211 of Aug. 21, 1957) was to give "annuity title to unremarried widows and widowers of employees and retirees who died after 10 years of service, either in service or after retirement, prior to February 29, 1948. Widows and widowers of retirees who died on or after February 29, 1948, already are receiving annuities under 1948 amendments to the law."

Subsequent analysis of Public Law 85-465 (and related prior legislation) revealed that it did not close all the gaps in survivor protection that the Congress intended. A legislative discrepancy resulted in no survivor protection in cases of pre-1948 Canal Zone and Alaska Railroad retirees who died between February 29 and March 31, 1948.

Two actual cases in this category have arisen to date. This provision would place them, and the few other cases which may arise, on an equal footing with the similar cases already covered by Public Law 85-465.

Since the number of eligibles will be few, the cost of this provision is negligible.

This section takes care of two widows.

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

Mr. CLARK. I yield.

Mr. LAUSCHE. Would this provision be retroactive in operation, and qualify them for payment for the entire period if, under the general law, they were qualified, going back to 1948?

Mr. CLARK. No.

Mr. LAUSCHE. Why not?

Mr. CLARK. Because the other widows did not receive benefits retroactively in 1948.

Mr. LAUSCHE. Under the declaration contained in the bill, however, it is stated that they should have been granted this right.

Mr. CLARK. This provision places the two widows in the same category as all the other widows.

Mr. LAUSCHE. When would their rights to payment begin?

Mr. CLARK. As soon as the bill is passed, they will be eligible for payment on the same basis as all the other pre-1948 widows who have been receiving payments since 1958.

Mr. LAUSCHE. The language just read, relating to section 3, declares that they were improperly omitted in 1948.

Mr. CLARK. We are speaking about pre-1948 widows who for the first time were given survivorship benefits in 1958.

Mr. LAUSCHE. And that we are now doing what we should have done in 1958. If that is the fact, does the Senator mean that they would be entitled to a 12-year deferred payment?

Mr. CLARK. Mr. President, I somewhat misstated the situation. The other widows did not receive payment until August 1, 1958. These two widows will be dated back retroactively also to August 1, 1958, so they will be in the same category.

I am advised that when the bill was passed in 1958 it incorporated into its benefits those who had become widows on or before 1948. So all this provision does is to put these two widows in the same category as those who were first given the survivorship benefit in 1958.

Mr. LAUSCHE. Has anyone raised the question that if a wrong was done to them in 1948, justice would require that these payments be made retroactive to that date?

Mr. CLARK. The wrong was done in 1958, not 1948. There were no survivorship benefits back in 1948. In other words, the legislation dates back to 1958. The eligibility goes back to 1948.

Incidentally, this provision was incorporated in the law at the request of the Civil Service Commission, which had unearthed these two cases, which it thought were treated inequitably.

I come now to section 4. I read from the report:

This section provides for payment of benefits authorized by the bill from the civil service retirement and disability fund, notwithstanding any other provision of law. Such provision would circumvent the advance appropriation requirement contained in the paragraph headed "Civil Service Retirement and Disability Fund" in section 101 of title I of the act of August 28, 1958, Public Law 85-844 (72 Stat. 1064).

This is the kind of provision which it has been the common practice to put in legislation of this sort ever since in Public Law 85-848 the provision was inserted, in an appropriation bill, that if any additional benefits were authorized by law, there would have to be an appropriation to take care of it. The purpose of this language is to circumvent that requirement. That has been done many times in the past in this kind of legislation, coming out of our committee, which affects a relatively small number of individuals and where the cost is negligible. There are a number of technical changes set forth in the language of the bill. To the best of my ability that completes an explanation of the bill.

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

Mr. CLARK. I yield.

Mr. LAUSCHE. As a matter of basic philosophy underlying the general provisions of the entire law, is it not a fact that the 5 years of highest pay have been used as the basis for fixing the retirement compensation, because in the great majority of cases and in the normal process of events, the 5 years of highest pay are ordinarily the last 5 years of service?

Mr. CLARK. No; I would not think so. I do not believe that is the philosophy at all. I agree that frequently that is the case, but I think the Senator, who is a lawyer, knows only too well that the income from the last 5 years in which a lawyer practices will ordinarily be substantially lower, from an income standpoint, than the years when he was in the prime of his life.

Mr. LAUSCHE. I pose my question because in one of the reports filed by the Senator's committee, and which I have read, there is contained the exact statement which I have just recited.

Mr. CLARK. In that case, it would have been a little more candid if the Senator had made that as a statement, instead of a question. That may be the view of the committee. It is not my view.

Mr. LAUSCHE. What does the staff member of the committee have to say on that?

Mr. CLARK. He sits with me, but he cannot speak. What does the Senator wish to know? First, I should like to say, as the Senator knows that that statement is in the Civil Service Commission letter. I do not believe it is the accepted philosophy on the part of the committee. If it is, I will dissent from it.

Mr. LAUSCHE. But if it is a fact that normally the last 5 years are the years of highest pay, does it not follow, then, that with a Congressman who is reduced from a $22,500 a year salary to a $6,000 a year salary it is unfair to the general taxpayer to fix his retirement pay on the early 5 years at $22,500 rather than on the last years when he was getting only $6,000 or $7,000, perhaps?

Mr. CLARK. No; I do not think that is so at all. If the Senator wishes to get at that point, it is not through the pending bill, because all that the pending bill does is to continue the same basis of computation as in existing law.

Mr. LAUSCHE. Is it not a fact that under existing law a Congressman who takes a position, let us say, at $7,000 a year is not allowed to include his service in Congress as a part of the tenure under which he is now working?

Mr. CLARK. Not entirely.

Mr. LAUSCHE. Perhaps I can clarify that. The Senator from Pennsylvania stated earlier that there were certain disadvantages which were suffered by a retired Congressman under the law, and that the pending bill was intended to remedy those disadvantages.

Mr. CLARK. Yes.

Mr. LAUSCHE. That is the thought I had in mind.

Mr. CLARK. If he does not serve for 5 years in Congress, under present law he does not get the full benefit of his congressional services. Under the proposed law he would.

If the Senator or I were to leave the Senate at the end of our current term, and leave the Federal Government, we would have our annuity computed on our congressional salary, for the 5 highest years. The pending bill would provide that if we left the Senate and went downtown and took a job at a lower salary we would still get the annuity computed on the congressional salary.

Mr. LAUSCHE. I wish to commend the Senator from Pennsylvania for his grasp of this complicated problem, even though he might think that he is laboring in presenting it.

Mr. CLARK. The Senator is very kind to say so. It is a very complicated subject. I am not sure that I understand all the quirks of it, but I have done my best, as a conscientious member of the committee, to understand it.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WILLIAMS of Delaware. With the exception of employees of the Alaska and Panama Railroads, just how does the pending bill change the formula in the existing law? Just how does it change the existing law for congressional employees and Members of Congress?

Mr. CLARK. I suppose we will have to go all over it again.

Mr. WILLIAMS of Delaware. Give us an example. How does it change the existing law?

Mr. CLARK. Let me give the example I gave to the Senator from Ohio. If the Senator from Delaware were to leave the Senate—which heaven forbid—and go back to his business in Delaware, his annuity as a onetime Federal employee would be computed on the basis of the salary he received during his term as a Senator. If he left the Senate and took a Federal job at a much lower salary than he received as Senator, and continued in that job for 5 years, his annuity would be computed, not on his salary as a Senator, but on the salary he received in the lower pay job.

This bill would change that. It would mean that even if the Senator from Delaware—or the Senator from Pennsylvania, for that matter—subsequently, after leaving Congress, took a Federal job at a substantially lower salary, he would still have his annuity computed, generally speaking, on his senatorial salary. But I must say that it is not quite so simple as that, because it is necessary to go through the formula, which has taken me a half hour to explain, and which I shall be glad to explain again.

Mr. WILLIAMS of Delaware. If the matter is that complicated, then there is something wrong with it. If one had 15 years of service as a Member of the Senate and then went downtown and got 5 years service in, say, the State Department, how would his annuity be computed under existing law, and how would it be computed under the proposed bill?

Mr. CLARK. Let me register strenuous exception to the view of the Senator from Delaware that anything which is extremely complicated is wrong. The world is becoming more and more complicated every day. The Senator said that something is wrong with the proposal.

Mr. WILLIAMS of Delaware. We had better understand the bill before we pass it. Certainly the question should be asked and answered. What are the mechanics of the formula?

Mr. CLARK. If the Senator will give me an example, I shall be glad to attempt to answer him.

Mr. WILLIAMS of Delaware. Assume that John Doe served 15 years as a legislative employee and then worked 5 years in the State Department.

Mr. CLARK. At what salary?

Mr. WILLIAMS of Delaware. At $10,000 in the legislative branch and $5,000 in the State Department.

Mr. CLARK. The Senator is speaking not of a Member of Congress, but of an employee?

Mr. WILLIAMS of Delaware. Let us consider an employee first.

Mr. CLARK. The bill makes no change in existing law in that regard. The employee would tack his 5 years service downtown onto his 15 years service as a congressional employee. The bill would not affect that situation.

Mr. WILLIAMS of Delaware. Are you sure it would not affect in any way the computation or the formula as it affects him?

Mr. CLARK. That is correct.

Mr. WILLIAMS of Delaware. Far be it for me to question the Senator's explanation, but that is not the understanding I have.

As I understand the existing law, if a person worked 15 years as a legislative employee his annuity would be computed, up to 15 years, at 2½ percent. If he then went to work in the executive branch it would be computed at 1½ percent for the first 5 years, 1¾ percent for the second 5 years, and 2 percent for the third 5 years.

As I understand the bill, he will skip the first two notches after his 15-year service as a congressional employee and go direct to the 2-percent formula. When he goes to the executive branch, under the bill, his first 5 years will be computed at 2 percent.

Mr CLARK. The Senator is correct, if the employee stays on the Hill. But the Senator gave me an example of a person who transferred to the executive branch. If he does that, he loses his congressional status and would retire as a regular employee.

Mr. WILLIAMS of Delaware. Are you sure?

Mr. CLARK. The Senator gave me an example of a person who had congressional service and then transferred to the executive branch. I have to rely to a substantial extent on the exact situation, because this is a complicated matter.

Mr. WILLIAMS of Delaware. I am stating a hypothetical case. Suppose John Doe has 15 years of congressional service, then leaves, and works 5 years in an executive department. Under existing law, his 15 years in the legislative branch will be computed at 2½ percent.

Mr. CLARK. No. He loses his congressional entitlement when he enters the executive branch.

Mr. WILLIAMS of Delaware. I disagree. Under the present civil service retirement law he would have his annuity computed for 5 years at 1½ percent, but he would retain the right to compute his 15 years congressional service at 2½ percent.

Mr. CLARK. It would be computed in the executive branch on the same basis on which it is computed for everybody else downtown, despite his service in the legislative branch.

Mr. WILLIAMS of Delaware. That is correct in regards to his downtown service. It would be 1½ percent for the first 5 years; 1¾ percent for the second 5 years, and 2 percent for each 5-year period thereafter.

Mr. CLARK. That is correct.

Mr. WILLIAMS of Delaware. Does not the bill change that formula?

Mr. CLARK. No, not for such a person.

Mr. WILLIAMS of Delaware. For a Member of Congress?

Mr. CLARK. If a Member of Congress becomes employed in the executive branch after 15 years service in Congress, and serves 5 years downtown, he gets the congressional entitlement or allowance of the period he served in Congress.

Let me make certain that what I am saying is correct. When he went into the executive branch, he would be able to tack his congressional service on to his downtown service, and get 2 percent——

Mr. WILLIAMS of Delaware. What would he get under existing law?

Mr. CLARK. One and one-half percent if he served 5 years.

Mr. WILLIAMS of Delaware. He would get 1½ percent. Then this is a raise.

Mr. CLARK. Year for year, the man downtown gets his retirement raised to 2 percent, after his 11th year, also.

Mr. WILLIAMS of Delaware. I am speaking about John Doe, who was a Member of Congress. Suppose he served 15 years in Congress and then worked 5 years in the State Department. Under existing law, his annuity would be computed on the basis of 15 years at 2½ percent and 5 years at 1½ percent. Is not that correct?

Mr. CLARK. That is correct.

Mr. WILLIAMS of Delaware. Under the bill, it would be computed as 15 years at 2 percent and 5 years at 2 percent.

Mr. CLARK. That is correct.

Mr. WILLIAMS of Delaware. Then to that extent the formula is raised.

Mr. CLARK. That is correct.

Mr. WILLIAMS of Delaware. It is raised again in the second 5 years three-quarters of a percent, is it not?

Mr. CLARK. That is correct.

Mr. WILLIAMS of Delaware. Let us take another case of a congressional employee. Suppose he has 20 years of service on the Hill.

Mr. CLARK. He would be pretty well worn out then; but let us make the assumption.

Mr. WILLIAMS of Delaware. They do work harder than many Members, but I doubt they would be worn out. Assume that John Doe has had 25 years' service as an employee of the legislative branch. How would his formula be changed under the bill?

Mr. CLARK. When what happened?

Mr. WILLIAMS of Delaware. When he retired.

Mr. CLARK. From the 16th year forward, he would get 2 percent, which is the same rate an employee downtown gets from the 16th year forward.

Mr. WILLIAMS of Delaware. How does that compare with existing law? What changes are being made?

Mr. CLARK. The rate is raised from 1½ percent to 2 percent, and from 1¾ percent to 2 percent.

Mr. WILLIAMS of Delaware. That is correct. The formula is raised between 15 and 20 years from 1½ to 2 percent, and between 20 to 25 years it is raised from 1¾ percent to 2 percent.

Mr. CLARK. That is correct; but the employee must retire from the Hill.

Mr. WILLIAMS of Delaware. Not necessarily.

Mr. CLARK. After 25 years of service.

Mr. WILLIAMS of Delaware. If he worked 30 years, the principle would be the same, would it not?

Mr. CLARK. At least 25 years.

Mr. WILLIAMS of Delaware. If he worked 30 or 35 years, the rate would be 2 percent thereafter under this bill.

Mr. CLARK. That is correct.

Mr. WILLIAMS of Delaware. In reference to the question asked by the Senator from Louisiana [Mr. ELLENDER] earlier this afternoon, would the bill not affect a large number?

Mr. CLARK. I thought I was talking about the first part of the bill. I do not know why I need to apologize to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I am not asking for an apology. I just want an answer.

Mr. CLARK. I made no effort to deceive anyone. I hope the Senator does not think I have deceived him. I thought I was giving a candid answer to the question asked by the Senator from Louisiana.

It is true that the major item involved in the bill is not what the Senator has been talking about, but is an effort to get service of Members of Congress tacked onto their retirement annuities if they have served for less than 5 years, and go back and forth between the legislative and executive branches. That is the main purpose of the bill. The entire cost will be negligible.

Mr. WILLIAMS of Delaware. That may be. Under existing law a Member of Congress can serve 2 years in Congress, and he will get no credit on his annuity when he enters another branch of service. This bill corrects that, but I do not think it is quite fair to say that that is the major objective. As I understand it, the major object of the bill is the revision which is made in the formula for congressional employees and the change in the formula for Congressional Members.

Mr. CLARK. This must be a question of judgment. I am reluctantly compelled to disagree with the Senator from Delaware. I discussed the bill at great length. The Senator must admit that it is very complicated. It cannot be made very simple.

If the Senator wants to say that I have misstated the bill on the floor, that is his privilege. I did not attempt to do so.

Mr. WILLIAMS of Delaware. I am not saying that the Senator has misstated the bill. In fact I have not even expressed any opinion of your remarks. I am merely seeking information as to the number of employees involved. If there are but three or four employees, or not more than a half dozen involved in section 1, and if the last section of the bill provides protection for two widows, all right. But how many more are getting increases under the other sections and how much?

It cannot be said that the major part of the bill concerns six employees and another section only two, when another section embraces scores of employees.

Perhaps the Senator is putting the emphasis in the wrong place. All that I am asking is that this proposal be presented on the basis of what it actually proposes to do.

Mr. CLARK. If the Senator from Delaware thinks there is in this measure a "sleeper" which I have not explained to the Senate, I am sorry that he feels that way. It may be that it contains a "sleeper" which no member of the Committee on Post Office and Civil Service knew about; but I have tried to explain the bill as carefully and as candidly as I can. My friend may be correct in saying that the bill calls for things which should not be done; but I have stated that the committee is informed that the cost of the bill will be negligible.

Mr. WILLIAMS of Delaware. I do not say the Senator from Pennsylvania has not seen any "sleeper" in the bill. He is one of the most alert Members of the Senate.

Mr. CLARK. Certainly the bill is a complicated one.

Mr. WILLIAMS of Delaware. Yes, but not so complicated that it cannot be understood.

Mr. CLARK. I hope we have not become confused about it.

Mr. WILLIAMS of Delaware. I do not think it is possible to confuse the Senator from Pennsylvania.

Mr. CLARK. I thank the Senator, but he is quite mistaken.

Mr. LAUSCHE. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield.

Mr. LAUSCHE. I direct attention to page 6 of the bill, where we find the provision:

> In the case of any Member separated from service——

Mr. CLARK. From what line is the Senator from Ohio reading?

Mr. LAUSCHE. On page 6, in line 2. I have in mind the proposed change in the required age. What is the age requirement for retirement under the general Retirement Act at the present time?

Mr. CLARK. Will the Senator from Ohio please restate his question?

Mr. LAUSCHE. What is the general age requirement, in order to qualify, at the present time? I understand that it varies. But why should there be a change from a requirement of 62 years to a requirement of 60 years, for a Member of Congress?

Mr. CLARK. If the Senator will turn to page 3 of the report, I shall read the answer:

> DEFERRED ANNUITIES
>
> Since October 1, 1956, a Member separated with title to a deferred annuity resulting from 10 or more years of service receives the same upon reaching 60 years of age. The bill extends that right to Members separated prior to October 1, 1959, who otherwise would have to wait until reaching the age of 62 in accordance with the law which was in effect at that time.

Otherwise they would have to wait until age 62.

I am frank to say there is a former Member of Congress who left the Congress after 10 years of service, prior to October 1, 1956; and he has to wait until he is 62 years of age. But every Member of Congress who left Congress after October 1, 1956, has to wait only until he is 60, in order to receive these benefits. This provision is for the purpose of allowing that one gentleman—there may be others, but I know of only one—to receive the same benefits as those now received by former Members of Congress who left the Congress after that date.

Mr. LAUSCHE. Let us assume he is just an employee of the Federal Government, and is in much the same category of circumstances as those just now described by the Senator. At what age would that employee be entitled to receive such retirement compensation.

Mr. CLARK. At age 62.

Mr. LAUSCHE. Why do we give preference to Congressmen, over ordinary Government employees?

Mr. CLARK. I do not know, and probably we should not. But that is in accordance with existing law. For one reason they pay more.

Mr. LAUSCHE. Let us assume that a Congressman served in Congress for 4 years, but did not have prior service in any capacity with the Government. When he is retired, does he then become entitled to any retirement pay of any character?

Mr. CLARK. Does the Senator mean if he is retired immediately after he serves in Congress for 4 years?

Mr. LAUSCHE. Yes.

Mr. CLARK. No; he will not then receive any retirement pay.

Mr. LAUSCHE. Under this bill, if he had those 4 years of service as a Member of Congress, and if then he took a job with the Federal Government for 1 year, would he then qualify for such retirement compensation?

Mr. CLARK. He could count his 4 years of service as a Member of Congress toward the total of 5 years which he must

have in order to receive a retired employee's annuity—but not an annuity as a Member of Congress.

Mr. LAUSCHE. Very well. Then, with 1 additional year of work—at $10,000 salary, let us say—following his 4 years of membership in the Congress, at a salary of $22,500, what would be the base on which his retirement pay would be determined?

Mr. CLARK. The average of his 5 years.

Mr. LAUSCHE. So he would then be entitled to retirement pay based on the average of four times $22,500 plus $10,000; is that correct?

Mr. CLARK. Yes. But of course he would not get very much if he were in service for only 5 years.

Mr. JOHNSTON of South Carolina. He would receive 7½ percent. But let us remember that it all will depend on his age and on the length of his service. All those factors enter into the situation. The younger he is, the more the deduction.

Mr. LAUSCHE. But let us assume that, instead of working 1 year, he works for 10 years.

Mr. CLARK. Where?

Mr. LAUSCHE. As a Government employee; and let us assume that prior thereto he served 4 years as a Member of Congress, at a salary of $22,500. He would then be eligible for retirement pay——

Mr. CLARK. Based on his highest 5 years.

Mr. LAUSCHE. Based on his highest 5 years?

Mr. CLARK. Yes. That is generally true today.

Mr. LAUSCHE. I understand. But that is where I encounter an impasse—in determining whether that is fair or unfair. I think it is wrong to give former Congressmen, under those circumstances, the right to have their retirement compensation fixed on the basis of their compensation during their first 5 years of service or first 4 years of service, when the fact is that the $22,500 pay received amounted to a sort of gift from God, because he was first chosen as a Member of Congress; but his real worth as a Government worker was only $10,000 a year, the pay for which he worked for many, many years.

Mr. CLARK. Let me make a comment on that last "crack" by my friend, the Senator from Ohio.

Mr. LAUSCHE. It is not a "crack"; it is an honest expression of my thinking.

Mr. CLARK. If the Congressman in question had served 1 more year in Congress, he would have his retirement compensation determined on the basis of $22,500 a year, for all 5 years. But the decision of the electorate to retire him from the Congress, with the result that thereafter he worked as a civilian employee for the Government, would save the taxpayers the difference in the average.

I understand the point of view of my friend——

Mr. LAUSCHE. But that still would not rectify the wrong; it would only make it worse, because if he served for 5 years as a Member of Congress, and then served for 10 years as a civilian employee of the Government, he would still be entitled to have his retirement pay based on his salary of $22,500 a year during the 5 years he served as a Member of Congress.

Mr. CLARK. If he served in Congress for 5 years, and if thereafter he did not work at all for the Federal Government, he still would be entitled to have his retirement pay based on his salary of $22,500 as a Member of Congress. So the matter is as broad as it is long.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield.

Mr. JOHNSTON of South Carolina. The point is that if one serves for 4 years in a department downtown, and then serves for 1 year as a Member of Congress, he can still receive retirement pay.

Mr. LAUSCHE. But that is still wrong.

Mr. JOHNSTON of South Carolina. Oh, no; it is not, because the retirement pay he received would be only in accordance with what he had paid into the fund.

Mr. LAUSCHE. But it would be received on the basis of the 5 highest years, which in that case would be years at a salary of $22,500. However, if he paid the required percentage for only 5 years on the $22,500 salary, and if thereafter he worked for 15 years for the Government, at a salary of $10,000 his retirement pay would be fixed on the basis of the first 5 years at the much higher salary.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. CLARK. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. In the case to which the Senator from Ohio has called attention—that of a former Member of Congress who served 4 years in the Congress and then worked in a Government department for 1 year—suppose during his 4 years of service as a Member of Congress he did not elect to come under the retirement system—for, after all, that is voluntary.

He goes downtown and he is compelled to come under the retirement system. Does he get credit for the 4 years in which he served in Congress for which he made no payments?

Mr. JOHNSTON of South Carolina. He would have to pay into the fund retroactively and pay the interest on that amount for the 4 years.

Mr. CLARK. The chairman of the committee is correct.

Mr. WILLIAMS of Delaware. Then he could not get credit for any service for which retirement payments were not retroactively paid back, plus interest. Is that true?

Mr. CLARK. That is correct.

Mr. President, I ask for the third reading of the bill.

The PRESIDING OFFICER. The second committee amendment will be stated.

The following committee amendments were stated:

On page 4, at the beginning of line 1, to strike out "(b)" and insert "(f)"; in line 2, after the word "Act", to strike out "(5 U.S.C. 2263(c))"; on page 5, line 4, after the words "lump-sum", to insert "leave"; after line 23, to insert a new section, as follows:

"SEC. 2. Section 403 of the Civil Service Retirement Act Amendments of 1956 (70 Stat. 760; 5 U.S.C. 2251 note) is amended by adding at the end thereof the following sentence: 'In the case of any Member separated from service before October 1, 1956, with title to a deferred annuity, the deferred annuity may begin at the age of sixty years if the Member had completed at least ten years of Member service, but no annuity shall be paid under this sentence for any period prior to the first day of the first month which begins after enactment thereof.'"

On page 6, after line 8, to insert a new section, as follows:

"SEC. 3. (a) Section 2(2) of the Act of June 25, 1958 (Public Law 85-465; 72 Stat. 219), is amended to read as follows:

"'(2) who (A) died before February 29, 1948, or (B), if retired under the Alaska Railroad Retirement Act of June 29, 1936, as amended, or under sections 91 to 107, inclusive, of title 2 of the Canal Zone Code, approved June 19, 1934, as amended, died before April 1, 1948; and'.

"(b) Section 4 of such Act of June 25, 1958, shall apply to annuities authorized by this section.

"(c) An annuity provided by this section shall commence August 1, 1958, or on the first day of the month in which application therefor is received in the Civil Service Commission, whichever occurs later."

At the beginning of line 24, to change the section number from "2" to "4"; and in line 25, after the word "by", where it occurs the second time, to strike out "the first section of".

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

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

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. LAUSCHE. Mr. President, I shall vote against the bill. There are certain aspects of it with which I agree. There are others with which I am in violent disagreement. I do not hesitate to state that, in a substantial degree, it has provisions which give to Members of Congress greater rights than are given to the ordinary employees of the Federal Government. While only one class of persons is covered by the change of the retirement age from 62 to 60, the fact is that the ordinary Federal Government employee must reach the age of 62, as distinguished from the age of 60 applicable to Members of Congress. That is the answer which was just given to me by the Senator from Pennsylvania.

I do not believe that Members of Congress are entitled to any better rights than those of the lowest-paid worker on the United States payroll. In principle

I disagree with such a provision, and will therefore vote against the bill.

Mr. JOHNSTON of South Carolina. Mr. President, I want to correct one statement. We are getting nothing but what we pay for. We are paying 8½ percent of our salaries into that fund. Downtown they pay only 6½ percent.

Mr. CLARK and Mr. WILLIAMS addressed the Chair.

Mr. LAUSCHE. Mr. President, I had the floor. Let me say to the Senator from South Carolina that a Congressman pays 8½ percent for 4 years of service on $22,500.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator will yield, I wish to correct the Senator from South Carolina. We pay only 7½ percent.

Mr. JOHNSTON of South Carolina. That is correct. We pay 1 percent more than other Federal employees do. When that difference is multiplied over the years, it will be seen that we have paid for the greater benefits.

Mr. LAUSCHE. But the Senator from South Carolina does not recognize the fact that this proposal is intended to give retirement pay to Congressmen who are lame ducks, and who take Government jobs at reduced pay, but who are compensated in retirement on the basis of the pay of a Congressman.

Mr. JOHNSTON of South Carolina. It is true that they take jobs at reduced pay, but in most instances it is almost the same pay, if the Senator will look into that question.

Mr. LAUSCHE. Why do we differentiate and make the retirement age 60 for Congressmen, but 62 for the ordinary Government employee?

Mr. JOHNSTON of South Carolina. Because when one multiplies the rate at which we pay in our share of the retirement fund, it will be found that we reach the maximum that much sooner.

Mr. LAUSCHE. At the end of 5 years a Member of Congress is entitled to retire, and he gets that retirement pay for the rest of his life.

Mr. JOHNSTON of South Carolina. We must also take into consideration the age at which ordinarily one is elected to Congress, and also the fact that many Members of Congress serve after attaining the age of 70 or 75. All those factors are taken into consideration in arriving at the retirement formula. A Government employee downtown must retire at a certain age. It is not mandatory for a Senator or a Representative to retire at a certain age. There is now a Member of Congress who is paid up. If he were employed in the Government downtown, he would have to retire, but this Member of Congress is still paying and he cannot retire. Government employees downtown can do so. They can get another job. That is the difference.

Mr. LAUSCHE. That is true, but we are showing a desire to place those who are removed from Congress in a position where they can get a lower paying job, but in the calculation of their retirement pay, they will have the same retirement payments as those received by Members of Congress. In my opinion, if we in this Congress are going to eliminate from the American public and businessmen their great penchant for payola and other such philosophies, we must be the first ones to set the example and make sure that we are not doing for ourselves that which we are unwilling to do for others. For that reason I shall vote against the bill.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to point out that the retirement fund has accumulated more than $8 billion.

Mr. LAUSCHE. My recollection is that the figures show the fund is practically insolvent; that when one approaches it from an actuarial standpoint, it is correct to argue that we have not paid enough money into the fund. I do not know whether the Senator from Delaware is acquainted with those facts.

Mr. JOHNSTON of South Carolina. The reason for such a condition is that hundreds of thousands of employees were blanketed into the system when we started it, and after World War II all civil service employees who had served in the Armed Forces were given credit for that service without having to pay 1 red cent. Those factors have had a tendency to make the fund insolvent; but we can continue for years and years before the fund becomes insolvent.

Mr. CLARK. Mr. President, may I say, as a member of the Committee on Civil Service and Post Office in charge of the bill on the floor, that while I have enjoyed the colloquy with the Senator from Delaware and the Senator from Ohio, and while I think they have brought out some valuable points in the discussion, I am still firmly of the belief that this is a just bill and should pass.

Mr. WILLIAMS of Delaware. Mr. President, I merely want to associate myself with the position taken by the Senator from Ohio in opposition to the bill. We cannot escape the fact that the main purpose of the bill is to increase retirement benefits of Members of Congress and congressional employees. It does not increase the benefits of other Federal employees. As the Senator from Ohio has pointed out, it would grant a special privilege for Members of Congress and our employees. It would lower the age of retirement for former Members of Congress with 10 years' service. They could, under this bill, retire at the age of 60 instead of waiting until the age of 62, as provided in existing law.

We would do this for Members of Congress or former Members of Congress only. We would not extend this to all Government employees or former Government employees.

We cannot escape the fact that the main objective would be to increase the formula under which all congressional employees as well as all Members of Congress compute their annuity after 15 years of service. Under existing law, if a congressional employee who has had 15 years of service on Capitol Hill goes downtown to seek employment and we assume he works 10 years for this Government agency, his retirement benefit would be computed on the basis of 2½ percent for the 15 years of service on Capitol Hill, plus 1½ percent for the first 5 years of service downtown and 1¾ percent for the second 5 years of service. Under the bill now under consideration we would start with the 15 years at 2½ percent computation but would jump completely across the two notches of the 1½ percent and 1¾ percent to 2 percent.

It may be said that there is not much difference between 1½ percent for 5 years and 1¾ percent for the second 5 years compared to 2 percent for the same years, but when we reduce it to mathematics and work it out based on a period of 30 or 35 years, with the multiplication it means a difference of 3 or 4 percent increase in the total retirement annuity. This then becomes a sizable item.

When we speak of changing the formula or raising the retirement benefits we had better stop to ask ourselves what we are going to do with the retirement system as it affects the other 2½ million employees. I do not think we have a right to pass a special privilege retirement bill for our own group.

If we extended the formula to all employees in the entire civil service system, by eliminating the 5 years at 1½ percent and the 5 years at 1¾ percent, to make it as equitable a formula as we provide for ourselves, the cost would run into hundreds of millions of dollars annually.

I will not vote for a bill which singles Congress out for special favors.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I wish the Senator would give his views as to the solvency of the fund, and whether we are each year rendering it more insolvent by the actions we are taking.

Mr. WILLIAMS of Delaware. I agree with the Senator from Ohio, except for one point. The retirement fund has been anchored into the Federal Treasury. While we appropriate the money, there is a commitment. If the fund does reach the point where it is insolvent, Congress will be compelled, under contractual arrangements with these employees, to appropriate the money. Except for the fact that the fund is anchored into the Federal Treasury, it could be said that the fund is insolvent.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? [Putting the question.]

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. I did not understand the count by the Presiding Officer.

The PRESIDING OFFICER. Without objection, the order for the quorum call is rescinded.

The bill having been read the third time, the question is, Shall it pass?

Mr. JOHNSON of Texas. Mr. President, I ask for a division.

On a division, the bill (H.R. 8241) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSTON of South Carolina. Mr. President, I move to lay that motion on the table.

Mr. CLARK. Mr. President, I move that the motion be tabled.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion of the Senator from Texas to reconsider. [Putting the question.]

The motion to lay on the table was agreed to.

Mr. COOPER. Mr. President, I did not hear all of the debate, but I heard the remarks of the two distinguished Senators.

Mr. President, I ask it be noted in the RECORD that I voted against passage of the bill.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1335, S. 2857.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2857) to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under such act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2857) to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under such act, which had been reported from the Committee on Post Office and Civil Service, with amendment, on page 2, after line 11, to insert a new section, as follows:

SEC. 3. Notwithstanding any other provision of law, refunds authorized by the amendment made by this Act shall be paid from the civil service retirement and disability fund.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 of the Civil Service Retirement Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(h) There shall be refunded to an employee or Member retiring under this Act, or to the survivor of a deceased employee or Member, any amounts deducted and withheld from the basic salary of such employee or Member from the first day of the first month which begins after he shall have performed sufficient service (exclusive of any service which the employee or Member elects to eliminate for purposes of annuity computation under section 9) to entitle him to the maximum annuity provided by section 9, together with interest on such amounts at the rate of 3 per centum per annum compounded annually from the date of such deductions to the date of retirement or death."

SEC. 2. The amendment made by this Act shall be effective only with respect to employees or Members separated from the service after the date of enactment of this Act.

SEC. 3. Notwithstanding any other provision of law, refunds authorized by the amendment made by this Act shall be paid from the civil service retirement and disability fund.

Mr. JOHNSON of Texas. Mr. President, this bill amends the Civil Service Retirement Act to authorize a refund of contributions in excess of an amount necessary to purchase maximum benefits payable under the act.

The Civil Service Retirement Act limits annuity payments to 80 percent of the high 5 consecutive year average salary in the case of employees and 80 percent of the final salary in the case of Members. Under present computation formulas employees attain the maximum benefit payable under the act after approximately 42 years of service and Members after approximately 32 years of service. A combination of the different types of service would result in attaining the maximum at any point between 32 and 42 years of service.

Contributions beyond such point purchase no additional annuity benefits. Accordingly, the bill provides for a refund of all retirement contributions made after the month in which an employee or Member obtained sufficient service to entitle him to the maximum benefits payable under the act. Benefits are prospective only and would be payable upon separation either on retirement or death.

The employee who remains in the service after he has earned the maximum annuity is a bargain in several respects. His services cost only 20 percent, as he could get 80 percent for not working, and yet because he continues in the service he draws nothing from the retirement fund. Viewed in this light, it seems reasonable that he should not be required to continue payments to the retirement fund which purchase no additional benefits.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WILLIAMS of Delaware. Mr. President, I know the Senator from Ohio [Mr. LAUSCHE], wished to be present when the bill was discussed. I think the Senator will be in the Chamber in a moment. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

The question is on agreeing to the committee amendment.

Mr. WILLIAMS of Delaware. I notice the Senator from Pennsylvania is present. Is the Senator from Texas going to explain the bill?

Mr. JOHNSON of Texas. I have explained the bill. I should like to have the committee amendment acted on, if the Senator will permit.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. LAUSCHE. Just a moment, Mr. President.

Mr. WILLIAMS of Delaware. Mr. President, I should like to have some answers to certain questions before we vote.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. JOHNSON of Texas. The bill would limit the annuity payments to the 80 percent. If the employee were entitled to receive more than that percent there would be a refund of contributions.

I have read the entire statement in the report. I did that before the Senator suggested the absence of a quorum. If the Senator has the report before him, he will find that the situation is explained in the first three paragraphs of the statement. I discussed this subject with the Senator previously. I have no doubt that he thoroughly understands what is in the bill.

Mr. WILLIAMS of Delaware. I told the Senator from Texas that I had no objection to the objective of the bill, but I am not so sure it is that simple. I am not too sure that it does not go beyond the stated objective. There is under the law a limitation in the amount of annuity which a Member of Congress or any other employee can get. As I understood the bill, it was originally presented on the basis that it would take care of a special situation which existed as the result of what I think is an unintentional error in the mathematical formula. A Member may reach the maximum point where he has already earned an established credit for the maximum annuity, but under the present formula if he continues serving in the Congress he continues to pay into the fund, but his retirement annuity goes down under a sliding scale. I thought it was the purpose of the bill to correct that situation, and on that point I am in agreement.

Mr. JOHNSON of Texas. As I understand the bill, reading from the committee report—

The Civil Service Retirement Act limits annuity payments to 80 perment of the high 5 consecutive year average salary in the case of employees and 80 percent of the final salary in the case of Members. Under present computation formulas employees attain the maximum benefit payable under the act after approximately 42 years of service and Members after approximately 32 years of service. A combination of the different types of service would result in attaining the maximum at any point between 32 and 42 years of service.

Contributions beyond such point purchase no additional annuity benefits. Accordingly, the bill provides for a refund of all retirement contributions made after the month in which an employee or Member obtained sufficient service to entitle him to

the maximum benefits payable under the act. Benefits are prospective only and would be payable upon separation either on retirement or death.

The employee who remains in the service after he has earned the maximum annuity is a bargain in several respects. His services cost only 20 percent, as he could get 80 percent for not working, and yet because he continues in the service he draws nothing from the retirement fund. Viewed in this light, it seems reasonable that he should not be required to continue payments to the retirement fund which purchase no additional benefits.

Mr. WILLIAMS of Delaware. As I understand it this condition results under existing law from conditions under which we passed the Retirement Act for Members of Congress in 1946. At that time Members of Congress were given credit for all prior service, service with respect to which they may or may not have made any payment. Furthermore, even if they paid the back assessments they did not pay the rates they are paying today.

I am not objecting to the action taken then; I am merely calling attention to the fact that Congress has already been generous.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. MONRONEY. I know the Senator wishes to be accurate, but every Member of Congress who was brought into the retirement system was to pay into the fund, before he could draw anything out, exactly the same ratio which existed for payments to the retirement fund by civil service workers up to that point. After the passage of the Congressional Retirement Act we paid more, because our retirement was at the rate of 2½ percent, as against the 1½ percent annual rate of retirement accumulation under normal civil service.

We have frequently increased the cost. The distinguished Senator from Delaware has been active in helping us to do so. On the same principle, I was insisting that if we were to have the highest 5-year average, we should increase our contributions to 7½ percent.

I have read the report. I was in the committee when the bill was reported. The bill would merely refund the amount which has been paid in by a Senator when he pays in beyond the 32 years for which he can get credit for service. I am sure we do not want to hold that money beyond that time, because he has already fulfilled his payment obligations toward retirement, and has accumulated enough credits to provide for 80 percent of his highest 5-year average, on the basis of which he is entitled to draw his retirement. I do not think we want to be unfair and say to him, "You have already reached your maximum retirement because of your service, but because your people choose to keep you here longer, you must continue to pay in."

The man is actually working for only 20 percent cost to the Government, because he could be retired at 80 percent. Why should he then be required to pay—which he would be required to do—another 7½ percent every year for benefits which he is not accumulating?

Mr. WILLIAMS of Delaware. That is true only because of the fact that we blanketed in a number of Members of Congress when congressional salaries were lower and rates were lower. I would be willing to amend the law so that when a Member reaches the retirement benefit of 75 or 80 percent, it shall be frozen. I do not object to the point that is made that they are required to continue to pay in. We are paying in only for service previously earned. It is proposed to allow a Member of Congress to obtain a refund of certain contributions, but we are not proposing to extend that privilege to the 2½ million civil service employees.

I need cite no other example than that of the late James W. Murphy, in the Office of Official Reporters of Debates, who had more than 50 years' service in the Government. He could have retired at any time he wished during the past several years. He had earned his maximum retirement, 80 percent of his salary. However, he was required to pay into the fund up to the very day he passed away because he worked until the end.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. JOHNSTON of South Carolina. Let me explain that when, in 1946, we amended the Retirement Act, a Senator or a Member of the House did not have to come into the system unless he desired to do so, but if he did wish to come in he had to pay up for the back years at the proper rate. At first the rates were the same for Members and employees.

Mr. WILLIAMS of Delaware. The Senator is in error in one respect. When the Congressional Retirement Act was passed in 1946, it was not mandatory that a Member pay in for previous years, and he could still get credit at a reduced rate for the prior years.

Mr. JOHNSTON of South Carolina. He did if he wished to get credit, or a reduction was made in his benefits on the same basis as in the case of an employee.

Mr. WILLIAMS of Delaware. The Member could have elected to come in under the Retirement Act and take a reduced rate of credit for the prior service, paying in nothing.

Mr. JOHNSTON of South Carolina. That is true for both Members and employees. In the event he did not pay up for past service he would not get full credit.

Mr. WILLIAMS of Delaware. Yes.

Mr. JOHNSTON of South Carolina. No; not 1 cent. I was here when the law was enacted. I know what I could have done at that time.

Mr. WILLIAMS of Delaware. All I have to say is that the Senator had better consult the Civil Service Commission for there was some credit without full payment. I read from page 3 of the committee report. I continue reading where the Senator from Texas left off, near the middle of page 3, wherein the Civil Service Commission points out the inequity of the committee bill:

A recent retirement case, by no means unusual, points up the problem. After 47 years and 6 months of service, the employee retired at age 66 with an average salary of $6,494. His retirement deductions total $6,213 which with interest as provided by the Retirement Act, give a lump-sum credit, or guaranteed return, of $8,991. His annuity is $405 per month and, if his wife survives him, she will receive $216 per month. The value of these annuities at retirement was $55,800 of which his own deductions plus interest provide 16.1 percent. It would not appear that retirement deductions in this and similar cases have been excessive.

Of additional interest here is the fact that this retiree had 8 years and 3 months' nondeduction service prior to August 1, 1920. From that date to June 30, 1930, covering his first 18 years and 2 months of service, he paid only $569.70 in retirement deductions. The deductions which would have been refunded if S. 2857 had been enacted prior to his retirement, covering his last 5 years and 7 months of service, total $2,245 without interest and $2,426 with interest. The former amount represents over one-third of his total deductions without interest and nearly four times as much as he contributed in his first 18 years and 3 months of service. It is noted that in this case the 5-year average salary would be computed entirely on service for which no deductions would be left in the fund if retired after enactment of S. 2857.

For the previously cited reasons, present employees with long service stand to gain the biggest bargains from the retirement system. The young employee, faced with 6½-percent deductions throughout his entire period of service will pay for a much greater portion of his benefits than the employee who is now eligible to retire. We cannot see any inequity in the continuance of deductions after the point in service where the 80-percent maximum is reached.

The Commission, therefore, recommends that this bill not be passed because it would give a special benefit to several Members of Congress. It would give them an additional payment from the civil service retirement fund which in some cases would amount to large sums. This is the kind of bill Senators are being asked to vote for. I do not think it can be justified.

I believe in a sound retirement fund, but I do not believe that we should sit here and, as was done only a few minutes ago, enact a bill to give ourselves special benefits. This is the second special-privilege bill today.

We come to Congress at our own discretion. We go around our States pleading with our constituents to send us back; therefore, we must not pity ourselves. We can quit at any time we want to. As a matter of fact, perhaps many people would want to have some of us do just that. Our being here is not any excuse to vote ourselves any special benefit which we cannot afford to give to other employees. I continue to read from the report:

The interest provision in S. 2857 is completely unrealistic. No interest is payable on refunds made under the provisions of the Retirement Act of 1956 (Public Law 85–854) beyond December 31, 1956, if the employee or Member has over 5 years' civilian service. The justification for this provision is that the employee who completes 5 years' civilian

service acquires a vested right to a future annuity, which annuity was materially liberalized by the 1956 act. The nonaccrual of interest after December 31, 1956, represents a small premium for this annuity protection and, when appropriate, survivor protection. As the employee or Member now pays such a small percentage of the value of future annuity for coverage, there is no justification for further decreasing the payment unless the ultimate goal is to make the system completely noncontributory.

We cannot expect to pass this kind of retirement bill, giving ourselves special benefits, and then to turn around and tell 2½ million employees of the Government, "Well, we have taken care of ourselves, but we have used all the money, so you will have to take care of yourselves." Then, again, how about the taxpayers?

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

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. To what interest did the Civil Service Commission object? Was it the compound interest at the rate of 3 percent per annum?

Mr. WILLIAMS of Delaware. They would not subscribe to either the refund or the interest arrangement. They take the position, and properly so, that we should continue to pay into the fund as long as we are on the payroll.

As the Senator from South Carolina pointed out, there are persons, Members of Congress and employees who as a result of their length of service have established their maximum retirement benefits but who, if they continue to work, must continue to pay in the additional contributions, and yet, they will get no additional benefits.

However, on the other hand, that only goes to offset some of the additional benefits which have been given to these same Members of Congress as well as employees when the original retirement law was enacted. It goes to offset some of the cost factors which the Senator from Ohio has pointed out, under which we compute the retirement on the basis of the highest 5 years rather than on the average of the salary received through the period of Government service. If our retirement benefits were computed on the basis of the average salary, taking into consideration the high and the low salaries, there could be some merit to the bill. If the retirement maximum had been reached on the basis of actual contributions that would be another situation, but that is not true. The benefit is computed based on the 5 highest years, and in the years of low salaries the beneficiaries are not paying their full share of the cost of the annuities.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. MONRONEY. I joined the Senator from Delaware at the time we held up the bill, to require an additional level of payments and deductions. The Senator will remember that fight. I joined him in it. At that time the Senator said, and I agreed with him, that we should raise the rate beyond what the normal civil service workers paid, and it was put at 7½ percent. That rate was agreed on.

At this late date, I do not believe, as a matter of fairness, we should say that the 7½ percent deductibility is perfectly all right if a man retires after 32 years, but that his colleague, who reaches the peak of his service in Congress and goes on beyond the 32 years, where his experience and seniority in his position are more important, cannot increase his retirement one iota, when he could retire with 80 percent, without turning a hand. Therefore, I do not see any fairness in the Senator's position, if it permits a man to retire after 32 years of service without any penalty being imposed upon him; whereas if he works for 40 years, we say to him, "We are going to clip you on your salary, but we will give you no credit for it."

The 7½-percent rate was agreed to as the maximum to take care of the 5 years of highest salary. Let us not now go back, 4 years later, and say that we will penalize 2 or 3 Members and make them work for 7½ percent less than the rest of us will be working for.

Mr. WILLIAMS of Delaware. The only reason such persons are in that situation is because in 1946 they were given back credit for service for which they did not pay. They are paying now to offset that generous factor.

There is one objective of this bill which I have discussed with several Members and with which I am in agreement that it is inequitable. If the bill is confined to a correction of that situation, I will support it.

The Civil Service Commission has suggested an amendment to the Retirement Act which I will support, and I hope the committee will take that amendment as a substitute for the bill. It would freeze the retirement annuity at the maximum, but it would require the Members to continue to pay into the fund. It would correct the formula whereby under existing law it automatically reduces the annuity the longer a Member serves. There is inequity on this point, but I do not think we can correct it by in effect giving Members of Congress a bonus. If we keep on giving these bonuses the result will be that the check a man will get in retirement will be nothing more than a relief check. The Members should be required to pay into the fund for what they expect to receive in annuities.

In this connection I should like to have placed in the RECORD the complete letter from the Civil Service Commission in which they point out the inequity of this bill and the unfair advantages that would go to the Members of Congress if the bill is enacted, as well as the letter dated May 3, from the Director of the Bureau of Retirement and Insurance of the Civil Service Commission, addressed to Mr. Robert Brenkworth, of the U.S. Senate, in which he points out that an amendment, which I intend to offer as a substitute for the bill, would remove the existing inequity in the law. This is what the committee claims it is trying to correct in the proposed legislation, and it is a point upon which I am in agreement. But I point out that it is not corrected in the bill before us. The pending bill would still continue the minor inequity, but it does give substantial and unjustified benefits elsewhere. I think the bill should be either amended or defeated.

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

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

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., March 16, 1960.

Hon. OLIN D. JOHNSTON,
Chairman, Commitee on Post Office and Civil Service, U.S. Senate, New Senate Office Building.

DEAR SENATOR JOHNSTON: This refers further to your letter of January 21, 1960, requesting Commission report on S. 2857, a bill to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under such act.

This bill proposes to amend section 11 of the Retirement Act to allow a refund of retirement deductions withheld after the month in which an employee or Member accrues sufficient creditable service to entitle him to the maximum benefit payable under the act. It also proposes to pay 3 percent interest (compounded annually) on any such refund computed from the date of deductions to the date of retirement or death. The proposal is prospective only.

The Retirement Act currently limits annuity payable to retirees at 80 percent of high 5 average salary, except retiring Members who are limited to 80 percent of final salary. Employees with high 5 annual salary exceeding $5,000 attain the 80-percent level with 41 years 11 months creditable service and congressional employees with 38 years 2 months service, if they have 15 years military and congressional service. Employees reach the 80-percent limitation with somewhat less service if annual salary is below $5,000. Members attain the 80-percent limit with 32 years service if it is all Member and creditable military service and their high 5 and average salary are the same. Section 6(c) law-enforcement eligibles attain it with 40 years service.

However, it does not follow that there is no further increase in annuity once this period of service is completed. In practically every case, additional service increases average salary, thereby raising the dollar amount of the 80-percent limitation. It is true that the annuity does not increase as much as in short-service cases. The latter gets the benefit of both additional service credit and higher average salary but the fact remains that the second of these factors operates for the long-service employee.

The Retirement Act provides an annuity computation formula based upon years of service and average salary. Average salary is computed using the highest 5 consecutive years of creditable service which today is normally the last 5 years' service. Enactment of S. 2857 would, therefore, require computation of the average salary in long-service cases either in whole or in part on service which provided the highest basic salary rates of a person's career and for which the bill would authorize refund of retirement deductions. Continued employment after reaching the 80-percent annuity level is therefore advantageous. Promotions, pay raises, and periodic and longevity increases all raise the amount of annuity which will be drawn on retirement.

In addition, the retiree is given full credit for all periods of free or nondeduction service, that is, civilian service performed prior to August 1, 1920, and creditable military service whenever performed. Employees must make contributions to the fund for all periods of civilian service beginning on or

after August 1, 1920, or the annuity is slightly reduced. Upon enactment of this proposal, a refund of the deductions taken during an employee's most recent civilian service over the maximum would be made even though periods of free service are included and contributions were not made to the retirement fund for as many years as (or more than) he is given service credit.

Further, deduction rates for all employees and Members have been gradually increased from the original 2½ percent to the present 6½ percent for employees and 7½ percent for Members in order to pay for the increased benefits and coverage now provided. This proposal would refund deductions taken at the highest rates while still awarding current liberal benefits and coverage. This is obviously inequitable and discriminatory from the view of a short-service employee. Short-service employees get the same benefits and coverage but have to pay the full price for them. They receive smaller annuities because they have fewer years of service but may pay as much or more than the long-service employees who would have part of their deductions refunded.

A recent retirement case, by no means unusual, points up the problem. After 47 years and 6 months of service, the employee retired at age 66 with an average salary of $6,494. His retirement deductions total $6,213 which with interest as provided by the Retirement Act, gave a lump-sum credit, or guaranteed return, of $8,991. His annuity is $405 per month and, if his wife survives him, she will receive $216 per month. The value of these annuities at retirement was $55,800 of which his own deductions plus interest provide 16.1 percent. It would not appear that retirement deductions in this and similar cases have been excessive.

Of additional interest here is the fact that this retiree had 8 years' and 3 months' nondeduction service prior to August 1, 1920. From that date to June 30, 1930, covering his first 18 years and 2 months of service, he paid only $569.70 in retirement deductions. The deductions which would have been refunded if S. 2857 had been enacted prior to his retirement, covering his last 5 years and 7 months of service, total $2,245 without interest and $2,426 with interest. The former amount represents over one-third of his total deductions without interest and nearly four times as much as he contributed in his first 18 years and 3 months of service. It is noted that in this case the 5-year average salary would be computed entirely on service for which no deductions would be left in the fund if retired after enactment of S. 2857.

For the previously cited reasons, present employees with long service stand to gain the biggest bargains from the retirement system. The young employee, faced with 6½-percent deductions throughout his entire period of service will pay for a much greater portion of his benefits than the employee who is now eligible to retire. We cannot see any inequity in the continuance of deductions after the point in service where the 80-percent maximum is reached.

Under current law, the long-service employee can "beat" the 80-percent limitation. He can retire, become reemployed on a full-time basis for at least 1 year, and receive supplemental annuity on later separation which is computed on his full-time service as a reemployed annuitant, independently of the 80-percent limitation.

The interest provision in S. 2857 is completely unrealistic. No interest is payable on refunds made under the provisions of the Retirement Act of 1956 (Public Law 85–854) beyond December 31, 1956, if the employee or Member has over 5 years' civilian service. The justification for this provision is that the employee who completes 5 years' civilian service acquires a vested right to a future annuity, which annuity was materially liberalized by the 1956 act. The nonaccrual of interest after December 31, 1956, represents a small premium for this annuity protection and, when appropriate, survivor protection. As the employee or Member now pays such a small percentage of the value of future annuity for coverage, there is no justification for further decreasing the payment unless the ultimate goal is to make the system completely noncontributory.

Thus, this bill would create inequities, make unwarranted gifts, and to some degree injure the stability of the retirement fund. At present, it is in the employee's interest to remain in the service beyond the time the 80-percent annuity is earned. As hereinbefore indicated, the long-service employee now enjoys a preferential position, and we see no reason for making it more so.

For the foregoing reasons, the Commission recommends that adverse action be taken on this bill. Cost figures are not offered for this bill because we have no basis for computing them. The facts and circumstances of each case are so different that any attempt to arrive at a total would be futile. There would be an increased cost borne entirely by the Government, in every case consisting, as a minimum, of the amount of the refund interest; in the great majority of cases, such cost would consist of the total refund amount.

It is noted that the bill does not provide an exception to the restriction on the use of the retirement fund imposed by the paragraph headed "Civil Service Retirement and Disability Fund" in section 101 of title I of the act of August 28, 1958, Public Law 85–844 (72 Stat. 1064).

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

By direction of the Commission:

Sincerely yours,

ROGER W. JONES,
Chairman.

MAY 3, 1960.

Mr. ROBERT A. BRENKWORTH,
Financial Clerk, U.S. Senate.

DEAR BOB: This refers to your request for technical assistance and advice regarding an amendment to the Civil Service Retirement Act which is being considered for introduction. As I understand it, the proposed amendment would change that portion of section 9(f) after the word "unpaid," to read "except that no such reduction shall be made with respect to any period of service or any portion of a period of service which the employee or Member elects to eliminate for annuity computation purposes."

You are correct that an employee or Member of Congress may find himself faced with the proposition that further continuance in service will result in his receiving a slightly smaller annuity than that payable upon current separation. This involves a case where the 80-percent ceiling has already been attained, the high-5 average salary will not be increased by the additional service, and the individual has not made deposit for a period of nondeduction service.

The following situations involving a Member of Congress will illustrate the point:

1. Assume the Member was appointed January 3, 1929, elected retirement coverage effective January 3, 1947, and serves continuously to January 2, 1961, when he retires at age 60 (or older) without having deposited the $15,030 due for service up to January 2, 1947; his life annuity would be $1,375 a month without, or $1,500 with, the deposit being effected.

Should this Member continue to serve until January 2, 1963, the deposit figure will (with interest) have increased to $15,932, resulting in a monthly annuity of only $1,367 after reduction for nondeposit or the maximum of $1,500 with deposit of the larger figure; the proposal would allow him to eliminate the 2 years not actually necessary for maximum annuity (January 3, 1945, to January 2, 1947), with resultant deposit figure of $14,128 and corresponding annuity rate of $1,382 or $1,500.

2. Assuming appointment January 3, 1927, retirement coverage January 3, 1947, and retirement January 2, 1961, at age 60 or beyond, the Member would similarly be entitled to $1,500 monthly annuity with deposit for service up to January 2, 1947. Failure to make this deposit of $17,213 would produce a $1,357 rate, while elimination of the 1945–47 period would lower the deposit to $15,499 and permit award of $1,371 a month.

Enactment into law of cited wording would accomplish your desired objective.

Sincerely yours,

ANDREW E. RUDDOCK,
Director.

Mr. LAUSCHE. Mr. President, I should like to ask some member of the committee a question. Why does the bill propose to pay back the surplus payments at the rate of 3 percent interest per annum compounded? I have an aversion to compound interest. I simply cannot understand on what theory it is believed the excess payments should be returned with interest compounded at the rate of 3 percent a year.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. JOHNSTON of South Carolina. There are two reasons. One is that the interest becomes a part of the principal at the end of the year. Naturally, it is nothing but right to pay it.

Mr. LAUSCHE. I do not believe the Senator from South Carolina has answered my question. I was on the bench for 10 years, and the idea of allowing compound interest would have been obnoxious to me, as I think it would be to any person who sits in a judicial capacity.

It is anathema to justice, and never should be approved.

I simply cannot see the justification of saying that these funds shall be paid back with compound interest.

Mr. President, I move that on page 2, line 7, the bill be amended by putting a period after the word "annum," and striking all of the language thereafter on lines 7 and 8.

The PRESIDING OFFICER. The committee amendment is pending. The amendment offered by the Senator from Ohio will be in order as soon as the committee amendment has been acted on.

Mr. LAUSCHE. Then I withdraw my amendment at this time.

Mr. CLARK. Mr. President, may I ask the Senator from Ohio and the Senator from Delaware if, in the interest of orderly procedure, we may have the committee amendment approved now, so that we can then take up the amendment of the Senator from Ohio?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LAUSCHE. Mr. President, I offer an amendment on page 2, line 7, to strike the two words "compounded annually".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. MONRONEY. Would the Senator from Ohio feel that the payment of compound interest on building and loan association, savings bank, and trust company deposits was wrong? Would he feel that the payment of compound interest on almost every other kind of savings was not proper?

Mr. LAUSCHE. I will yield for a question. If that is a question, I will answer it.

I unequivocally and vigorously state that within my concept of justice compound interest is never right.

Mr. MONRONEY. Then the Senator from Ohio should go before the Committee on Banking and Currency and move to repeal the laws which permit this custom in practically every phase of civilization. A person deposits his money and lets it remain. At the end of 6 months or whatever period is determined, the interest is computed on the principal, and much more is then on deposit.

If the Senator is attacking compound interest as an evil, he should attack it as an evil in the general fiscal policy.

Mr. LAUSCHE. The propositions are entirely different. Here we are making a concession, by saying, "We will give back to you the payments which, under the law, you were obligated to make." We are conceding something. We are giving back to the person something to which, under the law, he is not entitled. In addition to giving back to him what he is not entitled to, we are saying, "We will pay compound interest."

Mr. MONRONEY. The Senator takes the position that the person is not entitled to compound interest. But if a person is overcharged, and the overcharge is paid back, then compound interest is fair compensation for the overcharge.

Mr. LAUSCHE. My answer is that when the actuaries established the fund, they knew that at times payments would come in which probably should not be kept. But they also knew that at times payments would go out which should not go out. On an actuarial basis, they comprehended that such conditions as this would probably exist.

May I ask the Senator from Pennsylvania whether he will accept my amendment?

Mr. CLARK. I should like to speak on the amendment on my own time.

Mr. LAUSCHE. I yield the floor.

Mr. CLARK. I think the amendment offered by the Senator from Ohio raises an interesting ethical question. He has made a strong case for his amendment. He says that we are doing a favor by returning this money, on death or separation, to individuals who have continued to pay into the fund after they could not possibly get any further increased benefits. I say we are not doing them a favor. We are merely rendering them simple and ordinary justice.

If the Senator is correct in his assumption that we are doing them a favor, then I think his opposition to the compound interest provision is probably well taken. But if the members of the committee are correct in feeling that we are doing ordinary justice to elderly Government employees and to Members of Congress by no longer requiring them to irrevocably pay into a fund money from which they cannot possibly get any benefit, then it seems to me that the interest they should get when the moneys which they nonetheless continued to pay are refunded to them, or to their estate, should be payable at the same kind of relatively low compound interest rates as they would get if they placed the money in a savings fund and left it there.

If they deposited their money in a savings fund under present conditions, they would be able to get 3 percent interest, and that interest would be added to the principal of their deposit every 6 months—semiannually—and they would get compound interest on it, just as is provided in the bill.

So with some regret, because I believe all the bill seeks is to do justice to elderly employees, and unless the chairman of the committee wishes me to do otherwise, I cannot accept the amendment.

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

Mr. CLARK. I yield.

Mr. LAUSCHE. In the State of Pennsylvania, do the laws permit the rendering of judgments carrying compound interest?

Mr. CLARK. Oh, no.

Mr. LAUSCHE. They do not, because it is known that that is not morally conscionable.

Mr. CLARK. I think the Senator from Ohio could not be more wrong about that. I think the Senator is completely in error. There is absolutely no connection between a judgment rendered in a lawsuit and a deposit made in a bank by an individual who takes his hard-earned wages or salary and puts it out at interest, where he is certainly entitled, after 6 months, to have money earned on that investment recreated.

I can only say that I do not believe the Senator's analogy to a court case or a judgment has any possible bearing in this situation. I am sorry we disagree.

Mr. LAUSCHE. Is the Senator from Pennsylvania a sponsor of the measure advocated by the Senator from Illinois, which seeks to drive out of existence hidden and improper interest charges?

Mr. CLARK. I certainly am.

Mr. LAUSCHE. In principle, the same thing is involved in the granting of compound interest under the bill.

Mr. CLARK. I could not disagree more with the distinguished Senator from Ohio. I regret that I cannot agree with him. I think he is wrong. I regret that I cannot accept the amendment.

Mr. LAUSCHE. Mr. President, I suggest the absence of a quorum, and I ask for a yea-and-nay vote.

The PRESIDING OFFICER (Mr. Moss in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The question is on agreeing to the amendment of the Senator from Ohio. [Putting the question.]

The "noes" appear to have it; the "noes" have it, and the amendment is rejected.

The bill is open to further amendment.

Mr. WILLIAMS of Delaware. Mr. President, I do not think the argument against the bill can be summed up in any better language than that used by the Civil Service Commission itself in the letter sent to the Committee on Post Office and Civil Service. I refer to the letter signed by Roger W. Jones. I now read from the letter:

> This proposal would refund deductions taken at the highest rates while still awarding current liberal benefits and coverage. This is obviously inequitable and discriminatory from the view of a short-service employee.

There is no question but that the bill is inequitable and is discriminatory in favor of the Members of Congress.

If the committee is willing to accept, as a substitute for the present language of the bill, the language recommended by the Civil Service Commission which would freeze these retirement benefits at the maximum level, once they reached that point, but at the same time would require continuing payments into the fund as long as they work, I shall support the bill. If not, I must oppose the bill.

The Civil Service Commission has recommended the following language: Section 9(f), after the word "Unpaid", to read—

> Except that no such reduction shall be made with respect to any period of service or any portion of a period of service which the employee or Member elects to eliminate for annuity compensation purposes.

That language was the original proposal in connection with this bill. The language I have read just now would correct the presently recognized inequity but does so without giving special bonuses or cash refunds. If correcting this inequity is what the committee wishes to achieve and if the committee will accept that language as a substitute, I will support the bill. I shall support the language I have now proposed because I believe it will correct an inequitable situation. That is what all concerned said they wished to correct. If that was the only intention this substitute should be approved.

So, Mr. President, if the committee will accept this proposal as a substitute, and it is agreed to, I shall vote for the bill as thus amended. Otherwise, the bill should not pass.

Let me ask whether the Senator from Pennsylvania will agree to that.

Mr. CLARK. Mr. President, this bill is a very simple one which raises a very simple question on which reasonable men can disagree.

The bill provides that when a Federal employee or a Member of Congress has paid into the retirement fund enough money, so that if he died or quit the next day, he or his estate could not possibly receive any more retirement pay

or annuity than the one he or his estate would have gotten the day before, and therefore there would be no benefit to him from continuing those payments, but if in that situation the Member or the employee should, nonetheless, continue to make payments until he died or retired, when he quit or when he died, he or his estate would get back the amounts he had paid in excess of any benefit to himself, in terms of retirement, plus interest compounded semiannually at the rate of 3 percent.

To state the matter simply, if a Member of Congress or an employee who retired today could receive 80 percent of his salary as retirement pay, but if he nonetheless stayed on and continued to pay as before, the amounts he paid in excess of any benefit to himself would be refunded to him or to his estate, when he quit or died.

This bill seemed to the members of the Committee on Post Office and Civil Service to be merely simple justice.

We would have liked to provide that, once he paid up to 80 percent, his equity would be considered paid up, and he would not have to make any other payments. But so many technical complications were pointed out by the Civil Service Commission, in the event we attempted to work that out, that we took the other road, and provided that such a person would continue to pay, but later he would get them back. That seemed to us to be fair. But it did not seem to the Civil Service Commission to be fair; and the Commission wrote a long letter on the subject. The letter is included in the report, and thus is available to all Members of the Senate.

The committee disagrees with the Civil Service Commission; the committee thinks that its proposal will result in simple justice.

At this time the Senator from Delaware wishes us to begin all over again, and to use a very different provision, which he thinks more equitable than the one the committee thinks is perfectly all right.

Although I have great confidence in the ability of the Senator from Delaware and his great knowledge in this field, I regretfully must state, on behalf of the committee—unless the chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON], who is on the floor at this time, disagrees with me—that I shall have to reject the proposal of the Senator from Delaware, because I do not believe that either the committee or any member of the committee staff understands it, and I believe we would have to make his proposal the subject of additional hearings.

The committee thinks the bill as reported is a fair one. But the Civil Service Commission and the Senator from Delaware disagree.

So I believe we should vote on our proposal, and thus should see whether our proposal will be supported by a majority.

Mr. WILLIAMS of Delaware. Mr. President, I realize that it always is dangerous to begin to amend on the floor of the Senate a bill dealing with the civil service retirement system. I have said so many times.

However, we have no alternative if the committee presses for action. This identical language has been before the committee. The committee may not have studied it, but it was available for study.

I will submit the amendment as a substitute, but I do not believe it is fair to ask any Member of the Senate to vote on the amendment until he has had a chance to study it.

So I respectfully request that the further consideration of the bill be postponed until tomorrow. If that is done, in the meantime Senators can study this amendment which is being offered in the nature of a substitute. We can then proceed more intelligently toward further consideration of the bill.

Mr. JOHNSON of Texas. Mr. President, I ask for a vote.

Mr. WILLIAMS of Delaware. Mr. President, do I understand that the Senators prefer not to carry this over until next week?

Mr. CLARK. Mr. President, I regret to say I have no authority from the committee or the majority leader to carry it over until next week. I think we should act on it tonight.

Mr. WILLIAMS of Delaware. I would much prefer to have it carried over because even the Senator has said he has not had ample opportunity to study it, but if he wishes to complete action tonight I have no objection.

Mr. CLARK. I may say, with all due deference, I am very happy with the bill as it came from the committee.

Mr. WILLIAMS of Delaware. I am not; and I suggest the absence of a quorum——

Mr. JOHNSON of Texas. Mr. President, will the Senator withhold that request?

Mr. WILLIAMS of Delaware. I withhold it.

ORDER TO ADJOURN TO 9:30 A.M. TOMORROW—ORDER FOR LIMITATION OF DEBATE ON AMENDMENT OF HOUSE TO AREA REDEVELOPMENT BILL

Mr. JOHNSON of Texas. Mr. President, there is at the desk the area redevelopment bill of the Senate. I forget the calendar number, but I believe it is Senate bill 722.

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. I have talked to the minority leader. We do not care to press for a vote this afternoon on a motion to concur in the House amendment, but we want to give notice to all Members of the Senate so they can be prepared to vote tomorrow.

It is agreeable to the minority leader that we come in at 9:30 in the morning, and that we have not to exceed an hour on each side on the motion to concur in the House amendment.

Therefore, I ask unanimous consent that when we adjourn today, we stand in adjournment until 9:30 a.m., tomorrow; that when we convene tomorrow, the Chair lay before the Senate, Senate bill 722; that when a motion to concur in the amendment is made, we have not to exceed 1 hour on each side.

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object, did I correctly understand the Senator from Texas to say he has cleared this matter with the minority leader?

Mr. JOHNSON of Texas. Yes.

Mr. COOPER. Mr. President, reserving the right to object, was the Senator from Texas referring to the area redevelopment bill?

Mr. JOHNSON of Texas. Yes.

Mr. COOPER. First, may I say I favor it, but I notice the Senator from Illinois is not present.

Mr. JOHNSON of Texas. I have discussed it with him.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas? The Chair hears none, and the unanimous-consent agreement is entered into.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

Ordered, That on tomorrow (Friday, May 6, 1960), upon the convening of the Senate, the Presiding Officer lay before the Senate the amendment of the House of Representatives to S. 722, the Area Redevelopment Act, and that upon a motion that the Senate concur in the said amendment, debate be limited to 2 hours, to be equally divided between the proponents and the opponents and controlled by the majority and minority leaders, respectively. (May 5, 1960.)

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the call be dispensed with.

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

Mr. WILLIAMS of Delaware. Mr. President, do I correctly understand from the Senator from Texas that he is willing for this matter to go over to tomorrow, so the members of the committee can study the proposed substitute?

Mr. JOHNSON of Texas. No. I think every Senator who is going to study it has studied it before the Senator from Delaware brought it up. I understood the Senator had no objection to acting on it now.

Mr. WILLIAMS of Delaware. I have no objection, but if we are going to vote tonight, I will offer the amendment in the nature of a substitute to the bill.

Mr. JOHNSON of Texas. If the Senator from Delaware wants the yeas and nays, we will get them and notify all Senators to come to the Chamber. I think we have enough Senators present to have the yeas and nays ordered.

Mr. President, I ask for the yeas and nays on final passage.

Mr. WILLIAMS of Delaware. And the yeas and nays on the substitute.

Mr. JOHNSON of Texas. Has the Senator offered the substitute?

Wait a minute, Mr. President. I was asking for the yeas and nays on final passage.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Have we not had the third reading of the bill?

The PRESIDING OFFICER. The third reading has not been had.

Mr. WILLIAMS of Delaware. Mr. President, is the Senator satisfied that this procedure is in order?

I offer an amendment in the nature of a substitute and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware will be stated.

The CHIEF CLERK. It is proposed to offer an amendment, in the nature of a substitute, to strike out all after the enacting clause and insert as follows in section 9(f) of the Civil Service Retirement Act, after the word "unpaid," the words, "except that no such reduction shall be made with respect to any period of service or any portion of a period of service which the employee or Member elects to eliminate for annuity computation purposes."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on my amendment.

Mr. JOHNSON of Texas. Does not the Senator want to discuss it?

Mr. WILLIAMS of Delaware. Later.

Mr. JOHNSON of Texas. Mr. President, the Senator from Delaware has asked for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 191]

Bartlett	Green	McClellan
Bennett	Gruening	Monroney
Bible	Hartke	Moss
Cannon	Hickenlooper	Muskie
Church	Hill	Prouty
Clark	Holland	Saltonstall
Cooper	Jackson	Thurmond
Dodd	Johnson, Tex.	Wiley
Douglas	Johnston, S.C.	Williams, Del.
Engle	Lausche	Yarborough
Frear	Long, La.	Young, Ohio
Goldwater	Lusk	
Gore	McCarthy	

Mr. JOHNSON of Texas. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senators from Montana [Mr. MURRAY and Mr. MANSFIELD], the Senator from Wyoming [Mr. McGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Wisconsin [Mr. PROXMIRE], the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE], and the Senator from Florida [Mr. SMATHERS], are absent on official business.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri, [Mr. SYMINGTON], are necessarily absent.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Virginia [Mr. ROBERTSON], is absent because of a death in his family.

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from North Dakota [Mr. BRUNSDALE], the Senator from Connecticut [Mr. BUSH], the Senator from Maryland [Mr. BUTLER], the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], the Senator from Hawaii [Mr. FONG], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. KEATING], the Senator from South Dakota [Mr. MUNDT], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from North Dakota [Mr. YOUNG], are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The PRESIDING OFFICER (Mr. Moss in the chair). A quorum is not present.

Mr. JOHNSON of Texas. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ALLOTT, Mr. BEALL, Mr. BYRD of West Virginia, Mr. CARLSON, Mr. CARROLL, Mr. CASE OF New Jersey, Mr. CASE of South Dakota, Mr. COTTON, Mr. DWORSHAK, Mr. ELLENDER, Mr. ERVIN, Mr. HART, Mr. JAVITS, Mr. KUCHEL, Mr. LONG of Louisiana, Mr. MARTIN, Mr. MORTON, Mr. PASTORE, Mr. SCOTT, Mrs. SMITH, Mr. STENNIS, and Mr. WILLIAMS of New Jersey entered the Chamber and answered to their names when called.

The PRESIDING OFFICER. A quorum is present.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS]. The yeas and nays have been ordered.

Mr. WILLIAMS of Delaware. Mr. President, I shall not delay the Senate on this amendment if Senators wish to vote on it this evening, although I believe it would be an act of wisdom if we carried the matter over until tomorrow. I believe I can sum up what is contained in the bill by quoting from the letter of the Civil Service Commission as printed in the committee report:

> Thus, this bill would create inequities, make unwarranted gifts, and to some degree injure the stability of the retirement fund.

There is another comment in the same letter which I should like to quote:

> This proposal would refund deductions taken at the highest rates while still awarding current liberal benefits and coverage. This is obviously inequitable and discriminatory.

Throughout the report the Commission makes the point that we would be establishing a bad precedent if we passed the bill, which if carried over to include the 2½ million Federal employees would be very expensive. Certainly we are not going to establish an overgenerous formula which would be applicable only to Members of Congress.

I said in the beginning that when the bill was first introduced and referred to the Civil Service Committee there was merit in the objective which the bill sought to accomplish, because under existing law a Member of Congress can work for a number of years before he reaches the maximum of retirement credit. However, once he reaches that point, by a mathematical quirk under existing law, if that person works 1 additional year, during which time he continues to pay into the fund his same contribution, when he retires at the end of that year instead of getting the maximum he would get a reduced annuity.

It is unfair to let any Member of Congress or any Government employee work a number of years and establish his maximum retirement credit and then require him to continue to pay into the fund but get less for each year that he works thereafter.

That inequity certainly should be corrected, and the amendment I am offering in the nature of a substitute would correct it.

However, this amendment would prohibit the generous cash refunds provided in the committee bill.

Why should we vote Members of Congress what the Civil Service Commission has referred to as "unwarranted gifts"?

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

Mr. WILLIAMS of Delaware. I yield.

Mr. CARLSON. I believe there is merit in the contention of the Senator from Delaware, but I do not believe this is the place to correct the inequity he speaks of. I hope the House will correct it. We have discussed the matter in committee. If the amendment of the Senator from Delaware is not approved, I sincerely hope that the defect will be corrected. I think it can be corrected to the satisfaction of members of the Civil Service Commission and the members of the retirement fund. I thought I should give the Senator the benefit of my view.

Mr. WILLIAMS of Delaware. I thank the Senator. I have already indicated that when the committee approved the bill they were working toward the objective of curing an inequity. They go far beyond that point though, and the place to make the correction is right here when we vote.

The amendment which I am proposing will correct the inequity in the existing law. It would not carry over the provisions of the bill which would give

cash bonuses and refunds to some Members of Congress plus full retirement credits.

The Civil Service Commission in its letter pointed out the hypothetical case where an employee can draw back a substantial part of his payments and still retain his full retirement credit. Surely that was not intended by the committee. If not, then let us correct it.

I quote again from the letter from the Civil Service Commission to the chairman of the committee wherein he points out:

> Thus, this bill would create inequities, make unwarranted gifts, and to some degree injure the stability of the retirement fund.

I cannot conceive that any Member of Congress would want to make unwarranted gifts to Members of Congress or to injure the stability of the retirement fund.

This bill cannot be justified in its present form.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. ALLOTT. The Senator has proposed an amendment which is stated in a letter to which he has referred. Is that correct?

Mr. WILLIAMS of Delaware. Yes.

Mr. ALLOTT. Which I have just read. Am I correct in assuming that the amendment which the Senator is offering is offered for the entire subparagraph (h) beginning at line 6?

Mr. WILLIAMS of Delaware. The amendment is offered as a complete substitute. I have said that if we should carry over consideration of this bill until tomorrow, then the amendment could be properly studied and understood by all Senators. That would be the fair and sensible action to take. It is not fair to ask the Senate to legislate on an important bill like this without giving all Senators a chance to examine it carefully.

Mr. ALLOTT. But the Senator is offering the amendment as a complete substitute for subparagraph (h), which goes over to line 9 on the next page of the bill. Is that correct?

Mr. WILLIAMS of Delaware. Yes. It is offered as a substitute. It is an amendment in the nature of a substitute.

It would amend section 9(f) of the present act after the word "unpaid," to read: "except that no such reduction shall be made with respect to any period of service or any portion of a period of service which the employee or Member elects to eliminate for annuity computation purposes."

Under the bill as reported by the committee the Member of Congress would get a substantial cash refund over and above the maximum retirement benefits. Why? I do not believe that is the intention of the committee.

Again I ask to have this matter go over until tomorrow. As far as I am concerned, I am willing to vote on the amendment which has been offered in the nature of a substitute, but I think many Senators would like to study it further. This amendment would eliminate the possibility of giving a cash refund to a Member of Congress. That is the major difference.

Mr. CLARK. Mr. President, the committee, after very careful hearings, brought out the bill. It considered it a good bill. We still think it is a good and just bill. The chairman of the committee is present in the Chamber. I hope the Senate will support the bill.

The amendment of the Senator from Delaware was proposed for the first time this afternoon on the floor. I do not understand one word of it. I have asked the members of the staff if they understood it. They do not understand it. I have no doubt that my friend, the Senator from Delaware, understands it. I do not believe this is the way to legislate. I believe I speak for the committee when I say that we hope the amendment will be rejected.

Mr. WILLIAMS of Delaware. The amendment was before your committee. It is my understanding it was discussed by several members of the committee. Whether they understood it or not I cannot say.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Pennsylvania a question. Since the bill is a Senate bill, if it is passed by the Senate, it will go to the House.

Mr. CLARK. The Senator is correct.

Mr. SALTONSTALL. If a correction needs to be made in a difficult, technical matter of this nature, it can be made by the committee in the House, can it not?

Mr. CLARK. The Senator is correct.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. WILLIAMS of Delaware. Mr. President, as I understand, the vote is on the amendment in the nature of a substitute.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware. The clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], the Senator from Wyoming [Mr. McGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Wisconsin [Mr. PROXMIRE], the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Virginia [Mr. ROBERTSON] is absent because of a death in his family.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from North Dakota [Mr. BRUNSDALE], the Senator from Connecticut [Mr. BUSH], the Senator from Maryland [Mr. BUTLER], the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], the Senator from Hawaii [Mr. FONG], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. KEATING], the Senator from South Dakota [Mr. MUNDT], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

If present and voting the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. KEATING], and the Senator from Nebraska [Mr. HRUSKA] would each vote "yea."

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The result was announced—yeas 19, nays 38, as follows:

[Roll No. 192]

YEAS—19

Aiken	Cotton	Morton
Allott	Dworshak	Prouty
Beall	Goldwater	Saltonstall
Bennett	Hickenlooper	Williams, Del.
Case, N.J.	Javits	Young, Ohio
Case, S. Dak.	Lausche	
Cooper	Martin	

NAYS—38

Bartlett	Frear	Lusk
Bible	Gore	McCarthy
Byrd, W. Va.	Green	Monroney
Cannon	Gruening	Moss
Carlson	Hart	Muskie
Carroll	Hartke	Pastore
Church	Holland	Scott
Clark	Jackson	Smith
Dodd	Johnson, Tex.	Stennis
Douglas	Johnston, S.C.	Thurmond
Ellender	Kuchel	Williams, N.J.
Engle	Long, Hawaii	Yarborough
Ervin	Long, La.	

NOT VOTING—43

Anderson	Hill	Murray
Bridges	Hruska	O'Mahoney
Brunsdale	Humphrey	Proxmire
Bush	Jordan	Randolph
Butler	Keating	Robertson
Byrd, Va.	Kefauver	Russell
Capehart	Kennedy	Schoeppel
Chavez	Kerr	Smathers
Curtis	McClellan	Sparkman
Dirksen	McGee	Symington
Eastland	McNamara	Talmadge
Fong	Magnuson	Wiley
Fulbright	Mansfield	Young, N. Dak.
Hayden	Morse	
Hennings	Mundt	

So the amendment offered by Mr. WILLIAMS of Delaware was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

Mr. DWORSHAK. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 2857) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. KUCHEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SUSPENSION OF DUTIES ON CERTAIN LATHES FOR SHOE LAST ROUGHING OR FINISHING

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1305, H.R. 9862.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9862) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or shoe last finishing.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment on page 1, after line 8, to insert a new section, as follows:

SEC. 2. The Act entitled "An Act to amend the Tariff Act of 1930 to provide for the temporary free importation of casein", approved September 2, 1957 (71 Stat. 579; 19 U.S.C. 1001, par. 19 note), as amended by Public Law 86–405, approved April 4, 1960, is amended by striking out "July 1, 1960" and inserting in lieu thereof "June 30, 1963".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. BENNETT obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I am very happy to yield.

Mr. JOHNSON of Texas. I understand that the Senator from Indiana [Mr. HARTKE] has an amendment to submit. Does he intend to submit it?

Mr. HARTKE. Yes.

Mr. JOHNSON of Texas. I wonder whether we may have an indication of how much time will be required for consideration of the bill.

Mr. BENNETT. I think 10 minutes will be sufficient for my purpose.

Mr. HARTKE. I believe I shall need half an hour.

Mr. JOHNSON of Texas. Does the Senator from Indiana wish to have the yeas and nays ordered on the question of agreeing to his amendment to the committee amendment or on the question of the final passage of the bill?

Mr. HARTKE. I should like to have the yeas and nays ordered on the question of agreeing to my amendment to the committee amendment.

If the Senator from Utah will yield, I shall send to the desk my first amendment to the committee amendment, to have it read; and then I shall ask for the yeas and nays on the question of agreeing to my amendment to the committee amendment.

Mr. BENNETT. I have no objection to that course, provided I do not thereby lose the floor.

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

Mr. JOHNSON of Texas. Mr. President, I wonder whether we can obtain agreement that there be not to exceed 20 minutes to each side on the amendment to the committee amendment. I so request. Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Now, Mr. President, let us handle the request for the yeas and nays.

Mr. HARTKE. Mr. President, on the question of agreeing to my amendment to the committee amendment, I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The amendment submitted by the Senator from Indiana to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 1, in line 9, after "SEC. 2.", it is proposed to insert "(a)"; and on page 2, after line 5, it is proposed to insert the following:

(b) Effective with respect to imports entered for consumption or withdrawn from warehouse for consumption after the expiration of thirty days following the date of enactment of this Act such Act is further amended by inserting before the period at the end thereof a semicolon and the following: "except that such suspension of duty shall not apply with respect to casein imported for use for human food or for conversion to such use, subject to such regulations as the Secretary of the Treasury shall prescribe."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana to the committee amendment.

Mr. BENNETT. Mr. President, it is my purpose, under an assignment from the chairman of the Finance Committee, to explain House bill 9862.

This bill will continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing.

There was no objection to the proposal contained in the bill, and I am sure that none will appear on the floor.

But in the Finance Committee there was added to the bill an amendment to continue until 1963 the suspension of the duties on casein. So the real problem now before us is the question of the proposed continuation of the suspension of the duties on casein.

In 1957, Congress adopted a provision for the free importation of casein. That law expired on March 31, 1960. This freak status has existed for 2½ years.

In order to handle the situation, there was a short interim extension of the suspension of the duty; and now we propose that this suspension period be extended to the close of June 30, 1963.

The bill was passed last August by the House of Representatives; and until January 13, when the bill was reported by the Senate Finance Committee, and went to the Calendar, there was no objection to the proposal.

Then some persons interested in soya protein made objection; and the chairman of the Finance Committee agreed to hold hearings. Those hearings were held. After the hearings were held, the Finance Committee decided that the objections were not sufficiently serious to warrant abandonment of the proposal for continuation of the suspension of the tariff on casein.

First, let me remove any thought that the proposed continuation of the suspension of the tariff on casein will have any effect on our domestic milk industry. Actually, the producers of milk in the United States find that they receive much more profit from the sale of whole milk, condensed milk, and so forth. So they are not producing casein in any substantial quantities.

However, casein is a very important product in connection with the manufacture of many industrial products, including paper, and wallboard and wallboard adhesives. If the suspension of the duty is ended, and if the duty is reimposed, we shall simply increase the cost of these products.

There is a certain amount of competition between soya protein and casein.

Mr. HICKENLOOPER. Mr. President, will the Senator from Utah yield.

Mr. BENNETT. I yield.

Mr. HICKENLOOPER. So far as any increase in the cost of the products is concerned, let me say that, as I understand the situation, the cost of imported casein is approximately 22, 24, or 25 cents a pound. Is that correct?

Mr. BENNETT. That is correct.

Mr. HICKENLOOPER. The duty which has been suspended amounts to only 2½ cents. So if the suspension of the duty expires, there will be added to the price of the casein 2½ or 2¾ cents a pound, or some such amount. It is inconceivable to me that such an addition will increase to any appreciable degree the price of wallboard or any similar product, unless use is made of the mathematical formula which has been used in order to justify other increases.

Mr. BENNETT. Last year, the average price of wallboard was 19 cents a pound. The duty is 2¾ cents a pound.

I was about to say that soya protein is not the only potential substitute for casein. There are others. So, if the price of casein is forced upward by that process, that will not automatically widen the market for soya protein. It will simply encourage those who use products of this type to examine more carefully the other potentials.

The principal issue in this case is whether any domestic industry will be injured by the suspension for 3 more years of the duty of casein.

The requests to hold hearings have been met with; and at the hearings the producers of soya protein showed that if they could sell more soya protein, they would use more soybeans, and they could use more money for research, and they could keep U.S. funds at home. All that is desirable; but they failed to show that by having the tariff on casein reimposed, they could sell more soya protein. They also failed to show any injury during the past 3 years, while the tariff has been suspended, because, actually, during that period of time the increase in the industrial use of soya protein occurred at a slightly greater rate than did the increase in the industrial use of casein.

Soya protein now claims approximately one-third of this market, in which both of these products compete.

Mr. LAUSCHE. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I am happy to yield.

Mr. LAUSCHE. The casein question was before the Senate several months age; was it not?

Mr. BENNETT. That is correct.

Mr. LAUSCHE. At that time, did the Finance Committee recommend that the present exemption or suspension of the tariff on casein be continued?

Mr. BENNETT. At that time, it did. It took the problem under consideration again, and held hearings, and then repeated its former recommendation.

Mr. LAUSCHE. So the Finance Committee now recommends that the exemption or suspension of the duty on casein or the exemption of casein from application of the tariff or duty be continued; is that correct?

Mr. BENNETT. That is correct.

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

Mr. BENNETT. I am happy to yield.

Mr. HOLLAND. Do I correctly understand that then the Finance Committee attached the casein bill to House bill 9862, which deals with the existing suspension of duties on lathes used for shoe last roughing or for shoe last finishing?

Mr. BENNETT. That is correct; the proposal to continue the suspension of the duty on casein beyond the period of temporary suspension, this year, was attached as an amendment to House bill 9862, Calendar No. 1305, entitled "An act to continue for two years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing."

Mr. HOLLAND. Then the pending bill, order No. 1305, H.R. 9862, contains within one bill both provisions for extension of existing suspension of duties?

Mr. BENNETT. That is correct.

Mr. HOLLAND. I thank the Senator.

Mr. BENNETT. Mr. President, the basic issue here, as I see it, is whether soy protein and casein are in fact completely interchangeable. If that were true, then I think it could be maintained that, by taking the duty off of casein, we might make it more difficult to sell more soy protein.

There were statements made in the hearings by an employee of the Department of Agriculture that, in general, he thought they were interchangeable; but when we got the witnesses from the industry before us, they made it perfectly clear to the Senator from Utah and to the majority of the committee that they were not, in fact, interchangeable.

In fact, there was introduced by a witness a publication by one of the manufacturers producing soy protein. That publication contained suggested formulas for water paint, and in those formulas were these words: Two suggested formulations for powdered paints listed on this page are used extensively. Formula 20114 produces a better brushing paint with a superior flow, and the difference is that formula 20114 contains casein and the other formula does not. Formula 20113 is 100 percent soy protein. The other contains 47.5 pounds of soy protein and 31.5 pounds of casein. There is the statement that the casein is introduced to make a better brushing paint with a superior flow.

I am not going to take the time of the Senate to read into the RECORD all of the examples given by the men who have to work with these products. A national manufacturer of joint cement that is used to cover up the joints when wallboards are applied says he has to have different formulas for various parts of the country, depending upon humidity and other conditions, and these formulas run from a situation in which some contain no soy protein to some that may contain as high as 60 percent.

That is the basic issue in the bill before us. As I have said, the majority of the committee were completely convinced that it was impossible to interchange these products.

One witness said there are three manufacturers of soy protein; that he can use the products of two in his formulations, but the third one has never been able to come up with the type of soy protein that he can use at all.

Therefore, since soy protein has now captured approximately one-third of the industrial market, since its use is growing faster than the use of casein, and since the industry has made it perfectly obvious—at least to me—that as fast as the producers of soy protein overcome the technical weaknesses of their product, the use of it will continue to increase it, I hope the Senate will adopt the committee's recommendation and pass the bill.

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

Mr. BENNETT. Yes, I am glad to yield.

Mr. LAUSCHE. Is the Senator from Utah able to tell why, when a 3-year extension of the exemption of the tariff came before the Senate, it was finally passed to operate only for 90 days?

Mr. BENNETT. That was done in order to give the producers of soy protein an opportunity to have a hearing before the Finance Committee. They had never brought the question up during the previous 2½-year suspension. They did not bring the question up while the bill was on the calendar of the Senate. Then suddenly somebody woke up and realized there was a problem in which they had an interest, and on which they had not been heard. So the Senate used this means of protecting the situation for a short time, and at the same time giving the producers of soy protein an opportunity to be heard, before we considered the bill for a normally longer period of extension.

Mr. LAUSCHE. Then, the fact is that at the original hearing, at which the soybean interests were not heard, a 3-year extension of the exemption of a tariff on casein was recommended. Is that correct?

Mr. BENNETT. It is the memory of the Senator from Utah that we had no hearing. Nobody had enough interest in the bill to ask for a hearing when it first came before us.

Mr. LAUSCHE. It was for that reason that the 3-year extension was not granted, but only a 90-day temporary extension was made. Is that correct?

Mr. BENNETT. The Finance Committee recommended a 3-year extension of the exemption, and the chairman of the committee agreed with the majority leader of the Senate that we would use this short interim provision as a means of making it possible to reconsider the proposal and give those people a hearing.

Mr. LAUSCHE. And a reconsideration was had, hearings were held, witnesses for the soybean industry appeared and were heard, and the conclusion of the committee was that there should be a 3-year extension. Is that correct?

Mr. BENNETT. That is correct.

Mr. President, I assume that the time I have used up to this point has been on a general introduction of the bill. I should like to address myself to the proposed amendment, and this, I assume, will be on the controlled time. Am I correct?

The PRESIDING OFFICER (Mr. HART in the chair). The Chair is advised that the question is on agreeing to the amendment, and that the time consumed thus far has been subject to the limitation. There remain 6 minutes.

Mr. BENNETT. The Senator from Utah must say he allowed himself to be trapped for time, in a sense, by allowing the amendment to be offered before he got into a discussion of the bill itself. I think I can explain my opposition to the amendment in the 6 minutes remaining, but this situation effectively forecloses other Senators from stating their positions.

This question of edible casein was raised in the committee, and it became obvious to the committee we did not have sufficient information on which to write language into the bill which would

allow the Treasury Department completely to control importation of edible casein and apply the tariff to it while at the same time we permitted the free importation of inedible casein. Therefore, the committee put this language into its report:

Evidence was introduced indicating extreme difficulty in the enforcement of any bar against the conversion of inedible casein to edible products after importation and the probability that any such bar would only result in increased importation of casein made edible before exportation whether or not the duty was assessed. The committee, therefore, placed no restriction in the bill.

The members of the committee, however, will maintain a continuing interest in this matter, and anticipate that the Department of Agriculture and other interested agencies will watch developments and ascertain to the extent feasible the amounts of imported casein being used for, or converted to, edible uses in competition with domestic agricultural products.

Mr. Higman, supervisor of the Division of Classification in the Bureau of Customs, says that this amendment would be difficult, if not impossible, to administer. He says they have had experience with similar amendments. To quote Mr. Higman, "We have a horror of trying to administer them."

I can understand how, when a man imports inedible casein, he can be required to make a statement that so far as he is concerned he is not going to transform it into edible casein, but when the man sells it in good faith in the market into the hands of a third party we soon will lose track of it. It would be a monstrosity to attempt to follow every shipment of inedible casein and to attempt to assess a duty somewhere along the line after it gets into commerce.

On that basis I think the committee was wise. The committee said, "We are going to watch this thing to see if it becomes a problem; and we will see then how to handle it."

The committee did not study the question of how it could write into the bill some language which would protect the tariff difference to be created by the amendment.

I hope that the Senate will reject the amendment and will give the committee, the Treasury Department, and the Department of Agriculture time enough to see whether this is a serious problem.

The testimony showed there was only 5 million pounds of edible casein imported last year. This, of course, is a drop in the bucket and does not represent a serious threat, in my opinion, to our local production.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. BENNETT. I reserve the balance of my time.

Mr. HARTKE. Mr. President——

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. AIKEN. Mr. President, will the Senator yield me 5 minutes?

Mr. HARTKE. I am happy to yield the Senator from Vermont 5 minutes.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, I support the Hartke amendment. I cannot, for the life of me, understand why any of the witnesses who came before the committee would object to the inclusion of the Hartke amendment unless they intend to misuse the law. The Hartke amendment is intended to prevent importation of material which is intended to be used for paint and glue and then later selling of it for baby food. I think we have simply got to have some protection like that in the law.

The report says it would cost 11 or 12 cents a pound to convert this material into edible casein, which would make it noncompetitive. That is exactly the trouble, Mr. President. If I were sure it were going to be converted into edible casein before being sold as human food, that would be one thing, but the trouble is that we do not watch the imports into this country. Material which is brought in for one purpose may be used for another purpose. We have observed the situation in Pennsylvania, where millions of pounds of kangaroo meat were brought in for mink food and were used for hamburger and other purposes. We have to watch those things.

Why should anyone who does not intend to violate the law object to a provision stating that material imported to be used for the manufacture of paint and glue shall not be used for baby food? This comes in direct competition with powdered milk, of which the Federal Government owns almost 200 million pounds at this time. Why do we not use the powdered milk, instead of using this paint material?

I do not know how much of this casein which is imported for manufacturing purposes has been sold for human consumption. I have heard it is in the neighborhood of 20 percent. Somebody is interested in doing that. We have no business in not putting in a provision intended to protect the health of the people of this country.

It is said that the law could not be enforced. If we act upon that basis, that we cannot enforce the law, we shall have to stop making automobiles right away, because people are bound to exceed the speed limits. We shall have to stop selling matches, because people will burn down houses with the matches, and will start forest fires.

It seems to me that it is unthinkable the paint manufacturers or the glue manufacturers should insist upon leaving a loophole in the law which would permit the sale for human consumption of this industrial material which they use.

I think the Senator from Indiana is doing a great service for the health of the people of this country. Not only in regard to casein and kangaroo meat but in regard to all the other materials which people, who have little regard for their neighbors, convert for human consumption. When the imported item is intended for some other purpose than that provided by law, we have to meet the problem.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. HARTKE. Mr. President, I thank the distinguished Senator from Vermont, who has so ably stated exactly what I wish to talk about.

The amendment has no application to the use of casein for purposes other than as food. It is estimated that about 6 million pounds of edible casein today are being imported into the United States as an edible product. In addition, about 25 million pounds of inedible casein—that is, casein which is not fit at the time it is brought into the United States for human consumption—is converted each year into the edible variety.

If these figures are correct, this leaves about 70 million pounds which are used for the other purpose.

The reason why the Committee on Finance received from the soya protein people the statement about this was that they said it could not be completely substituted. This statement does not apply to edible casein. Soya protein is able to be completely substituted for edible casein.

This, in effect, will mean we are talking about only one portion of the material. If anyone means what he says, and if he is willing to come before these people to say, "We will not use this material for edible purposes," then he will be all right. If the people want to lie about it, they can. If they do not want to lie about it, they would be opposed to the amendment. I fear this is the trouble.

This matter was discussed before the Committee on Finance. The committee report makes a specific statement about it. The principle is endorsed. The committee says that the principle is correct.

In the committee report it is stated:

Some interference with domestic agricultural programs or with the domestic sale of milk or edible soybean products may develop if the conversion of imported casein to competing edible products should begin on a large scale.

The committee decided not to place a restriction in the bill, because the committee thought that enforcement would be difficult.

In the hearings, on page 19, Mr. Burmeister stated:

Let me say one word, though, with respect to—I know in some commodities we have set up classifications for edible and inedible. When a man brings these in, he has to make an assertion or an affirmation that he is going to use them only for inedible purposes, because there are differences in duties applied on these products.

This situation does exist. If a man wants to be truthful, all he has to do is tell the truth. I can see that probably some people want to use this material for edible purposes, after importing it in an inedible form.

Mr. President, I am opposed to the bill in its entirety, but I feel, so far as this particular aspect of the problem is concerned, that no one should disagree with this particular principle.

I should like to point out a couple of things specifically. In the first place,

soybeans are not on the reciprocal trade list. These people would be perfectly willing to compete with foreign products if they were on the reciprocal trade list. Soybeans are not a product which is costing our agricultural program a sufficient amount of money to be concerned about. The milk program is costing us money.

There is not any question that the reason the casein and skim milk products are being used for other products is that they are being supported by the price support program, by the taxpayers. This is the business which is more advantageous for these people financially, so they use the material for other purposes. It is more advantageous, because the Agriculture Department is supporting the prices.

Soybeans are now forced into competition with the foreign casein. They are forced into competition with products of countries which do not have any reciprocal basis for trade even though the products are not on the reciprocal list.

Argentina, which is the biggest supplier, has a 45-percent duty on soybean products. The second largest supplier is Communist Poland, which has an absolute restriction on imports of soybean products. They have a standard which cannot be measured according to cost. They can bring the products in at any price. This discourages the scientific development of soybean products, which we have established as a national policy in the farm program.

This gives special consideration to those countries which are attempting to undermine us economically in this great struggle against communism. It subsidizes the foreign producers of casein to the extent of $2½ million annually.

The report itself shows that if this duty is imposed, the price which it is going to be necessary to pay is not going to change, because these foreign governments will go ahead and subsidize the producers.

The difference is this: Either we are going to subsidize foreign producers or the other countries are going to subsidize them. I suppose it is becoming generally thought that the United States has more money than Communist Poland, so we should do the subsidizing; the United States has more money than Argentina, so we should do the subsidizing.

The report states that what evidently happened in the past is likely to happen again, and that the exporting companies will adjust their export prices in order to remain competitive.

I am not sure why anyone should be for the bill in its entirety, but certainly I cannot see how anyone could be opposed to this amendment. Good conscience and good judgment, and the interest of being honest in our appraisal of human welfare and human food consumption, would dictate that we must go along with protecting edible products in the United States from being imported in inedible form.

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

Mr. HARTKE. I yield.

Mr. LAUSCHE. The amendment of the Senator from Indiana does not declare, in blanket form, that duties shall be imposed on the importation of casein. Am I correct in that understanding?

Mr. HARTKE. The Senator is correct.

Mr. LAUSCHE. The duty will be imposed only when the importation is made of casein intended to be converted into edible products.

Mr. HARTKE. Either edible casein or inedible casein, which it is intended to convert. In other words, this provision would apply to casein which is intended to be used in the United States for human food consumption.

Mr. McCARTHY. Mr. President, will the Senator yield to me?

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

Mr. McCARTHY. The Senator knows that I am in disagreement with the Senator's stand on the overall bill, but I believe the evidence is clear enough that this amendment, which relates to the importation of casein for purposes of human consumption, should be included in the bill.

Testimony by spokesmen for the dairy industry was to the effect that they thought adequate standards and administrative procedures could be established so that this provision could be reasonably well enforced. I think for that reason the amendment deserves the support of the Senate.

Mr. HARTKE. I point out in that connection that no one in the hearings testified against this provision. No one at any time made any statement to the effect that this is not a desirable amendment to this particular bill.

Mr. President, I reserve the remainder of my time.

Mr. BENNETT. Mr. President, I should like to take a minute of my remaining time to point out that the National Dairy Products Corp. and the Borden Co., both testified in favor of the bill.

Mr. AIKEN. Are those California companies?

Mr. BENNETT. I would have to look that up. I am sorry, but I have very little time left.

The National Dairy Products Co. witness said:

> We understand the milk industry feels that the caseinates are supplanting the use of nonfat dry milk solids in many areas. We do not now have a single customer using caseinates in a product where skim milk powder could be used. One need only to look at the economics to see why this is so. Skim milk powder is selling on a delivered basis at approximately 14 cents per pound while sodium caseinate is selling at 37 to 40 cents per pound.

This is the kind of competition which does not exist.

I come back in the end to the fact that while no witness objected to the amendment, there were no witnesses in favor of the amendment. It was not seriously presented in the hearing, and the Finance Committee did not have an opportunity to study all of the ramifications.

In conclusion, I think we have before us a rather hastily thought-out proposal, the object of which is good, but it would create an almost insuperable practical problem, because, as I said, when we attempt to apply the tariff to casein for conversion to human use, we have no way of knowing at what point in the process of manufacture that conversion will take place.

Mr. AIKEN. Mr. President, will the Senator from Indiana yield me 1 minute?

Mr. HARTKE. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. Mr. President, it does not make any difference to me whether the Borden Co. and all the other proprietary dealers, who have factories to manufacture casein all over the world want to import this material for industrial uses, are for the bill. All I can say is that more than 3 million dairymen in this country want some protection against casein being imported and sold in competition with a commodity which is in large surplus at the present time.

Mr. HICKENLOOPER. Mr. President, I do not know what the time situation is. I would have objected to a time limitation if I had been in the Chamber at the time it was proposed, because I think the time allowed is too short for discussion.

I support the amendment of the Senator from Indiana. At least it would not hurt anything if his amendment were adopted, and there would be a chance to protect against the misapplication of some of these products for food purposes, as pointed out by the Senator from Vermont.

So far as the tariff on imported casein is concerned, as against soy protein, I call attention to the fact that the soybean industry in this country has done one of the finest jobs of self-help done by any producer of a farm commodity—probably the finest. It has created its own market. It has kept out of storage warehouses. It has maintained a reasonable price on soybeans. This is an opportunity that has been developing over the years for the use of soy protein, as a utilizable substance in industry.

The 2½ or 2¾ cents a pound tariff that was put on will have no particular effect on the industry in using the imported casein for industrial uses, but it will have a substantial effect in encouraging the enlargement and expansion of the use of soybean products.

If we have been attempting to do one thing in the agricultural field in the past several years, it is to develop and encourage new uses and expanded uses for agricultural products. Here is an opportunity for the industry itself to develop an expanded potential use for this product. It is proposed to continue the elimination of a tariff which would work diametrically opposite to the interest of the soybean producers of the country and the soybean industry.

We should not continue legislation which forgives this tariff, but we should let it expire, and let the tariff on imported casein attach again. It is a very small tariff. It would have no effect whatsoever on the price of industrial products into which this material enters,

but there would be added opportunities for the expanded use of soybeans and byproducts of soybeans, and the industrial use of soybean materials.

I do not wish to trespass on the time of other Members, because other Senators have something to say. However, I believe this tariff should be allowed to go back on.

One further point is that I cannot understand the great push that has been put behind this particular bill. There has been one of the strongest pushes I have seen, to continue the free entry of casein. I do not know where the pressure comes from, but it has been important, and it has been pushed with vigor on Capitol Hill. There must be some reason why it is vital to certain industries to keep casein coming in free, and prevent our soybean people from entering into competition.

The PRESIDING OFFICER. There remain 4 minutes on behalf of the proponents of the amendment, and 2 minutes for the opposition.

Mr. JAVITS. Mr. President, I ask unanimous consent that each side may have 10 additional minutes. It is perfectly ridiculous in the Senate to shortchange Senators who want to be heard.

The PRESIDING OFFICER. Is there objection?

Mr. McCARTHY. Reserving the right to object, I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. As I understand, the limitation on time relates only to this particular amendment, and not to the bill as a whole.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCARTHY. Much of the debate has not related to the amendment. I shall be glad to withhold the objection, but, of course, we can debate any other amendment under the 20-minute limitation.

Mr. JAVITS. I would like 2 minutes to debate the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. McCARTHY. I withhold my objection.

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

Mr. HOLLAND. Mr. President, will the Senator yield me 1 minute?

Mr. HARTKE. First, I should like to answer the statement by the Senator from Utah [Mr. BENNETT] that no one appeared in favor of the amendment. I call attention to page 111 of the hearings, where there appears the testimony of the attorney for the American Dry Milk Institute, and also to page 116 of the hearings, to the letter of the National Milk Producers Federation. They support the same amendment, and make it very clear that that is their intention.

I now yield to the Senator from Florida.

Mr. HOLLAND. I have one short question to address to the Senator from Utah, if I may. What was the vote in the Committee on Finance on the approval of this casein matter which appears as section 2 of the pending bill?

Mr. BENNETT. I do not have a clear recollection of it, but my impression is that it was about 9 to 4.

Mr. HOLLAND. The committee was not unanimous.

Mr. BENNETT. No. Obviously, the Senator from Indiana was objecting to it.

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

Mr. HARTKE. I yield.

Mr. JAVITS. I should like to state to the Senator that I am in favor of the bill. New York industry needs it. We want to have it passed. I am trying very hard to support the Senator's amendment, because the dairy industry in New York is interested in the amendment. I should like to ask this question for the purpose of the legislative history. I notice that the amendment states that it shall be applied according to rules promulgated by the Secretary of the Treasury.

Mr. HARTKE. Yes.

Mr. JAVITS. Does the amendment intend that the Secretary of the Treasury may, by rules, determine how a particular importer shall qualify under the law, so that if the Secretary should say a certification of use at the time of the importation or withdrawal is adequate, it will satisfy the amendment? In other words, whatever the Secretary says is adequate proof, will, in the intention of the mover of the amendment, be adequate proof? Is that correct?

Mr. HARTKE. Yes. That was the intention of the proviso. This is to meet the objection that they could not set up the regulations. The amendment has been drafted by the Legislative Counsel's office. This is the suggestion on their part. By giving the Treasury Department this authority, it would be possible to provide for a distinction between that which is used for edible purposes and that which is to be converted to edible purposes.

Mr. JAVITS. Then the Senator accepts the construction of his amendment that the Secretary of the Treasury may by regulation determine what is adequate proof at any time that the amendment is or is not being complied with?

Mr. HARTKE. The Senator from New York is correct.

Mr. JAVITS. I thank the Senator.

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

Mr. HARTKE. I yield.

Mr. McCARTHY. I may say to the Senator from New York that the procedures which are followed in the importation of grain which is not considered fit for human consumption could be applied in this instance.

Mr. HARTKE. That is right. This is not a unique situation. The Senator from Minnesota is correct. There are other similar cases which are administered by the Customs Bureau.

Mr. McCARTHY. The Minnesota Dairy Record makes the point which is important; namely:

> Edible casein producers in this country must follow strict quality standards. No such standards exist for imported edible casein or for industrial casein that is converted to edible usage. It is a silly situation and the industry of this country and the Food and Drug Administration should draw up a set of standards for imported edible casein.
>
> Furthermore, we feel that legislation should be passed prohibiting the cleaning up of imported industrial casein for edible usage.

So that if the Senator's amendment is adopted, that abuse will be prevented and the consumers of America will be protected.

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

Mr. HARTKE. I yield.

Mr. AIKEN. It has been said that it would be impossible to enforce the law. However, when a dairy cooperative undertakes to expand, the Department of Justice finds plenty of time to prosecute it. If a dairy corporation seeks to import material from its foreign plant and convert it, the Department of Justice, if it wants to, can find plenty of time to prosecute.

Mr. HARTKE. I think that point is well taken.

Mr. McCARTHY. With regard to the comment of the Senator from Vermont, the Department of Justice has been able to follow successfully grain unfit for human consumption that has been imported.

Mr. AIKEN. The Senator from Minnesota was out of the room when I pointed out that there have been large importations of kangaroo meat into the State of Pennsylvania, for mink feeding. I understand that two meat dealers are under surveillance because they are suspected of having converted it into hot dogs and hamburgers. That is why we cannot take too much care with the health of our people or protect them from imported materials.

Mr. HARTKE. I should like to say that apparently we set up two sets of standards, one for our domestic people and another for foreign shipments. We permit some people to ship things in from overseas under conditions where standards are not the same as those for our domestic producers, and we say, "Oh, they are coming from overseas. We will excuse them."

A statement was made about the Borden Co., which has oversea operations. I do not know what their interest is. Perhaps they would like to have the inedible product and use it to make baby foods. I do not know what their intention was. I do not know why they are on that side. There may be a profit motive involved so far as they are concerned, which would be very desirable, from the standpoint of bringing in the inedible casein. I do not make any accusation. I think that is possible. I reserve the remainder of my time.

Mr BENNETT. Mr. President, I should like to make a specific comment on the point of view expressed by the Senator from New York [Mr. JAVITS]. I am reading the specific language of the amendment:

> Except that such suspension of duty shall not apply with respect to casein—

I am underlining the word "imported"—

for use for human food—

Depending on the construction placed on the next four words, I think I might agree with my friend from Indiana:

or—

I am putting in the word "imported"—because the two clauses hang on the same word—

for conversion to such use.

They mean that the tariff shall be applied if the material is imported for human food or for conversion but used for human food.

That is the situation to which my friend from Vermont objects. It is imported for industrial use, but after it gets in and away from the prime importer, it is transformed and rendered edible.

I cannot see how this language can get at that situation, because it specifies two conditions: imported for use for human food, and imported for conversion.

That is why I believe as a practical matter it is impossible to enforce the language of this particular amendment. I would be very happy if the Committee on Finance or the Committee on Agriculture and Forestry could take the time to develop successfully a method of handling this problem, and support it.

Mr. JAVITS. Mr. President, will the Senator yield, inasmuch as he has referred to me?

Mr. BENNETT. I yield.

Mr. JAVITS. Would the Senator agree that if the mover of the amendment said that the regulations of the Treasury could be modified to show the time of decision or the time of import, so that if the importer certified at the time of importation that he was not importing for human consumption or for conversion to human consumption, then he was complying with the act, and that would be the end of the matter?

If that construction is not put on it, then there is no way of regulating. Nothing will be imported except what is subject to duty. The question is, Will the mover accept the construction of his amendment to mean that it is at the time and point of import or withdrawal that this determination may be made on the certification of the import?

Mr. HARTKE. The point I am getting at is not what the importer does or what the importer does not do. I do not want inedible casein to be brought in duty free and used for human consumption.

If language can be devised which would accomplish that purpose, I shall be glad to accept it. But I do not want to have a subterfuge which will protect at only one stage of the game and will obviously provide an escape from the law.

Mr. JAVITS. Mr. President, will the Senator yield for another question?

Mr. HARTKE. I yield.

Mr. JAVITS. Suppose the casein enters the country and is sold from A to B. It comes in with the intention of being used for industrial purposes, but is resold to another party. The other party converts it. What happens then, under the Senator's amendment?

Mr. HARTKE. This matter relates to the Sheffield division, which is in the business of conversion. They are importing inedible casein for the very purpose about which the Senator from New York is speaking.

Mr. BENNETT. They are caught under the amendment, because they are importing under this amendment. They are covered.

Mr. AIKEN. Mr. President——

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

Mr. BENNETT. The Senator from Utah will be glad to yield the floor in order that the Senator from Vermont may ask the Senator from Indiana a question on the time of the Senator from Indiana.

Mr. AIKEN. Since the Senator from Utah has stated that it is the Borden Co. which objects to the amendment, I have somewhat revised my feeling that casein might be imported which is unfit for human consumption and be sold for human consumption.

I believe the Borden Co. could, and probably does, produce good, clean, edible casein in its foreign plants, particularly those in Western Europe. But it could be imported into this country either by a manufacturer or by another person who might purchase it and sell it in competition with high grade dairy products in this country—powdered milk or casein—and there would probably be at least 50 percent more profit in it than there is in selling casein which is made in New York or Minnesota or South Dakota or Utah, or any of the other States.

It would seem that a great big cat has been let out of the bag. I still say that 3 million dairy people in this country need protection against that kind of business, and they are asking for it.

Mr. CASE of South Dakota. Mr. President, will the Senator from Indiana yield?

Mr. HARTKE. I yield for a question.

Mr. CASE of South Dakota. How does the Senator from Indiana think an importer could guarantee that the imported casein would not be reworked if it had passed on to a second, third, or fourth hand?

Mr. HARTKE. It is for that very purpose that the amendment was drawn. The same thing is true in the field of other food products at the present time. They are being worked.

Mr. JAVITS. Mr. President, will the Senator from Indiana further yield?

Mr. HARTKE. I yield.

Mr. JAVITS. Under the Senator's amendment, could the Secretary of the Treasury provide that in the first instance if the importer certified that the casein was being imported for nonhuman consumption purposes, it could come in duty free; and that if at a subsequent time it appeared that the material had been used for human consumption, the duty could then be applied against the original importer?

If that construction is available, then we have a pattern in which action can be taken, because responsibility would be imposed on the initial importer to get certification of indemnity from every importer to whom he sells.

Mr. HARTKE. That is the reason for this provision which authorizes the Secretary of the Treasury to issue the regulation. I do not want to give any indication to the Treasury Department as to the method in which they should formulate their regulations. If they desire to follow the method suggested by the Senator from New York, that would be perfectly satisfactory to me.

Mr. JAVITS. Would it be within the purpose of the amendment offered by the Senator from Indiana?

Mr. HARTKE. It would be within the purpose of my amendment.

Mr. JAVITS. The intention being to give the Treasury all the latitude they need in this regulation?

Mr. HARTKE. Yes.

Mr. JAVITS. I thank the Senator from Indiana.

Mr. HARTKE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes remaining; the Senator from Utah has 5 minutes remaining.

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

Mr. HARTKE. I yield.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement on the bill, prepared by my colleague [Mr. KEATING], who is unavoidably absent today due to other commitments of an official nature.

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

STATEMENT BY SENATOR KEATING

Many people in my State are very much interested in H.R. 9862, which includes an amendment to extend for 3 more years the suspension of the duty on imported casein.

When this matter was before the Senate several weeks ago, I indicated my own personal hope that the Finance Committee should, in the near future, fully study all of the points which had been raised relevant to this legislation and then report back to the Senate in order that a decision could be made before the existing suspension of the duty on casein expired. In order to avoid having this suspension expire before such action was taken by the Congress, a 90-day extension of this suspension was enacted and was shortly thereafter signed by the President. Meanwhile, careful attention and study were given to legislation to extend the casein duty suspension for 3 additional years.

I am glad that Congress, and in particular the Senate Finance Committee, have handled this matter so expeditiously. Now that a reevaluation has taken place and a new bill extending the casein suspension for 3 years is before the Senate. I sincerely hope that favorable action will be taken as soon as possible to enact this measure into law.

Mr. HARTKE. Mr. President, I reserve the remainder of my time.

Mr. BENNETT. The yeas and nays have been ordered. I think I shall reserve the remainder of my time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair reminds the Senator from Utah that the time for the quorum call will come out of his time.

Mr. BENNETT. I withdraw my request, under those circumstances, and suggest that we vote.

The PRESIDING OFFICER. Does the Senator from Indiana yield back his time?

Mr. HARTKE. I yield back my time.

The PRESIDING OFFICER. Does the Senator from Utah yield back the remainder of his time?

Mr. BENNETT. I shall take a second to say to the Senator from Vermont that he makes a beautiful case to protect the milk producer who produces skim milk that sells for 14 cents a pound against casein which costs 40 cents a pound.

Mr. AIKEN. That is imported material which sells for 8 or 9 cents a pound.

Mr. BENNETT. The evidence shows that imported casein is selling for 19 cents in the market, and that it costs from 11 to 12 cents a pound to change it from inedible to edible. So there is no real competition between skim milk and casein.

Mr. AIKEN. The Senator from Utah is comparing the cost of casein with the cost of the lowest grade powdered skim milk, and that does not carry weight.

Mr. BENNETT. What is the cost of the highest grade powdered skim milk?

Mr. AIKEN. About 15 or 16 cents. Powdered whole milk is a different proposition.

Mr. BENNETT. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Indiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE], are absent on official business.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON], are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. RANDOLPH], would vote "nay."

I also announce that the Senator from Missouri [Mr. HENNINGS], is absent because of illness.

I further announce that the Senator from Virginia [Mr. ROBERTSON], is absent because of a death in his family.

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from North Dakota [Mr. BRUNSDALE], the Senator from Connecticut [Mr. BUSH], the Senator from Maryland [Mr. BUTLER], the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], the Senator from Hawaii [Mr. FONG], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. KEATING], the Senator from South Dakota [Mr. MUNDT], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent. If present and voting, the Senator from New York [Mr. KEATING] would vote "yea."

The Senator from Illinois [Mr. DIRKSEN] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Illinois [Mr. DIRKSEN] would vote "yea", and the Senator from Nebraska [Mr. HRUSKA] would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Kansas [Mr. CARLSON], the Senator from Kentucky [Mr. COOPER], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business.

The result was announced—yeas 31, nays 23, as follows:

[No. 193]

YEAS—31

Aiken	Hart	Martin
Bartlett	Hartke	Monroney
Cannon	Hickenlooper	Moss
Carroll	Holland	Muskie
Case, S. Dak.	Jackson	Pastore
Church	Javits	Prouty
Clark	Johnston, S.C.	Scott
Dodd	Lausche	Williams, Del.
Dworshak	Long, Hawaii	Young, Ohio
Engle	Lusk	
Gruening	McCarthy	

NAYS—23

Allott	Ellender	McClellan
Beall	Ervin	Morton
Bennett	Frear	Smith
Bible	Gore	Stennis
Byrd, W. Va.	Green	Thurmond
Case, N.J.	Johnson, Tex.	Williams, N.J.
Cotton	Kuchel	Yarborough
Douglas	Long, La.	

NOT VOTING—46

Anderson	Hayden	Murray
Bridges	Hennings	O'Mahoney
Brunsdale	Hill	Proxmire
Bush	Hruska	Randolph
Butler	Humphrey	Robertson
Byrd, Va.	Jordan	Russell
Capehart	Keating	Saltonstall
Carlson	Kefauver	Schoeppel
Chavez	Kennedy	Smathers
Cooper	Kerr	Sparkman
Curtis	McGee	Symington
Dirksen	McNamara	Talmadge
Eastland	Magnuson	Wiley
Fong	Mansfield	Young, N. Dak.
Fulbright	Morse	
Goldwater	Mundt	

So Mr. HARTKE'S amendment to the committee amendment was agreed to.

Mr. AIKEN. Mr. President, I move to reconsider the vote by which the amendment to the committee amendment was agreed to.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. HARTKE. Mr. President, I send to the desk an amendment to the committee amendment, and ask the clerk to read it for the information of the Senate.

The PRESIDING OFFICER. The amendment of the Senator from Indiana will be stated.

The LEGISLATIVE CLERK. It is proposed on page 2, lines 4 and 5, to strike out "June 30, 1963" and insert in lieu thereof "March 31, 1961."

Mr. HARTKE. Mr. President, I do not intend to ask for the yeas and nays on this amendment, I may say for the information of the Senate.

What this amendment will do is suspend the duties on the importation of casein, as now provided in the bill, for 1 year from last March 31.

I offer the amendment for two reasons:

First, so the Congress will have the opportunity of reviewing this matter again next year. Soybean research continues, and the soybean industry feels that it will have an almost complete substitute for industrial casein within the next 3 years. I, therefore, feel that in fairness to this great industry, Congress should permit it to come before us again next year, tell us the progress they are making, and then let us decide whether the suspension should continue, based on this report and testimony from the other industries affected.

Second, I propose this amendment, Mr. President, for a reason I stated earlier. The committee was told by the large users of casein that they are using as much casein as they possibly can at the present time, and that they would like to have a domestic product which they could depend on.

However, threats of economic reprisals have been made by these users against manufacturers of isolated soya protein because of their opposition to a suspension of the duty on casein. I think Congress should review this matter again next year and determine whether or not the casein users made their statements about the use of isolated soya protein in good faith.

I believe this is a good amendment and that, in fairness to the industry affected, it should be approved.

Mr. BENNETT. Mr. President, I hope the Senate will support the position of the committee. It is pretty obvious to me that if we keep extending these exemptions for 3- and 9-month periods, we shall be buried in casein and soybean matters.

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

Mr. BENNETT. I yield.

Mr. AIKEN. Will the suspension of the tariff expire about the time that the Reciprocal Trade Agreements Act expires, when we shall be considering the whole matter of imports?

Mr. BENNETT. That act will expire in 1962. This act will in 1963.

Mr. AIKEN. I would have no objection to letting it run for the concurrent period with the Reciprocal Trade Agreements Act.

Mr. BENNETT. It seems to me that, since the committee amendment has been amended with regard to edible casein, we might as well allow the inedible process to be handled in that way.

Mr. AIKEN. Frankly, I do not want to be faced with the question of the inedible process next year.

Mr. BENNETT. Neither do I.

Mr. JAVITS. Mr. President, I voted for the previous amendment based on the developments set forth by the Senator from Indiana, which made it administratively possible to provide edible casein from inedible casein, and the provision for admission, duty free of inedible casein.

I agree with the Senator from Utah that if we are going to do this effectively, we should allow enough time for the matter to be developed. I think a 3-year extension is fair.

I hope the Senate will defeat the amendment.

Mr. BENNETT. Mr. President, I may point out that the Treasury probably will not have completely workable regulations in effect for 9 months.

I hope the Senate will agree with the committee and reject the amendment.

Mr. CARROLL. Mr. President, I, too, voted for the amendment and agreed with the Senator from Indiana. I think we should go along and wait a while. I think the amendment offered by the Senator from Indiana at this time is premature, and we ought to wait a little more.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from Indiana.

The amendment to the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment to the amendment was rejected.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

The bill (H.R. 9862) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

The title was amended, so as to read: "An act to continue for two years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing, and to extend the suspension of duty on imports of casein."

AREA REDEVELOPMENT ACT

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the House amendment to Senate bill 722. I do not care to have action on it at this time. I merely ask the Chair to lay the amendment before the Senate.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, which was to strike out all after the enacting clause and insert:

That this Act may be cited as the "Area Redevelopment Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing facilities and resources rather than by merely transferring employment opportunities from one area of the United States to another.

AREA REDEVELOPMENT ADMINISTRATION

SEC. 3. In order to carry out the purposes of this Act, there is hereby established, within the executive branch of the Government, an Area Redevelopment Administration. Such Administration shall be under the direction and control of an Administrator (hereinafter referred to as the "Administrator") who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate of $20,000 per annum.

ADVISORY BOARD

SEC. 4. (a) To advise the Administrator in the performance of functions authorized by this Act, there is authorized to be created an Area Redevelopment Advisory Board (hereinafter referred to as the "Board"), which shall consist of the following members, all ex officio: The Administrator as Chairman; the Secretaries of Agriculture; Commerce; Defense; Health, Education, and Welfare; Interior; Labor; and Treasury; the Administrators of the General Services Administration; Housing and Home Finance Agency; and Small Business Administration; and the Director of the Office of Civil and Defense Mobilization.

The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

(b) The Administrator shall appoint National Public Advisory Committee on Area Redevelopment which shall consist of twenty-five members and shall be composed of representatives of labor, management, agriculture, and the public in general. From the members appointed to such Committee the Administrator shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Administrator relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(c) The Administrator is authorized from time to time to call together and confer with representatives of the various parties in interest from any industry, including agriculture, which has been a primary source of high levels of unemployment or underemployment in the several areas designated by the Administrator as redevelopment areas. The Administrator may also call upon representatives of interested governmental departments and agencies, together with representatives of transportation and other industries, to participate in any conference convened under authority of this subsection whenever he determines that such participation would contribute to a solution of the problems creating such unemployment or underemployment. The representatives at any such conference shall consider with and may recommend to the Administrator plans and programs to further the objectives of this Act with special reference to the industry with respect to which the conference was convened.

REDEVELOPMENT AREAS

SEC. 5. (a) The Administrator shall designate as "industrial redevelopment areas" those industrial areas within the United States in which he determines that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any industrial area in which there exists unemployment of not less than 6 per centum of the labor force on the date on which application for assistance is made under this Act and in which there has existed unemployment of not less than (1) 12 per centum of the labor force during the twelve-month period immediately preceding the date on which an application for assistance is made under this Act, (2) 9 per centum of the labor force during at least fifteen months of the eighteen-month period immediately preceding such date, or (3) 6 per centum of the labor force during at least eighteen months of the twenty-four-month period immediately preceding such date. Any industrial area in which there has existed unemployment of not less than 15 per centum of the labor force during the six-month period immediately preceding the date on which application for assistance is made under this Act may be designated as an industrial redevelopment area if the Administrator determines that the principal causes of such unemployment are not temporary in nature.

(b) The Administrator shall also designate as "rural redevelopment areas" those rural

areas within the United States in which he determines that there exist the largest number and percentage of low-income families, and a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Administrator shall consider among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, and the availability of manpower in each area for supplemental employment. There shall be included among the areas designated under this subsection any county (1) which is among the five hundred counties in the United States ranked lowest in level of living of farm-operator families, or (2) which is among the five hundred counties in the United States having the highest percentage of commercial farms producing less than $2,500 worth of products for sale annually. The Secretary of Agriculture shall compile, and keep current, lists of the counties referred to in the preceding sentence, for use by the Administrator in making designations under this subsection; and until such time as a current version of such lists is available after the enactment of this Act the Administrator shall make such designations on the basis of the "Farm-Operator Family Level of Living Indexes for Counties in the United States in 1954" (published as Statistical Bulletin 204, Department of Agriculture, 1957) and volume I of the "1954 Census of Agriculture" (Government Printing Office, 1956).

(c) In making the determinations provided for in this section, the Administrator shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(d) Upon the request of the Administrator, the Secretary of Labor, the Secretary of Agriculture, and the Secretary of Commerce are respectively authorized to conduct such special studies, obtain such information, and compile and furnish to the Administrator such data as the Administrator may deem necessary or proper to enable him to make the determinations provided for in this section. The Administrator shall reimburse, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

(e) As used in this Act, the term "redevelopment area" refers to any area within the United States which has been designated by the Administrator as an industrial redevelopment area or a rural redevelopment area, and may include one or more counties, or one or more municipalities, or a part of a county or municipality.

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Administrator is authorized to purchase evidences of indebtedness and to make loans (including immediate participations therein) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment) for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in an increase in unemployment in the area of original location.

(b) Financial assistance under this section shall be on such terms and conditions as the Administrator determines, subject, however, to the following restrictions and limitations:

(1) The total amount of loans and loan particiaptions (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with respect to projects in industrial redevelopment areas shall not exceed $75,000,000, and (B) with respect to projects in rural redevelopment areas shall not exceed $75,000,000;

(2) Except as provided in subsection (c), such assistance shall be extended only to applicants, both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with problems of economic development in such State or subdivision;

(3) The project for which financial assistance is sought is reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the redevelopment area wherein it is, or will be, located;

(4) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

(5) No loans shall be made unless it is determined that an immediate participation is not available;

(6) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

(7) Subject to section 11(5) of this Act, no loan may be made hereunder for a period exceeding thirty years and no evidences of indebtedness maturing more than thirty years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Administrator as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor;

(8) Such loans shall bear interest at a rate determined by the Secretary of the Treasury which shall be not greater than the current average yield on outstanding marketable obligations of the United States of comparable maturities as computed (in the case of any loan) at the end of the month preceding the month in which the loan is made, plus one-half of 1 per centum per annum: *Provided*, That an amount equal to one-fourth of 1 per centum per annum of the outstanding principal amount of any loan made under this section shall be allocated from the payments received by the Administrator in the form of interest on such loan to a sinking fund to cover losses on loans under this section;

(9) Such assistance shall not exceed 65 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the following conditions:

(A) That other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) That not less than 10 per centum of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization which is nongovernmental in character, as equity capital or as a loan;

(C) That in extending financial assistance under this section with respect to an industrial or rural redevelopment area, the Administrator shall require that not less than 5 per centum of the aggregate cost of the project for which such loan is made shall be supplied by nongovernmental sources; and

(D) That if any Federal financial assistance extended under this section is secured, the Administrator shall provide that its security shall be subordinate and inferior to the lien or liens securing other loans made in connection with the same project to the extent he finds such action necessary to encourage financial participation in such project by other lenders and investors; and

(10) No such assistance shall be extended unless there shall be submitted to and approved by the Administrator an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by the laws of the State or local political subdivision in which the project would be located.

(c) If there is no agency or instrumentality in any State, or political subdivision thereof, qualified to approve applicants for assistance under this section as provided in paragraph (2) of subsection (b), the Administrator shall upon determining that any area in such State is a redevelopment area, appoint a local redevelopment committee (hereinafter referred to as a "local committee") to be composed of not less than seven residents of such area who, as nearly as possible, are representative of labor, commercial, industrial, and agricultural groups, and of the residents generally of such area. In appointing any such local committee, the Administrator may include therein members of any existing local redevelopment committees. Financial assistance under this section in connection with projects located in a redevelopment area, for which a local committee has been appointed under this section, shall be extended only to applicants, both private and public (including Indian tribes), which have been approved by such local committee.

(d) There is hereby authorized to be appropriated not to exceed $150,000,000, of which not more than $75,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in industrial redevelopment areas, and not more than $75,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in rural redevelopment areas.

LOANS FOR PUBLIC FACILITIES

SEC. 7. (a) Upon the application of any State or political subdivision thereof, or any Indian tribe, the Administrator is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the funds requested for such project are not otherwise available on equally favorable terms;

(3) the amount of the loan plus the amount of other available funds for such projects are adequate to insure the completion thereof;

(4) there is a reasonable expectation of repayment; and

(5) such area has an approved economic development program as provided in section 6(b)(10) and the project for which financial assistance is sought is consistent with such program.

(b) No loan under this section shall be for an amount in excess of the aggregate cost of the project for which such loan is made, as determined by the Administrator. Subject to section 11(5), the maturity date of any such loan shall be not later than 40 years after the date such loan is made. Any such loan shall bear interest at a rate determined by the Secretary of the Treasury which shall be not greater than the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the year in which the loan is made and adjusted to the nearest one-eighth of 1 per centum, plus one-quarter of 1 per centum per annum.

(c) There is hereby authorized to be appropriated not to exceed $50,000,000, which shall be deposited in a revolving fund to be used for the purpose of making loans under this section.

(d) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) The Administrator may conduct studies of needs in the various redevelopment areas throughout the United States for, and the probable cost of, land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of useful public facilities within such areas, and may receive proposals from any State or political subdivision thereof, or any Indian tribe, relating to land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any such area. Any such proposal shall contain plans showing the project proposed to be undertaken, the cost thereof, and the contributions proposed to be made to such cost by the entity making the proposal. The Administrator, in consultation with such entity, is authorized to modify all or any part of such proposal.

(b) The Administrator, pursuant to a proposal received by him under this section, may make grants to any State or political subdivision thereof, or any Indian tribe, for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute;

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and there is little probability that such project can be undertaken without the assistance of a grant under this section; and

(4) such area has an approved economic development program as provided in section 6(b)(10) and the project for which financial assistance is sought is consistent with such program.

The amount of any grant under this section for any such project shall not exceed the difference between the funds which can be practicably obtained from other sources (including a loan under section 7 of this Act) for such project, and the amount which is necessary to insure the completion thereof.

(c) The Administrator shall by regulation provide for the supervision of carrying out of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(d) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

(e) There is hereby authorized to be appropriated not to exceed $35,000,000 for the purpose of making grants under this section.

INFORMATION

SEC. 9. The Administrator shall aid redevelopment areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment or underemployment within such areas. The Administrator shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

TECHNICAL ASSISTANCE

SEC. 10. In carrying out his duties under this Act, the Administrator is authorized to provide technical assistance to areas which he has designated as redevelopment areas under this Act. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Administrator through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purpose. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $4,500,000 annually.

POWERS OF ADMINISTRATOR

SEC. 11. In performing his duties under this Act, the Administrator is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and define their authority and duties, provide bonds for them in such amounts as the Administrator shall determine, and pay the costs of qualification of certain of them as notaries public;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Administrator;

(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans made under this Act, and collect or compromise all obligations assigned to or held by him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) further extend the maturity of or renew any loan made or evidence of indebtedness purchased under this Act, beyond the periods stated in such loan or evidence of indebtedness or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan or evidence of indebtedness;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with the payment of loans made under this Act;

(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made under this Act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Administrator. Section 3709 of the Revised Statues, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Administrator as a result of loans made under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Administrator, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Administrator pursuant to the provisions of this Act may be exercised by the Administrator or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 6 and 7 of this Act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including

the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made under this Act;

(10) to such an extent as he finds necessary to carry out the provisions of this Act, procure the temporary (not in excess of six months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses; and

(11) establish such rules, regulations, and *procedures as he* may deem appropriate in carrying out the provisions of this Act.

TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 12. Whenever the Administrator shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this Act, no further assistance shall be granted under this Act with respect to such area and, for the purposes of this Act, such area shall not be considered a redevelopment area: *Provided,* That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this Act if the Administrator determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this Act prior to a determination by the Administrator that such area no longer qualifies as a redevelopment area. The Administrator shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

URBAN RENEWAL

SEC. 13. (a) Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

"SEC. 113. (a) When the Area Redevelopment Administrator certifies to the Administrator (1) that any county, city, or other municipality (in this section referred to as a 'municipality') is situated in an area designated under section 5(a) of the Area Redevelopment Act as an industrial redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economic development, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) The Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110(c) that the project area be clearly predominantly residential in character or that it be redeveloped for predominantly residential uses; but no such assistance shall be provided in any area if such Administrator determines that it will assist in relocating business operations from one area to another when such assistance will result in an increase in unemployment in the area of original location.

"(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"(d) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided,* That any disposition of such land to such public agency or corporation under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further,* That the purchasers from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed under section 105(b).

"(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section for the completion of such project, notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an industrial redevelopment area under the Area Redevelopment Act.

"(f) Not more than 10 per centum of the funds authorized for capital grants under section 103 after January 1, 1959, shall be available to provide financial assistance under this section."

URBAN PLANNING GRANTS

SEC. 14. Paragraph (3) of section 701(a) of the Housing Act of 1954 is amended by inserting after "cities, other municipalities, and counties which" the following: "(A) are situated in areas designated by the Area Redevelopment Administrator under section 5(a) of the Area Redevelopment Act as industrial redevelopment areas, or (B)".

VOCATIONAL TRAINING

SEC. 15. (a) The Secretary of Labor is authorized, upon request and whenever he determines such studies are needed, to undertake, or to provide assistance to others in, studies of the size, characteristics, skills, adaptability, occupational potentialities, and related aspects of the labor force of any redevelopment area.

(b) When skills of the labor force in a redevelopment area are not such as to facilitate full utilization of the human resources in such area, the Secretary of Labor is authorized to provide advice and technical assistance in developing and carrying out a program to improve the utilization of such labor force.

(c) Whenever the Secretary of Labor finds a need for vocational education services in a redevelopment area and when such area has an approved economic development program as provided in section 6(b)(10), he is authorized to assist interested agencies to determine the vocational training needs of unemployed individuals residing in the area, and he shall notify the Secretary of Health, Education, and Welfare of the vocational training or retraining requirements of the area. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, is authorized to provide assistance, including financial assistance when necessary or appropriate, to the State board for vocational education in the provision of such services in the area. There is hereby authorized to be appropriated not to exceed $1,500,000 annually for the purpose of providing financial assistance under this subsection.

(d) Any vocational training or retraining provided under this section shall be designed to enable unemployed individuals to qualify for new employment in the redevelopment area.

RETRAINING SUBSISTENCE PAYMENTS

SEC. 16. (a) The Secretary of Labor in consultation with the Administrator shall, on behalf of the United States, enter into agreements with States in which redevelopment areas are located under which the Secretary of Labor shall make payments to such States for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed individuals residing within such redevelopment areas who are not entitled to unemployment compensation (either because their unemployment compensation benefits have been exhausted or because they were not insured for such compensation) and who have been certified by the Secretary of Labor to be undergoing vocational training or retraining under section 15 of this Act. Such payments shall be made for a period not exceeding thirteen weeks, and the amounts of such payments shall be equal to the amount of the average weekly unemployment compensation payment payable in the State making such payments.

(b) The Secretary of Labor and the Administrator shall jointly prescribe such rules and regulations as they may deem necessary to carry out the provisions of this section.

(c) There are hereby authorized to be appropriated such sums, not in excess of $10,000,000, as may be necessary to carry out the provisions of this section.

PENALTIES

SEC. 17. (a) whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Administrator, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(b) Whoever, being connected in any capacity with the Administrator, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Administrator or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Administration, makes any false entry in any book, report, or statement of or to the Administrator, or without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Administrator, or (4) gives any unauthorized information concerning any future action or plan of the Administrator which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Administrator, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

EMPLOYMENT OF EXPENDITURES AND ADMINISTRATIVE EMPLOYEES

SEC. 18. No loan shall be made by the Administrator under this Act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Administrator the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Administrator for assistance of any sort, and the fees paid or to be paid to any such person; and (2) execute an agreement binding any such business enterprise for a period of two years after any assistance is rendered by the Administrator to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee of the Administration, occupying a position or engaging in activities which the Administrator shall have determined involve discretion with respect to the granting of assistance under this Act.

PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

SEC. 19. The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects undertaken by public applicants assisted under this Act (1) shall be paid wages at rates no less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of August 30, 1935 (Davis-Bacon Act), and (2) shall be employed not more than forty hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed.

ANNUAL REPORT

SEC. 20. The Administrator shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1961. Such report shall be printed, and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business firms located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Administrator, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Administrator such information as may be necessary for the purposes of this section.

APPROPRIATION FOR ADMINISTRATIVE EXPENSES

SEC. 21. There are hereby authorized to be appropriated such sums as may be necessary for the administrative expenses incurred in carrying out the provisions of this Act.

USE OF OTHER FACILITIES

SEC. 22. (a) To avoid duplication of activities and minimize expense in carrying out the provisions of this Act, the Administrator shall, to the extent practicable and with their consent, use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

RECORDS AND AUDIT

SEC. 23. (a) Each recipient of assistance under section 6, 7, or 8 of this Act shall keep such records as the Administrator shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6, 7, or 8 of this Act.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate concur in the House amendment.

Mr. President, we will meet at 9:30 tomorrow morning. Following the prayer we will have not to exceed 1 hour on each side.

The PRESIDING OFFICER. The Chair is advised that an agreement to that effect has been entered.

Mr. JOHNSON of Texas. I am simply making the statement for the information of all Members of the Senate.

The PRESIDING OFFICER. Is there further business?

Mr. JOHNSON of Texas. The time will be controlled by the majority leader and the minority leader, but I will yield my time to the Senator from Illinois [Mr. DOUGLAS], who has been very active in this program and who is responsible for its being brought up.

Mr. DOUGLAS. I thank the Senator.

Mr. HICKENLOOPER. Mr. President, will the majority leader yield for a question?

Mr. JOHNSON of Texas. I yield.

Mr. HICKENLOOPER. The question is on agreeing to the Senator's motion to concur in the House amendment, which I understand will be considered in the morning and will not be acted upon tonight.

Mr. JOHNSON of Texas. That is correct.

Mr. President, I yield the floor.

THE POLISH CONSTITUTION

Mr. DOUGLAS. Mr. President, unfortunately I was not present earlier in the week when various Members of the Senate paid deserved tribute to the Polish Constitution of 1791, and to the subsequent record of the Polish people. I heartily join in the sentiments which were then expressed.

As an indication of my interest, I ask unanimous consent to have printed in the body of the RECORD an address which I delivered to the alumni of Weber High School on April 23 of this year, entitled "We Should Not Abandon the Subject People Behind the Iron Curtain."

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

WE SHOULD NOT ABANDON THE SUBJECT PEOPLE BEHIND THE IRON CURTAIN

(Speech by Senator PAUL H. DOUGLAS, Democrat, of Illinois, before alumni dinner of Weber High School, Hotel Sherman, Saturday evening, April 23, 1960)

Reverend fathers, ladies and gentlemen, friends and fellow Americans, it is both a pleasure and an honor to be with you tonight and to have the opportunity of speaking to you about matters of great moment, not only to you but to all Americans.

Under the Resurrectionist Fathers, Weber High School has done and is doing a splendid job. Named after the noble Bishop Weber, it has started upon the road to learning hundreds of clergymen—including Bishop Bona, of Green Bay—innumerable professional and businessmen, numerous fine judges and political figures, as well as the mighty "Moose" Skowron of the New York Yankees (may he be transferred either to our White Sox or the Cubs so that we may welcome him back in a Chicago uniform), and a host of fine citizens who help to form the backbone of America.

But perhaps best of all, the high school has served as a bridge between the cultures of Poland and of the Polish-American community on the one hand and of America upon the other. Both groups have been the gainers from this interchange. The Anglo-Saxon world has profited from closer contact with Polish culture and has come to appreciate more fully the heroism of Pulaski and Kosciusko, the musical genius of Chopin and Paderewski, and the scientific attainments of Madame Curie. At the same time, the solid achievements of the Polish-American community in work, in the arts, and in public life are increasingly winning the admiration of all.

At the same time, the school—by its training and its precepts—has made it easier for members of the Polish-American community to appreciate the basic friendliness and achievements of the so-called American community. America is indeed not monolithic, as some mistaken persons would have it, but is in a sense a cultural pluralism. Following the analogy of the poet Heine, it is like a mighty orchestra which from the strains of many different instruments fuses them into a noble harmony. And the theme for that harmony was laid down for us at the founding of our Republic in the Declaration of Independence and reaffirmed throughout our history; namely, that all men are equal in the sight of their Creator and hence entitled to a fair chance in life; that they have an unalienable right not only to life and liberty, but also to "the pursuit of happiness"; and that government exists to secure these rights, not to a few but to all.

The history of the United States is in part a record of successive efforts to approximate this ideal ever more closely. And it is about some of the implications of this purpose in the field of foreign relations and our policy as regards the subject peoples of central and eastern Europe that I want to speak to you for a little while tonight.

In 3 short weeks, the leaders of the great democracies of the West will meet at the summit with Mr. Khrushchev. Following that conference, the President of the United States will pay a return visit to the Russian dictator in exchange for the visit which Khrushchev paid this country last fall upon the invitation of President Eisenhower. In the conversations exchanged and the agreements arrived at, matters vital to both the peace and freedom of Europe, the United States, and indeed of the whole world, will be discussed and possibly decided.

It is important, however, that these issues should also be discussed by the peoples of

the world as well as by heads of government before these conferences take place. For only by this process can the voice of the people be heard in the soundproof chambers of the mighty. Only in this way can the reasoned mandate of those who do the work and experience the sufferings of the world penetrate to the icy heights where diplomats and rulers dwell.

The central question is, of course, what the West should do in response to the open demands and hidden aims of the Russian Communists. Should we weaken the protection now given to the free city of West Berlin? Should we recognize the status quo in central and eastern Europe and, as so many urge, give up questioning Russian domination over the people behind the Iron Curtain? Should nuclear tests be suspended and disarmament begun? If so, under what terms and subject to what provisions for inspection?

These are weighty issues and I shall propose to discuss only two of them, namely, Berlin and our policy toward the nations and people behind the Iron Curtain.

First, let me say that to permit the Communists in East Germany to close their grasp, either slowly or rapidly, upon the free city of West Berlin would be even more fatal to freedom than was the surrender of Chamberlain and Daladier to Hitler at Munich. For it would cause supporters of democracy everywhere to lose heart; it would lead, in all probability, to the breakup of the Western alliance and to a wholesale movement into the Communist camp of tens of millions of people. If Berlin goes, then all of Germany is likely to go—and NATO will in all likelihood collapse.

It is, therefore, essential that we stand fast on Berlin and resist either frontal or subtle moves which would enable the Communists either to gain military predominance inside the city, or to choke off supplies through the so-called corridor and hence starve the free people of that city into subjection.

Let us, therefore, insist that this be the unflinching attitude of the American Government and, if this should be adopted with determination, let us support that policy without regard to our political affiliations or national and racial origins. For if communism triumphs there, it will triumph elsewhere and will be strengthened everywhere.

But equally as important in the long run is the fate of the captive peoples of central and eastern Europe. The Russian drive westward against Hitler in 1944 and 1945 put their armies in military possession of Poland. Roosevelt got Stalin's verbal agreement at Yalta to let the Polish people decide their own destiny by free and democratic elections conducted by a broadly representative provisional government. But this agreement was broken by the Communists and furnished one more in the long and dreary record of Communist betrayals. Ever since, Poland has been essentially under Russian rule, although a degree of nationalistic independence was obtained by the 1956 uprising. But whatever Mr. Gomulka's private sentiments may be, he does not dare to challenge the Russian steamroller, and the Russian hold upon the government has been steadily tightened.

What is true of Poland is true also of the Baltic countries—Lithuania, Latvia, and Estonia. It is even more true of Czechoslovakia, where the Communist domination is even tighter than in Poland. It is terribly true of Hungary, Bulgaria, and Rumania.

What shall be the fate of these people? In the campaign of 1952, Mr. John Foster Dulles attacked the doctrine of mere "containment" as cowardly, and demanded that we should pursue a policy of liberation. This demand was echoed by the Luce publications and by political leaders in the party which won the election. The methods of achieving liberation, however, were not stated and when revolts broke out all over central and eastern Europe in 1952, the new administration found that it did not have the plans, the means, or the will to make good the pledges of the year before. A cruel hoax had therefore been practiced upon the tens of thousands of heroic men who, trusting in these campaign speeches, lost their lives or their freedom in a vain effort to be free. As the years passed, the talk of liberation faded more and more into the background. The subject was muted at the Geneva summit conference of 1955, and the reevaluations of the following year found us to be as unready to help the rebels as we had been 3 years earlier in 1952.

Now, as the President once again approaches the summit, powerful voices are suggesting and even demanding that we drop the whole subject of liberation and accept the status quo as final. East of the Iron Curtain, it is said, Russia should be recognized by the West as dominant in fact and in law, both now and for the predictable future.

It is well known that this position is being strongly pushed by the Tory Prime Minister of Great Britain, Mr. Macmillan, and, while it is being opposed by Chancellor Adenauer and General de Gaulle, their opposition to the yielding tactics of Macmillan is not as strong on this point as it is on East Germany and Berlin.

Similar voices to those of Prime Minister Macmillan are being raised in this country. The most influential of American commentators, Mr. Walter Lippmann, has urged such a recognition of the status quo for several years, and it is well known that many members of our Foreign Service hold to the same point of view. Some highly placed political strategists are quietly pointing out to the administration that such an agreement might well bring not only peace in our time, but give the administration a strong talking point for the fall elections. There is a strong possibility, therefore, that under pressure from without and arguments and temptations from within, the administration may succumb to this policy and that it will either fail to raise the issue adequately or will acquiesce in the long-run domination of the subject peoples by the Russian Communists without giving them the ultimate chance to decide their own destiny.

Before we condemn such a policy, let us seek to understand it. For I certainly do not regard the advocates of this policy as being necessarily either evil or duplicitous. They pride themselves instead on being realists. They say: "Russian armies, tanks, guns, planes, and missiles control Poland and the other subject nations. Successful revolutions from within are impossible. To encourage them would merely kill off more tens of thousands of patriots and weaken the cause of national independence still further. To refuse to recognize Russia's claim for dominance might trigger off a nuclear attack by Russia upon us and result in the destruction of this country and of the Western World as well."

Therefore, it is reasoned, don't argue with reality. Accept it. Forget the pledges which Stalin gave at Yalta and forget as well the claims of the people of eastern and central Europe. Perhaps if we throw them overboard, Khrushchev will leave us alone.

So runs the reasoning of the sophists. And how similar it is to that of the appeasers who from 1935 to 1939 urged the world not to oppose the aggressions of Hitler and Mussolini, but rather to accept them as a means of satisfying the Nazi and Fascist desire for conquest and domination. As these arguments are brought forward, those of my generation find ourselves saying, "This is where I came in."

This contention was certainly proved false so far as Hitler was concerned. It is even more false in relation to Russian communism. For if Hitler was driven to aggression by sadism and a lust for power, plus a crazy mishmash of false racial theories, communism has a coherent drive for world domination, rationalized by a wide variety of intellectual doctrine ranging from Karl Marx to Lenin, Stalin, and Mao Tse-tung.

It is even less possible permanently to appease communism than it was Hitler. If the diplomatic pundits and our Government were to realize this, our policy toward the Soviet Union would be clearer and more decisive. It is indeed a source of regret that Mr. George Kennan, who saw the danger so clearly in 1946, should have largely lost this vision in recent years and that American policy has shown a similar flabbiness.

Those of us who disagree with the policy of accommodation and of abandoning the 100 million people in the satellite countries are often accused by the press, the commentators, and the administration of being swayed by political motives. We are charged with only being concerned about the fate of Poles, Czechs, and Lithuanians, rather than with that of our fellow Americans. We are said to be tools of the organizations in this country which are concerned with their nationalistic homelands, and that we are standing in the way of peace and increasing the danger of a nuclear war. For if we urge that the people east of the Iron Curtain should be free and independent, or at least have the chance in a fair election under genuinely neutral auspices, we may—it is alleged—provoke a nuclear attack by Russia. It is better, therefore, say our critics, to yield an untenable position than to run such a risk. It is then suggested that we are guilty of fostering the interests of other peoples rather than our own at great risk to our Nation.

The answer to this attack is very simple. The Russian Communists will not be deterred from attacking the free world by moralistic preachments or professions of friendship, or even by concessions, but by a fear of reprisals on the part of the democracies which will make such a venture too costly. That is why we must have an adequate military deterrent both in the field of missiles and of ground forces.

But one of the most powerful deterrents against a Communist attack would be the active opposition of the subject peoples of eastern and central Europe. If the Communists know that in the event of war, they would face the open or sullen opposition of the hundred million people behind the Iron Curtain, they will be far less likely to start trouble. For they will then know that at the first sign of weakness, their armies are likely to be attacked from the rear as they march westward. But if they do not have to fear this, then they are more likely to attack.

What then would be the effect of our abandoning the cause of liberation and of either explicitly recognizing the permanence of Russian control over the subject peoples, or failing to mention our support for their legitimate purposes? Would it not plunge these people into deep discouragement and make most of them indifferent as to what happened, while would it not lead others to go along with the tide? The Russians would very quickly sense this and would exult in our abandonment of the cause of freedom and of self-determination. They would claim that they constituted the wave of the future and would propagandize for new adherents. The psychological deterrent to war would, therefore, be greatly reduced.

And it is precisely here that the so-called realists make their great mistake. They tend to think of power in purely material terms—in the relative number of divisions, the strength of the artillery, the tanks, planes, and missiles. I do not deny the importance of these factors. But I do most emphatically deny that they are all. And I remember the saying of Napoleon, who was certainly no

starry-eyed idealist, "Morale is to material as 10 is to 1."

There are, however, moral forces inside of man and, hence, they are operative in the world. Most men and women have the desire for freedom and for control over their own affairs. The very independence of our country is based on that very fact. This desire is just as keen among the Polish people and those east of the Iron Curtain as it is elsewhere. If this feeling can be kept vibrant and alive, we will have a powerful defense against Communist aggression. But if we quiet these hopes and desires with a cold blanket of indifference, or worse yet, by open or tacit acceptance of their plight, we weaken those defenses and increase the temptations of the Communist rulers to attack.

I submit, therefore, that we who are opposed to our yielding on this question are acting in the true interests of our own country and that we have the right to resent the charge that we are only concerned about other peoples, but not about our own.

At the same time, I am not ashamed to say that I am concerned about the freedom of men and women everywhere. I was grieved by the fate of the Jews under Hitler. I am grieved at the lot of those under Communism. We of the human race are brothers one of another and in the long run this world cannot exist half-slave and half-free. We are involved in mankind and I would like to say to these self-styled realists that if they are not really concerned with what happens to the hundred million east of the Iron Curtain, they should be ashamed of themselves.

Let me make it clear, however, that of course I am not proposing a war of liberation. There was too much loose thinking about this subject 8 years ago.

All I am saying is that we should keep alive the moral, and I believe the inalienable, right of these people to decide for themselves if they want to be free; that we should assert this right by public statements; and that we should carry this message by radio to the people concerned.

That was the purpose of the Captive Nations Week resolution which I introduced last year and which, with the aid of Congressman JOHN MCCORMACK, I got Congress to pass last year. This declared that it was the intent of Congress to work for the ultimate liberation and self-determination of the people behind the Iron Curtain and designated the third week in July for the annual public observance of this principle. It was this resolution which caused Mr. Khrushchev to blow his top and which led some American commentators to try to explain away the significance of the resolution.

So far, so good. But congressional resolutions of intent have frequently been negatived by administrative action and inaction, and this is what may well happen in this case. Furthermore, the mischief may well have been done at the summit and during the President's visit to Russia before the third week of July rolls around. That is why Congressman ZABLOCKI, your own fine Congressmen PUCINSKI, KLUCZYNSKI, ROSTENKOWSKI, and I have introduced another resolution affirming this principle.

We should not yield this principle either at the summit conference or during the Russian visit of President Eisenhower, and we should instead carry a positive message of ultimate self-determination over the radio to those behind the Iron Curtain. The Russians cannot complain of such action upon our part when they and their stooges are attacking American policies in all portions of the globe.

I hope, therefore, that we may have a full discussion of this principle, without the slightest touch of bitterness or any imputation about the motives of those who oppose us. And I hope, also, that from this discussion, public opinion may register itself in no uncertain terms and strengthen the wills and help to guide the policies of those who will represent this Nation in the fateful weeks ahead.

It is for this reason, as well as for the pleasure of being with my fellow Illinoisans and of joining with you in pledging continued loyalty to that fine institution of learning, Weber High, that I feel honored at the opportunity of being with you and speaking frankly and from the heart on this crucial issue of our times.

May God be with us all and guide our thoughts, our words, and our actions.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 7947. An act relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association;

H.R. 8684. An act to provide transitional provisions for the income-tax treatment of dealer reserve income;

H.R. 9660. An act to amend section 6659 (b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, and for other purposes; and

H.R. 10234. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 5, 1960, he presented to the President of the United States the following enrolled bills:

S. 1328. An act for the relief of Parker E. Dragoo;

S. 1408. An act for the relief of Ronald R. Dagon and Richard J. Hensel;

S. 1410. An act for the relief of Jay R. Mellville and Peter E. K. Shepherd;

S. 1466. An act for the relief of Sofia N. Sarris;

S. 2173. An act for the relief of Mrs. John Slingsby, Lena Slingsby, Alice V. Slingsby, and Harry Slingsby;

S. 2234. An act for the relief of the estate of Hilma Claxton;

S. 2309. An act for the relief of Gim Bong Wong;

S. 2333. An act for the relief of the heirs of Caroline Henkel, William Henkel (now deceased), and George Henkel (presently residing at Babb, Mont.), and for other purposes;

S. 2430. An act for the relief of certain employees of the General Services Administration; and

S. 2507. An act to relieve Joe Keller and H. E. Piper from 1958 wheat marketing penalties and loss of soil bank benefits.

ADJOURNMENT TO 9:30 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I move pursuant to the order previously entered, that the Senate stand in adjournment until tomorrow morning at 9:30.

The motion was agreed to; and (at 7 o'clock and 23 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Friday, May 6, 1960, at 9:30 a.m.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 5, 1960

The House met at 12 o'clock noon.

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

II Corinthians 13: 11: *Finally, brethren, be of one mind; live in peace; and the God of love and peace shall be with you.*

Almighty God, as we now turn to Thee in prayer, wilt Thou renew within us the conviction that life is our most sacred possession and that Thou hast endowed us with power to make it blessed and meaningful for all mankind.

Grant that we may respond more eagerly to the beneficent and benign influence of the holy spirit, prompting and persuading us to solve our daily human problems on the high levels of a hallowed respect and reverence for human personality and for man created in the image of God and destined for immortal life.

We beseech Thee to supply with wisdom and understanding all who hold positions of leadership in the affairs of government, and prosper their counsels as they strive to bring peace and concord among the nations.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday 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 and a concurrent resolution of the House of the following titles:

H.R. 9084. An act to repeal certain retirement promotion authority of the Coast and Geodetic Survey;

H.R. 9861. An act to continue for a temporary period the existing suspension of duty on certain istle or Tampico fiber;

H.R. 10045. An act to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended;

H.R. 11415. An act to provide for the designation of a portion of the District of Columbia as the "Plaza of the Americas"; and

H. Con. Res. 582. Concurrent resolution providing under section 3(e) of the Strategic and Critical Materials Stock Piling Act, the express approval of the Congress for the disposal from the national stockpile of approximately 470,000 long tons of natural rubber.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6482. An act relating to the credits against the unemployment tax in the case of merged corporations.

The message also announced that the Senate had passed with amendments, in which concurrence of the House is requested, a bill of the House of the following title:

H.R. 10809. An act to authorize appropriations to the National Aeronautics and Space

Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSON of Texas, Mr. STENNIS, Mr. YOUNG of Ohio, Mr. DODD, Mr. CANNON, Mr. BRIDGES, Mrs. SMITH, and Mr. MARTIN to be the conferees on the part of the Senate.

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

S. 477. An act for the relief of Joanne Lea (Buffington) Lybarger;

S. 1447. An act to amend section 161, title 35, United States Code, with respect to patents for plants;

S. 1781. An act to facilitate cooperation between the Federal Government, colleges and universities, the States, and private organizations for cooperative unit programs of research and education relating to fish and wildlife, and for other purposes;

S. 2452. An act to permit the establishment of through service and joint rates for carriers serving Alaska or Hawaii and the other States, and to establish a joint board to review such rates;

S. 2765. An act for the relief of Sofia Skolopoulos;

S. 2776. An act for the relief of Raymond Thomason, Jr.;

S. 2799. An act for the relief of Santo Scardina;

S. 2939. An act for the relief of Dr. Chien Chen Chi;

S. 3072. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States;

S. 3106. An act to change the title of the Assistant Director of the Coast and Geodetic Survey;

S. 3189. An act to further amend the shipping laws to prohibit operation in the coastwise trade of a rebuilt vessel unless the entire rebuilding is effected within the United States, and for other purposes;

S. 3338. An act to remove the present $5,000 limitation which prevents the Secretary of the Air Force from settling certain claims arising out of the crash of a U.S. Air Force aircraft at Little Rock, Ark.; and

S.J. Res. 166. Joint resolution authorizing the Architect of the Capitol to permit certain temporary and permanent construction work on the Capitol Grounds in connection with the erection of a building on privately owned property adjacent thereto.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7947) entitled "An act relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8684) entitled "An act to provide transitional provisions for the income tax treatment of dealer reserve income."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9660) entitled "An act to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10234) entitled "An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1961, and for other purposes."

The message also announced that the Senate recedes from its amendment No. 13 to the foregoing bill.

MUTUAL SECURITY ACT OF 1960

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 11510, to amend further the Mutual Security Act of 1954, as amended, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MORGAN, CARNAHAN, ZABLOCKI, CHIPERFIELD, and JUDD.

PERSONAL ANNOUNCEMENT

Mr. HALEY. 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 Florida?

There was no objection.

Mr. HALEY. Mr. Speaker, Tuesday of this week there were primary elections in four States—Alabama, Florida, Ohio, and Indiana.

Unfortunately, many Members were absent because of these elections. I might say that the total membership in the House from those 4 States is 51 Members. I left here and returned to Florida with some assurance, I thought, that the Members of the House would be protected as they have been in the past. I regret, Mr. Speaker, that that was not done. I do not find any fault with my friend, Mr. GROSS, over here for making points of order that a quorum was not present, but there were two bills passed here from the Consent Calendar in which I was quite interested. I regret that the leadership of the House did not protect the Members who had to be in their own States in order to participate in their primary elections. These votes are the first votes that I have missed in over 3 years. It is regrettable that a perfect record such as this could be shattered when customarily Members have been protected when they have returned to their home State to vote.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

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

There was no objection.

SWEARING IN OF MEMBERS-ELECT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania, Mr. DOUGLAS H. ELLIOTT, and the gentleman from Pennsylvania, Mr. HERMAN T. SCHNEEBELI, be permitted to take the oath of office today. Their certificates of election have not arrived, but there is no contest, and no question has been raised with regard to their election.

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

There was no objection.

The SPEAKER. The Members-elect will present themselves to the bar of the House and take the oath of office.

Mr. DOUGLAS H. ELLIOTT and Mr. HERMAN T. SCHNEEBELI appeared at the bar of the House and took the oath of office.

PROGRAM FOR THE BALANCE OF THE WEEK AND NEXT WEEK

Mr. HALLECK. 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. HALLECK. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader as to the program for the balance of the week and for next week.

Mr. McCORMACK. As to the program for the balance of the week, we have three or four rules that we are hopeful will be adopted. One of them is in connection with the Atomic Energy Commission authorization bill, which we hope to dispose of this week. If the Department of Defense appropriation bill is disposed of today, as well as the atomic energy authorization bill, why, there will be no further business this week, and if they are disposed of today, we will go over until Monday. There may be later on today the conference report on the Department of the Interior appropriation bill called up.

For next week, Monday is District Day, but there will be no business.

On Tuesday, Wednesday, Thursday, Friday, and Saturday bills will be brought up in this order. Agriculture Department appropriation bill for 1961 on Tuesday. I cannot state definitely, but I understand general debate will take place on Tuesday. After the disposition of the Agriculture Department appropriation bill there will be H.R. 11318, a bill out of the Committee on Armed

Services in relation to the recomputation, retired personnel retirement rates. Then H.R. 10495, Federal Highway Act. Then H.R. 2331, a bill relating to the national parks, C. & O. Canal, Maryland. There are three bills we had on the list earlier this week that were not acted upon. Maybe some or all of the rules will be acted upon, but they will not be brought up today. Then H.R. 6851, Colorado, Bent's Old Fort Historic Site. Then H.R. 8226, relating to the Florida, Castillo DeSan Marcos National Park. Then S. 1358, relating to a headquarters site, Mount Rainier National Park.

Then there is the usual reservation that any further program will be announced as quickly as possible and that conference reports may be brought up at any time.

Mr. HALLECK. I have just been informed that the State convention is to be held in Michigan on May 13, which is Friday. I do not know whether, under the general practice, any assurance could be made with respect to that, but looking this over it occurred to me that probably Friday would be pretty clear.

Mr. McCORMACK. There is a congressional tour to New York City which, of course, is a yearly event. I can assure the gentleman that I have that in mind.

Mr. HALLECK. May I say to the gentleman I shall be glad to cooperate.

Mr. McCORMACK. I know that. I have had that in mind and hope that the legislative program for next week may be disposed of by Thursday. We can take care of that situation at that time.

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

Mr. HALLECK. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I wanted to inquire about the Department of Agriculture appropriation bill. As I understand, that is set down for general debate on Tuesday. I was wondering when we would have the opportunity to see a copy of the report and the bill.

Mr. McCORMACK. The information I have is this. Of course, that is a matter for the chairman of that subcommittee and the members thereof; but my understanding is—and, of course, I am not committing the chairman of that subcommittee—that general debate will take place on Tuesday. The bill will be considered under the 5-minute rule on Wednesday. I am not making that definite statement, however, because I have not talked with the chairman of the subcommittee.

Mr. GATHINGS. We were particularly concerned about seeing the bill and the report prior to the time that the bill is brought to the floor. I do hope that the report will be available on Monday and we will have an opportunity to see what is in the bill.

Mr. McCORMACK. So far as the program is concerned, it is being programed so that it will be the only bill up on Tuesday. That means general debate will be had on Tuesday. I cannot, however, make any statement binding the chairman of the subcommittee at this time.

Mr. GATHINGS. As to when the report and the bill will be available?

Mr. McCORMACK. That is correct.

INCOME TAX TREATMENT OF FNMA

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 7947) relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1547)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7947) relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2 and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR, JR.,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7947) relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This is a clerical amendment. The House recedes.

Amendment No. 2: The bill as passed by both the House and the Senate would add a new subsection (d) to section 162 of the Internal Revenue Code of 1954 to provide, for purposes of the Federal income tax, that whenever the amount of capital contributions evidenced by a share of stock issued pursuant to section 303(c) of the Federal National Mortgage Association Charter Act exceeds the fair market value of the stock as of the issue date of such stock, the initial holder of the stock shall treat the excess as ordinary and necessary expenses paid or incurred during the taxable year in carrying on a trade or business. The bill also adds a new section 1054 to the code to provide that the basis of such stock is to be reduced by the amount required by the new section 162(d) to be treated as ordinary and necessary expenses paid or incurred in carrying on a trade or business.

Section 3 of the bill as passed by the House provided that the amendments made by the bill shall apply with respect to taxable years beginning after December 31, 1958.

Under Senate amendment No. 2, the amendment made by the first section of the bill is to apply with respect to taxable years beginning after December 31, 1959. In addition, in the case of any taxable year beginning before January 1, 1960, to which the 1954 code applies (that is, a taxable year beginning after December 31, 1953, and ending after August 16, 1954), the new section 162(d) is to apply if the conditions of either paragraph (1) or paragraph (2) of the new section 3(a) are satisfied.

Under paragraph (1), the taxpayer in computing his taxable income for such taxable year (as shown on his return filed not later than the time prescribed by law, including any extension thereof) must have—

(A) Claimed a deduction, with respect to the sale of a mortgage to the Federal National Mortgage Association, in respect of any amount of capital contributions evidenced by a share of stock issued pursuant to section 303(c) of the Federal National Mortgage Association Charter Act, or

(B) Computed the proceeds from such a sale by treating the value of any such share received for any such capital contributions as an amount less than the issue price of such share.

Also, before the date of the enactment of the bill, such deduction or treatment must not have been disallowed, or, if disallowed, the deficiency attributable thereto must not have been paid and must not have been used to reduce an overpayment the balance of which (if any) has been refunded or credited.

Under paragraph (2) of section 3(a) of the bill, after the time prescribed by law for filing the taxpayer's return for the taxable year (including any extension thereof) and before the date of the enactment of the bill—

(A) The taxpayer must have claimed the deduction or treatment described above (whether by filing a claim for refund or credit in respect of an overpayment, or otherwise), and

(B) Such deduction or treatment must have been allowed and either (i) an overpayment resulting from such allowance has been refunded or credited, or (ii) a deficiency for such taxable year has been reduced as a result of such allowance and the balance of such deficiency (if any) has been paid.

Under Senate amendment No. 2, the amendment made by section 2 of the bill is to apply, in the case of any taxpayer, with respect to any taxable year (including a taxable year beginning before January 1, 1960), in respect of any share of stock issued pursuant to section 303(c) of the Federal National Mortgage Association Charter Act, only if the amendment made by the first section of the bill applies with respect to the taxable year in which such share was issued.

The House recedes.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

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, the bill, H.R. 7947, as passed by the House, provided that taxpayers could treat as a cost of doing business the loss that they were required to incur in purchasing at par certain stock of the Federal National

Mortgage Association—FNMA—as a condition for doing business with that association. The loss would be measured by the difference between the par value of the stock which the taxpayer is required to pay and the current market value.

The Senate substantially accepted the House bill but modified the application of the bill with respect to cases prior to the current taxable year. In substance, the Senate amendment provided that for taxable years between 1954 and 1960 the loss incurred on these purchases of FNMA stock would be treated as ordinary and necessary business expenses rather than as capital losses if the taxpayer had claimed these losses as business deduction and before the date of the enactment of the bill the taxpayer has not paid up any deficiency attributable to his treatment of the loss. The new treatment would also apply under the Senate amendment with respect to any taxpayer who on his initial return treated the FNMA stock transaction as a capital item but then later applied for and received a refund on the basis treating it as a business expense deduction. The substance of these amendments is to make the new treatment applicable to all prior years covered by the 1954 code to the extent that this will not involve refunds from the Treasury. In addition to this, the Senate amendment made the new provision fully applicable only with respect to taxable years beginning on or after January 1, 1960, whereas the House bill was fully applicable with respect to taxable years beginning on or after January 1, 1959. This part of the amendment was made necessary by the delay in the passage of the bill. The House conferees accepted these Senate amendments.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MASON] may extend his 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. MASON. Mr. Speaker, the conference report on the bill, H.R. 7947, which was unanimously agreed to on the part of the House conferees and which has just been approved by the House, provides that when so-called FNMA stock is purchased by mortgage sellers pursuant to terms of the 1954 act rechartering the Federal National Mortgage Association, the excess of the issuance price over the fair market value on the date of issue is to be treated as a business expense in the year of purchase rather than as a part of the investment cost of acquiring the stock.

The legislation as it passed the House was to be effective for taxable years beginning after December 31, 1958. The Senate has amended the effective date so that the provisions of the bill would apply to taxable years beginning after December 31, 1953 in the case of any taxpayer who claimed the deduction and did not have the deduction disallowed.

This legislation has been made necessary by a revenue ruling which denies the ordinary business expense treatment of losses in the case of FNMA stock purchases at a cost in excess of the fair market value of the stock on the date of issuance. The statutory requirement for such stock purchases has been in effect since 1954 but the Internal Revenue Service ruling to which I referred was not issued until 1958. In view of the controversy that exists as to whether or not the ruling was in conformity with the law, it is appropriate that the Senate effective date should be approved by the House.

Mr. MILLS. Mr. Speaker, I move the previous question the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

INCOME TAX TREATMENT OF CERTAIN DEALERS' RESERVES

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 8684) to amend the Internal Revenue Code of 1954 to provide for deferral of taxation of amounts withheld by a bank or finance company from a dealer in personal property to secure obligations of the dealer, until such time as such amounts are paid to or made available to the dealer, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1548)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8684) to provide transitional provisions for the income tax treatment of dealer reserve income, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 7.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, and 14, and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR, JR.,
FRANK CARLSON,
WALLACE F. BENNETT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8684) to provide transitional provisions for the income tax treatment of dealer reserve income, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos. 1, 4, 12, and 14: These amendments are technical, clerical, or conforming.

The House recedes.

Amendment No. 2: The bill as passed by the House did not apply to a taxpayer unless he computed his taxable income under an accrual method of accounting for his most recent taxable year ending on or before June 22, 1959. Senate amendment No. 2 makes it clear that a taxpayer will satisfy this provision if he was required to compute his taxable income under an accrual method for such taxable year even though he may have originally computed his taxable income for such year under some other method.

The House recedes.

Amendment No. 3: Under the bill as passed by the House, a taxpayer who is eligible for the tax treatment afforded by the bill was required to make an election under section 3(a) or 4(a) of the bill before July 1, 1960. Senate amendment No. 3 extends this date to September 1, 1960.

The House recedes.

Amendments Nos. 5, 6, and 13: Under the bill as passed by the House, an election under either section 3(a) or 4(a) of the bill applied, in general, to taxable years with respect to which the period of limitations for assessment of a deficiency, or refund or credit of an overpayment, had not expired at the time the election is made. Senate amendments Nos. 5 and 6 provide that an election under either of these sections will apply to taxable years with respect to which the period of limitations had not expired on June 21, 1959, even though the period may have expired after that date and before the date of the election.

Senate amendment No. 13 adds a new subsection (e) to section 5 of the bill as passed by the House. Paragraph (1) of this new subsection (e) provides for an extension of the period of limitations for assessment, refund, or credit in the case of taxpayers who make an election under either section 3(a) or 4(a) of the bill. Under this paragraph, if the assessment of any deficiency, or the refund or credit of any overpayment, for any taxable year was not prevented on June 21, 1959, by the operation of any rule of law, but would be so prevented prior to September 1, 1961, the period within which assessment, refund, or credit may be made, shall not expire prior to September 1, 1961.

Under the new section 5(e)(2), if the assessment of any deficiency, or the refund or credit of any overpayment, for any taxable year is prevented on the date the taxpayer elects to have the provisions of sections 3 or 4 of the bill apply, by the operation of the provisions of chapter 74 of the Internal Revenue Code of 1954 (relating to closing agreements and compromises) or by the comparable provisions of the Internal Revenue Code of 1939, such assessment, or such refund or credit, shall be considered as having been prevented on June 21, 1959. Therefore an election under section 3(a) or section 4(a) of the bill will not apply to such a taxable year.

The House recedes.

Amendment No. 7: The bill as passed by the House provides that, if the net increase in tax (as defined in the bill) which results solely from the effect of an election under section 4(a) of the bill exceeds $2,500, the taxpayer may elect to pay any portion of such net increase which is unpaid on the date of the election in 2 or more, but not to exceed 10, annual installments. Senate amendment No. 7 reduced the maximum number of installments from 10 to 5.

The Senate recedes.

Amendments Nos. 8, 9, and 10: Under section 4(b) of the bill as passed by the House, certain conditions were specified under which the privilege of paying in installments provided for taxpayers who made an election under section 4(a) of the bill terminated, and the unpaid installments became payable on notice and demand. One of these conditions occurred if the indi-

vidual, the partnership of which he is a member, or the corporation, as the case may be, ceased to engage in the trade or business in which the dealer reserve income arose. Senate amendments Nos. 8, 9, and 10 change this condition so that the privilege is to be terminated, in the case of an individual or a corporation, if the taxpayer ceases to engage in any trade or business, or in the case of a taxpayer who is a partner, if the partnership terminates.

The House recedes.

Amendment No. 11: Under the bill as passed by the House, the term "dealer reserve income" was defined to mean that part of the consideration derived by a dealer from the sale or disposition of customers' evidences of indebtedness (or derived from finance charges connected with such sales or dispositions), which is attributable to sales of real or tangible personal property by the dealer in the ordinary course of his trade or business and which is held in a reserve account by the financial institution to which the dealer disposed of such evidences of indebtedness. Senate amendment No. 11 adds to this definition of dealer reserve income that part of the consideration derived by a dealer from such a sale of real or tangible personal property in cases where the financial institution provides part or all of the purchase price of the property to or for the customer (or that part of the consideration derived by a dealer from the finance charges connected with the financing of such sale), which is held in a reserve account by the financial institution which financed the sale.

The House recedes.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

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, on September 9, 1959, the House passed H.R. 8684 which provided a transition adjustment for taxpayers required to make substantial payments on tax liabilities for prior years as a result of the Supreme Court decision in the Hansen case, holding that income held back by finance companies in the form of dealer reserves is currently taxable to accrual basis taxpayers.

The Senate accepted the substance of the House bill with a number of amendments which for the most part were relatively technical.

One Senate amendment reduced the period for installment payment of the back tax liability in the dealer reserve cases from 10 years to 5 years. The conference restored this period to 10 years.

A Senate amendment accepted by the House conferees made this bill applicable to taxpayers with respect to taxable years that were open on June 21, 1959, the day immediately following the Hansen decision. Since the bill is designed to deal with the consequences of that Court decision, it appears appropriate to make it applicable to tax cases which were still open at the time of the decision.

Another Senate amendment agreed to extend to September 1, 1960, the date for making the election to take advantage of this bill. This amendment is necessary because of the late passage of the bill.

The House bill applied to taxpayers who submitted their returns on the accrual basis of accounting. The Senate amendment makes the bill applicable to taxpayers who are required to use the accrual method even though the original return may have been on some other method. The House conferees accepted this amendment.

Another Senate amendment made it somewhat easier to qualify for the installment payment privilege. Under the House bill this privilege would be terminated if the taxpayer ceased to engage in the particular trade or business in which he received the dealer reserve income. Under the Senate amendments which were accepted by the House, the taxpayer could continue to use the installment privilege so long as he engaged in any trade or business.

The remaining Senate amendment which was accepted by the House conferees expanded the definition of dealers reserves to accommodate certain cases where the finance company participates from the beginning of the sales transaction by advancing money to the customer rather than the usual technique of rediscounting the customers' note.

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

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

Mr. GROSS. Is this likewise a unanimous report?

Mr. MILLS. It is.

Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MASON] may extend his 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. MASON. Mr. Speaker, the conference report to which the House has just agreed relates to legislation affecting the timing of reporting as income for tax purposes certain so-called dealer reserves. The legislation also provides transitional rules to bring the reporting of dealer reserve income into conformity with proper accounting methods.

The membership of the House will recall that a dealer reserve comes into being as a consequence of the sale of a customer installment paper to a finance company. The finance company holds back a portion of the balance due from the customer to the dealer. This withheld portion constitutes a reserve to provide indemnification of the finance company from bad-credit risks and the dealer is not eligible to receive the withheld amount until the obligation is discharged. The problem arises over the question of when such reserves are to be recognized as income by the dealer. In essence, H.R. 8684 as it passed the House approved the concept of reporting dealer reserve income on a proper accrual accounting basis.

The Senate in acting on this legislation approved a number of amendments which, even though some of them were substantive in character, were essentially clarifying or improving amendments with one exception. That one exception reduced the period for electing to pay the deficiencies for the years involved in installments from 10 years, as provided in the House bill, to 5 years. The Senate receded from its amendment changing this period to 5 years and the House receded with respect to the other committee amendment.

In my judgment, Mr. Speaker, the House action just taken to adopt this conference report which was unanimously approved by the House conferees is appropriate.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PROCEDURE FOR ASSESSING CERTAIN ADDITIONS TO TAX

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 9660) to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1549)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9660) to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Strike out the last two lines on page 1 and the first two lines on page 2 of the Senate engrossed amendments and insert:

"(i) is the mother or father of the taxpayer or of his spouse, and".

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR, Jr.,
FRANK CARLSON,
By W. B.
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes

of the two Houses on the amendments of the Senate to the bill (H.R. 9660) to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The first section of the bill, as passed by the House, dealt with the procedure for assessing certain additions to tax. Section 2 of the bill, as passed by the House, contained effective date provisions relating to the first section of the bill. There was no Senate amendment to the first two sections of the bill.

Amendment No. 1: Senate amendment No. 1 adds a new section 3 to the bill. Section 3(a) amends section 213(a) of the Internal Revenue Code of 1954 (relating to deduction for medical, dental, etc., expenses). Section 213(a) of existing law provides as a general rule that a taxpayer may deduct medical and dental expenses for the care of himself, his spouse, and his dependents only to the extent that they exceed 3 percent of the taxpayer's adjusted gross income. Under existing section 213(a), the 3-percent limitation is removed with respect to medical and dental expenses for the care of the taxpayer or his spouse if either has attained the age of 65 before the close of the taxable year.

Under Senate amendment No. 1, the 3-percent limit would also be removed in the case of medical and dental expenses incurred by the taxpayer for the care of his dependent mother or father, the dependent mother or father of his spouse, or a dependent individual who stands in loco parentis to the taxpayer or his spouse, if such dependent has attained the age of 65 before the close of the taxable year.

Section 3(b) of the bill, as added by Senate amendment No. 1, provides that the amendment to section 213(a) of the 1954 code made by section 3(a) of the bill is to apply to taxable years beginning after December 31, 1959.

The House recedes with an amendment. Under the amendment the removal of the 3-percent limitation is applicable in the case of a dependent mother or father of the taxpayer or a dependent mother or father of the taxpayer's spouse, if such mother or father has attained the age of 65 before the close of the taxable year. No change is made in existing law in the case of a dependent individual who stands in loco parentis to the taxpayer or his spouse.

Amendment No. 2: Senate amendment No. 2 added a new section 4 to the bill, relating to the allowance (under certain specified circumstances) of a deduction of $600 to a taxpayer who has as a member of his household, for a period of not less than 7 calendar months, a foreign student enrolled in the 9th, 10th, 11th, or 12th grade at an educational institution. The Senate recedes.

Amendment to the title: The Senate amendment to the title of the bill amended it to read: "An Act to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, and for other purposes."

The House recedes.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

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, the House will recall that on February 8 of this year H.R. 9660 passed. The bill eliminates the necessity for the formal deficiency notice procedure in the case of additions to tax due to late payment by taxpayers. The Senate accepted the House provisions on this matter. It added two unrelated amendments, one of which was accepted by the House conferees.

The Senate amendment which was substantially accepted by the House conferees dealt with medical and dental expenses incurred in behalf of a dependent parent of the taxpayer who is over 65 years. You will recall that under present law if the taxpayer has attained the age of 65 he may deduct the first dollar of his medical and dental expenses without any reference to the usual disallowance of expenses equal to 3 percent of his adjusted gross income. Medical expenses incurred in behalf of the taxpayer's spouse over 65 years of age may also be deducted without reference to the 3-percent limitation.

As accepted by the House conferees this privilege of deducting medical expenses without reference to the 3-percent limitation would be applied to expenses incurred by any taxpayer for the care of his dependent mother or father or the dependent mother or father of his spouse if the dependent has reached the age of 65 before the close of the taxable year. This new provision will apply with respect to taxable years beginning with the calendar year 1960. It is estimated by the Treasury that this amendment will provide relief to this hard-pressed group of taxpayers of about $50 million a year, since this is the estimated revenue loss.

Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MASON] may extend his 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. MASON. Mr. Speaker, H.R. 9660 as it passed the House dealt with a matter of tax administration arising from recent court decisions which have required the issuance of a 90-day letter before an assessment can be validly made for an addition to tax as a consequence of late filing. The House-passed bill makes it clear that a 90-day letter is not a prerequisite to the issuance of an addition to tax in such cases. The Senate has not changed the provisions of the House bill dealing with this problem.

The Senate did, however, add two amendments to the legislation. The first Senate amendment would have had the effect of removing the 3-percent limit on medical expenses incurred by a taxpayer for the care of a dependent parent, a dependent parent-in-law, or a dependent individual standing in a relationship of loco parentis to the taxpayer or his spouse. With respect to such parents the Senate amendment would require that the dependent parent attain the age of 65 before the close of the taxable year. With respect to this Senate amendment the House has receded with an amendment so that no change will be made in existing law in the case of a dependent individual standing in a relationship of loco parentis to the taxpayer or his spouse.

A second amendment approved by the Senate to the bill, H.R. 9660, pertaining to the allowance of a deduction of $600 to a taxpayer who has as a member of his household for a prescribed period involving a school year a foreign student enrolled in high school grades at an educational institution. The Senate has receded with respect to this amendment. This matter is to receive further consideration by the respective tax-writing committees of the House and Senate.

Mr. Speaker, as my distinguished colleague and chairman has indicated, the House conferees were unanimous in approving this conference agreement and it is appropriate that the House membership should have concurred in approving this conference report.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

INTERNATIONAL COOPERATION ADMINISTRATION

Mr. GROSS. 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 Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I have here an Associated Press news item out of Los Angeles, dated May 3, 1960, which states:

> Nine Japanese women are touring the United States to find out how American women spend their money. But so far the visitors haven't found anything they couldn't buy in Japan, they say.

There is nothing startling about that, because the stores of this country are loaded with Japanese products.

The next item goes on to say:

> Their 5-week consumer education survey is sponsored by the International Cooperation Administration.

There is nothing surprising about that. We fully expect the ICA, the foreign giveaway outfit, to bring all kinds of foreigners to this country to find ways and new methods of dumping more foreign products into this country so we may have more depressed-area bills before the House to take care of the unemployed working people of this country and, as the distinguished majority leader says, make more compensatory payments out of the United States Treasury to take care of more damaged industries and American working men and women all of whom have become victims of low cost production in foreign countries.

DISTRESSED AREAS

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for

1 minute and to revised and extend my remarks.

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

There was no objection.

Mr. HAYS. Mr. Speaker, I would just like to remind the gentleman from Iowa that it is the administration of his party which is doing this, which is creating these distressed areas by bringing in these products. The only thing I would like to ask the gentleman from Iowa to do, if he is so concerned, is to help us do the best we can to get rid of some of these distressed areas by voting for a distressed-area bill.

Mr. GROSS. I really do not have to be reminded of what is happening.

Mr. HAYS. I just did not know. I wanted the gentleman to be sure it was his administration that is doing this.

CHESSMAN EXECUTION

Mr. HOFFMAN of Michigan. 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 Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, answering the gentleman from Ohio [Mr. HAYS] who complains so bitterly, I thought the Democrats were running the country. They were yesterday. They have the votes in both branches of the Congress, the legislation of which they complain so bitterly was put on the books by them. If it proved to be wrong as we told them it would why do they not repeal it. Why lay everything to the President? You have two-thirds of both Houses. You have all the Post Office jobs. You have everything, in fact, except the executive power.

What I really got up for was to call attention to a great deal of sympathy by the do-gooders for Mr. Chessman. Mr. Speaker, I am putting in the RECORD here a little news item showing what happened to the two women who were his victims. Chessman is dead. He is through. He suffers no more. One of these women is in a mental institution and always will be. We had better think of that situation before we think too much of him. He has no more troubles to worry about. He suffers no more.

Mr. Speaker, the news item I refer to is as follows:

CHESSMAN VICTIM STILL UNBALANCED; SECOND WEEPS

LOS ANGELES, May 3.—One of the victims of Caryl Chessman's sexual attacks a dozen years ago sits in a trance, not able to understand that he has gone to the gas chamber.

She is Mary Alice Meza, 29. As a 17-year-old girl on her first real date after a parish dance she was subjected to brutal depravity for 4 hours.

"There is little hope that my daughter will ever be released from the (mental) institution," said her mother, Mrs. Ruth Shaw, an hour after Chessman's execution yesterday.

"I'm glad it's over; it had to be that way. The whole series of events is a great tragedy for everybody. It should never have happened."

Did Mrs. Shaw think Chessman's execution might relieve her daughter's burden?

"I don't think so. It's been too long. * * * She is very sick."

Another victim of similar treatment by Chessman, Mrs. Andrew H. Brennan, wept uncontrollably and told newsmen:

"I just want to forget it all."

She had been out of the hospital only a few days following a polio attack when Chessman attacked her, disregarding her pleas for mercy.

Who suffers less—the women or Chessman; how often do we read of second victims of a paroled convict?

I express no opinion of capital punishment—just call attention to the plight of Chessman's victims.

DISTRESSED AREAS

Mr. COLLIER. 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 Illinois?

There was no objection.

Mr. COLLIER. Mr. Speaker, as most of you know, I have very rarely become involved in these little political colloquies or political demagoguery on the floor such as we have just witnessed. Yet I cannot for the life of me understand how anyone can get up on the floor of this House when there is a legislative program such as foreign aid and blame it all on the administration, when we all know it takes a majority to make these things possible.

Let me say with pride that I have not been a party to its passage in the past. Yet those of you who consistently vote for the foreign aid program with all of its waste and inefficiencies are the most vocal in criticism of it. I presume it is necessary to vote for foreign aid under these conditions to justify support of some of the ridiculous spending programs on the domestic front which this Congress frequently approves.

PROVIDING HEADQUARTERS SITE FOR MOUNT RAINIER NATIONAL PARK

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 508) providing for the consideration of S. 1358, a bill to authorize the Secretary of the Interior to provide a headquarters site for Mount Rainier National Park in the general vicinity of Ashford, Wash., and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to 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 (S. 1358) to authorize the Secretary of the Interior to provide a headquarters site for Mount Rainier National Park in the general vicinity of Ashford, Washington, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, House Resolution 508 provides for the consideration of S. 1358 to authorize the Secretary of the Interior to provide a headquarters site for Mount Rainier National Park in the general vicinity of Ashford, Wash., and for other purposes. The resolution provides for an open rule with 1 hour of general debate.

S. 1358 enables the Secretary of the Interior to provide a headquarters for the Mount Rainier National Park at a more suitable location than the existing site on Longmire, which is within the park boundaries.

The existing headquarters facilities are inadequate and obsolete and there is insufficient suitable land available at that location to accommodate an adequate headquarters development. Severe winter weather conditions in the present location, moreover, make it desirable that a new headquarters be developed at a lower altitude. A new headquarters can be developed at only slightly greater cost than would be required to carry out the necessary rehabilitation of the present facilities.

The proposed new site at Ashford is some 6 miles from the Nisqually entrance of Mount Rainier National Park. Because of its more favorable climate, its proximity to a railroad and to sources of supply, schools, churches, and medical service, and its nearness to the junction of year-round highways to other sections of the park, the Ashford location is the logical site for the headquarters.

The bill would authorize the acquisition of not more than 300 acres of lands or interests in land and the construction, operation, and maintenance of headquarters facilities. The present plan of the Department of Interior is to acquire the new site, which is privately owned, in an exchange for public lands administered by the Bureau of Land Management. The Associate Director of the National Park Service agreed that copies of the exchange agreement would be filed with the Committee on Interior and Insular Affairs before execution.

Detailed surveys and estimates show that approximately $2,356,000 is needed for the development of the proposed new headquarters site. The Committee on Interior and Insular Affairs is of the opinion that the construction of the Ashford headquarters should be undertaken and that the expenditure of funds for such a purpose is fully warranted.

Mr. Speaker, I urge the adoption of House Resolution 508.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Arkansas has well said, this resolution was reported unanimously, I believe, by the Committee on Rules. There is no opposition to it that I know of, and there has been no request for time.

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

Mr. BROWN of Ohio. I yield to the gentleman from Iowa.

Mr. GROSS. I do not oppose the rule, but I certainly oppose the bill. As I understand it, this provides for an appropriation of nearly $2,500,000 to establish a new headquarters. I find nothing in the report that indicates a headquarters is an immediate necessity and with the Federal Treasury in the condition it is at this time I would hope the bill could be defeated when it comes to the floor.

Mr. BROWN of Ohio. I am sure I do not know whether it is actually needed or not, except I do know that the report of the legislative committee was unanimous when they appeared before the Committee on Rules, and there was no opposition. The gentleman from Iowa did not appear before the committee in opposition to the rule. I am happy to know he does not oppose the rule. Does the gentleman wish me to yield further?

Mr. GROSS. Yes.

Mr. BROWN of Ohio. I yield.

Mr. GROSS. I only say to the gentleman, it is hardly possible to appear on all the bills that come before the Committee on Rules and, yet, take care of one's own committee business, too.

Mr. BROWN of Ohio. I am sure we will be very happy to hear from the gentleman at any time he may wish to appear before the Committee on Rules on any legislation that the committee may be considering.

Mr. Speaker, I yield back the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ESTABLISHING A NATIONAL HISTORIC SITE AT BENT'S OLD FORT, NEAR LA JUNTA, COLO.

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 509) providing for the consideration of H.R. 6851, authorizing the establishment of a national historic site at Bent's Old Fort, near La Junta, Colo., and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to 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. 6851) authorizing the establishment of a national historic site at Bent's Old Fort, near La Junta, Colorado. After a general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, House Resolution 509 provides for the consideration of H.R. 6851 authorizing the establishment of a national historic site at Bent's Old Fort, near La Junta, Colo. The resolution provides for an open rule with 1 hour of general debate.

H.R. 6851, as amended by the Committee on Interior and Insular Affairs, directs the Secretary of the Interior to acquire lands and interests in lands at Bent's Old Fort and to establish thereon a national historic site. It is anticipated that about 170 acres of land will be required.

A feasibility study prepared by the National Park Service reaches the conclusion that the site of Bent's Old Fort, on the Santa Fe Trail, would be a valuable addition to the national park system. The fort appears to have been built about 1833 and is closely associated with the names of John Fremont and General Kearny. A more complete statement on the significance of the site is set forth in the report of the Department of the Interior, contained in the report of the Committee on Interior and Insular Affairs.

The estimated land acquisition cost is $46,240. Of the 170 acres to be acquired, about 5 are owned by the State of Colorado. This tract, it is understood, will be made available to the Government without cost.

Mr. Speaker, I urge the adoption of House Resolution 509.

Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I understand this bill was unanimously reported from the Committee on Interior and Insular Affairs. The resolution making its consideration in order for 1 hour was also unanimously reported by the Rules Committee.

I understand the overall cost will not be over $40,000 to $41,000 to acquire this historic site.

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

Mr. BROWN of Ohio. I yield.

Mr. GROSS. But there would be an obligation on the Federal Government to take care of this historic site from now until doomsday. Will not the gentleman agree with that?

Mr. BROWN of Ohio. I will not agree with the gentleman. I think if he studies the legislation carefully enough he will see what the result will be. It is my understanding that the State of Colorado has been paying part of the cost. It may continue to do so. This is one of the most historic sites in the West.

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

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. HOFFMAN of Michigan. Mr. Speaker, it was with the deepest sorrow and regret that I found myself unable to agree with my colleague from Iowa as to this $40,000. You see, it is for Colorado, a part of this country. You will recall that you and I tried yesterday to go along with the administration in regard to a bill, but now I was thinking of going home to attend the convention of the Post Office boys; and, of course, they are going to ask questions. I think the gentleman is on that committe that has recommended an increase for all the Federal employees.

I suppose I will have to vote against that bill because of the danger of inflation. The President warned us some time ago that business, the Federal Government, and labor would have to cut down on their demands for greater profits and higher wages. I realize that he was correct. We are on the way to ruin all right enough, and another depression unless we do cut down.

Now, how am I going to retain the support of these Post Office employees by voting against an increase for them, and then voting for foreign aid? I cannot vote for foreign aid because they will not believe me when I tell them we do not have any money left for them. They will ask: You voted $4 billion for foreign aid. I made the mistake of voting for foreign aid once. You read what Senator JOHNSON said the other day about the inconsistencies of the appropriations program. I wish the gentleman before he speaks too harshly about this $40,000 would realize that if spent it stays in this country and that it reduces the amount we will have for the the $4 billion foreign aid program which we authorized the other day by at least $40,000. Of course, the gentleman was opposed to the $4 billion appropriation.

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

Mr. HOFFMAN of Michigan. I yield to the gentleman.

Mr. GROSS. It is difficult for me to believe my friend, the gentleman from Michigan is in trouble over his votes on foreign aid.

Mr. HOFFMAN of Michigan. This excuse that we do not have the money is wearing pretty thin with the folks back home. These Post Office Department employees are going to remind me that the Congress spent $4 billion for foreign aid. I am sure the gentleman sees that. I hope the gentleman will not be resentful if I should support this rule.

Mr. GROSS. Not at all; no, not at all.

Mr. HOFFMAN of Michigan. There are only two of us in the party now, you know; that hurts. Of course we have our valuable adviser and enforcer, the gentleman from Illinois, Mr. ELMER HOFFMAN.

Mr. GROSS. I want to find out when the bill comes on the floor of the House the price we are paying for the land the Government will get in exchange for $46,000. We are getting 165 acres of land. This means it is costing about $300 an acre. What are we getting? Will we be getting a pile of rock for $300 an acre?

Mr. HOFFMAN of Michigan. You can see a pile of rock, but you cannot see foreign aid or know where that money goes.

Mr. GROSS. They have some very rocky country in Colorado. Would the gentleman agree with that?

Mr. HOFFMAN of Michigan. I agree with that except as to this $46,000. The gentleman has raised it a little. But that is money that would stay here. The $4 billion will not. The gentleman will not hold it against me if I vote for this rule, will he?

Mr. GROSS. No; not at all.

Mr. HOFFMAN of Michigan. I want harmony in our party.

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

Mr. HOFFMAN of Michigan. I yield.

Mr. FULTON. The gentleman voted for foreign aid once. How did it happen that my genial friend slipped and voted for it that once?

Mr. HOFFMAN of Michigan. How is that?

Mr. FULTON. You just slipped up on foreign aid once.

Mr. HOFFMAN of Michigan. Well, just like this, when Bretton Woods was up and a former Member of the House, Jessie Summers, was here she said it was not a good bill—and I agreed but Roy Woodruff, my good friend who was from Michigan, came out for it and said I better vote for it, that this was the last time. Jesse Wolcott was here also from Michigan. They said: "This is the last time. Vote for the Bretton Woods agreement." I was gullible enough to believe them, but I realize now that that was a pretty lame excuse, I should have known better. But that was the only time I ever voted for foreign aid. The gentleman from Pennsylvania [Mr. FULTON] has been sucked in every time and every year as I recollect, has voted for all of them, and I suppose he will vote for the increase contrary to the President's advice for Federal employees.

Mr. FULTON. Yes.

Mr. HOFFMAN of Michigan. Vote for school aid and all of that. The gentleman has plenty of money. I do not know how he is going to save any of it if we continue to give it away for him. Every dollar you have spent cuts in two the other dollars we may have worked for and saved.

Mr. BROWN of Ohio. Mr. Speaker, regretting as deeply as I do the lack of harmony in any political organization, I am hoping we can bring an end to any discord that may exist between these two gallant political leaders.

Mr. Speaker, I yield back the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CASTILLO DE SAN MARCOS NATIONAL MONUMENT, FLA.

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 510 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to 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. 8226) to add certain lands to Castillo de San Marcos National Monument in the State of Florida. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield myself such time as I may use, after which I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, House Resolution 510 provides for the consideration of H.R. 8226 to add certain lands to Castillo de San Marcos National Monument in the State of Florida. The resolution provides for an open rule with 1 hour of general debate.

H.R. 8226 authorizes the acquisition of two parcels of land—about 3 acres in all—for enlargement of the Castillo de San Marcos National Monument.

Castillo de San Marcos was established as a national monument in 1924. It was constructed by the Spanish during the years 1672–96 as the northern outpost of their Caribbean empire for defense against the English and French, served as the center for raids into the Carolinas and Georgia between 1686 and 1742, was itself the target for Indian and English raids during the same period, played an important role in the war of Jenkins' Ear, and served as a military prison during the 1800's. It is one of the most important historic sites in the southeastern part of the United States and attracts tens of thousands of visitors from all parts of the country. Over 450,000 persons visited it in 1959 alone.

The two tracts of land proposed to be acquired will enhance the setting of Castillo de San Marcos and will provide parking for visitors, make possible the relocation of an existing street, and permit the restoration of the fort grounds. The plans contemplated by the bill are in part the outgrowth of an agreement between the National Park Service, the Florida State Road Department, the city of St. Augustine, and St. John's County for adjustment of street and highway travel in the vicinity of the monument in order to correct a serious traffic problem and improve parking conditions for visitors.

The land to be acquired is unavoidably expensive because of the buildup character of the property. Acquisition cost, estimated at $606,000 includes the purchase of property upon which is located an outdated hotel and other buildings which will be demolished. Enactment of the bill at this time, however, will avoid the even higher costs that would undoubtedly be incurred if there is delay while property values continue to rise and further development occurs.

Mr. Speaker, I urge the adoption of House Resolution 510.

Mr. BROWN of Ohio. Mr. Speaker, I know of no opposition to this rule.

Mr. TRIMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Speaker, I observe with some distress the split in the Independent Party. Having observed both members of that party at close range for the past 11 years and some months, it seems to me the only salvation is for each of them to go his separate way and then run as an independent independent, and both of them will be happy.

Mr. TRIMBLE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ATOMIC ENERGY COMMISSION APPROPRIATION

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 513 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to 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. 11713) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Joint Committee on Atomic Energy, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may require, after which I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, House Resolution 513 provides for the consideration of H.R. 11713, to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. The resolution provides for an open rule, with 2 hours of general debate.

Section 101 of H.R. 11713 authorizes to be appropriated to the Atomic Energy Commission the sum of $211,476,000 for new construction projects during fiscal year 1961. This compares with $386,679,000 authorized for fiscal year 1959, $165,400,000 for fiscal year 1960, and $293,876,000 requested by AEC for this bill. The section contains a total of 39 projects.

The Joint Committee on Atomic Energy has recommended the addition of three projects, the principal one being $13 million for power reactor plants for the Antarctic. The other two are laboratory facilities considered desirable in the physical research field: a materials research laboratory at the University of

Illinois, $5,600,000, and a radiation laboratory at Notre Dame University, $2,200,000. The joint committee has increased by $1 million installations for support of biomedical research into effects of radiation, including radioactive fallout, and has also revised project 61–f–7, linear electron accelerator, to provide $3 million for design and engineering at this time rather than $107,200,000 requested by AEC for construction of the accelerator.

Sections 102 through 106 of the bill contain provisions identical or similar to corresponding sections in previous AEC authorization acts.

Section 107 of the bill is in the form requested by AEC and amends projects authorized by prior authorization acts. Project 57–d–1 is amended from "high energy accelerator, $27 milllion" to "zero gradient synchrotron, Argonne National Laboratory, $42 million." Project 60–e–12, alterations to Shippingport reactor facilities, is amended by increasing the authorization from $5 to $9 million, to construct a heat sink and to modify the reactor plant to permit operation at a power level equivalent to 150 electrical megawatts under PWR core 2.

Section 108 of the bill amends prior authorization acts by rescinding authorization for certain projects no longer considered necessary by the AEC. A total of seven projects, amounting to $18,290,000 will be rescinded, except for funds heretofore obligated.

Section 109 of the bill pertains to the cooperative power reactor demonstration program. Subsection (a) extends the date for approving proposals under the third round of the power demonstration program another year, from June 30, 1960, to June 30, 1961. Subsection (b) authorizes an additional $40 million funds, and $5 million waiver of use charge authority, for use in the cooperative power program under the conditions and limitations of previous applicable statutes. It also provides that the Commission is authorized to use an additional $15 milllion for research and development assistance in support of unsolicited proposals from the utility industry to construct nuclear powerplants. Subsection (c) amends last year's act by deleting the limitation of "two" on the number of reactors which may be constructed with funds authorized for the reinstituted second round of the power demonstration program.

Section 110 of the bill authorizes $5 million for use in a cooperative program with Canada for research and development in connection with heavy water moderated nuclear powerplants.

Section 111 of the bill, as added by the Joint Committee, authorizes two design studies, and provides that the Commission may submit reports on the studies to the Joint Committee by April 1, 1961.

Extensive hearings were held by the Joint Committee on the original proposed AEC authorization bills, and every project and provision in the bill was considered, as well as possible revisions, and aspects of the AEC 10-year atomic power program, as announced in February 1960.

Mr. Speaker, I urge the adoption of House Resolution 513.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Texas has well explained, there was no opposition to this rule when the Committee on Atomic Energy appeared before the Committee on Rules. This resolution was a unanimous report of the Committee on Rules. This makes in order a rather technical bill authorizing the regular type of appropriations for the use of the Atomic Energy Commission. I yield back the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1961

Mr. KIRWAN. Mr. Speaker, I call up the conference report on the bill (H.R. 10401) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1961, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1571)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10401) "making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1961, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 3, 4, 10, 17, 19, 20, 21, 28, 29, 32, and 33.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 7, 8, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: Restore the matter stricken out amended to read as follows: "including not to exceed $200,000 for administrative and technical services,"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,950,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,084,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows In lieu of the sum proposed by said amendment insert "$14,215,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,500,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$43,650,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$22,017,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$2,185,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,575,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,200,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,645,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,535,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,591,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,810,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$92,159,700"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,332,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 30 and 31.

MICHAEL J. KIRWAN,
W. F. NORRELL,
CLARENCE CANNON,
BEN F. JENSEN,
JOHN TABER,
Managers on the Part of the House.

CARL HAYDEN,
DENNIS CHAVEZ,
ESTES KEFAUVER,
ALAN BIBLE,
KARL E. MUNDT,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10401) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

Departmental offices

Office of Saline Water

Amendment No. 1: Appropriates $1,355,000 for salaries and expenses as proposed by the House instead of $1,755,000 as proposed by the Senate.

Amendment No. 2: Inserts language proposed by the Senate providing for the merger of balances from the 1960 appropriation with the 1961 appropriation.

Amendment No. 3: Appropriates $2,040,000 for construction as proposed by the House instead of $2,440,000 as proposed by the Senate.

Office of the Solicitor

Amendment No. 4: Appropriates $3,248,000 as proposed by the House instead of $3,348,000 as proposed by the Senate.

Office of Minerals Exploration

Amendment No. 5: Restores language stricken by the Senate providing a limitation of $200,000 on the funds available for administrative and technical services instead of $150,000 as proposed by the House.

Bureau of Land Management

Amendment No. 6: Appropriates $25,950,000 for management of lands and resources instead of $28,554,400 as proposed by the Senate and $24,525,000 as proposed by the House. Of the increase provided over the House bill, $400,000 is for adjudication of applications, $350,000 is for management of grazing lands, $475,000 is for soil and moisture conservation, and $200,000 is for the weed control program on public lands. The appropriation includes $50,000 for additional work in the field of aerial planting of grass from pellet seeds.

Amendments No. 7 and 8: Insert clarifying language proposed by the Senate pertaining to the appropriation of a sum equal to 25 percent of the receipts from the sale of timber and other products for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands.

Bureau of Indian Affairs

Amendment No. 9: Appropriates $23,084,000 for resources management instead of $24,338,000 as proposed by the Senate and $22,684,000 as proposed by the House. The increase provided over the House bill is for improvement and modernization of land and title records.

Amendment No. 10: Restores language deleted by the Senate providing that $754,000 of the revolving fund for loans, Bureau of Indian Affairs, shall be used in connection with administering loans to Indians.

Amendment No. 11: Appropriates $14,215,000 for construction instead of $14,825,000 as proposed by the Senate and $13,575,000 as proposed by the House. The increase provided over the House bill includes $600,000 for initiation of rehabilition of facilities at the Flandreau, S. Dak., Indian school, and $40,000 for planning of the rehabilitation of school facilities on the Northern Cheyenne Reservation in Montana.

The amount appropriated includes provision for the revised construction program submitted by the Department to the Senate committee. Within available funds, $100,000 shall be provided to continue irrigation surveys on lands of the United Pueblos in New Mexico.

Amendment No. 12: Appropriates $14,500,000 for road construction (liquidation of contract authorization) instead of $16,000,000 as proposed by the Senate and $13,000,000 as proposed by the House. The conferees are in agreement that the Department should proceed with the full authorized program for regular Indian roads.

Geological Survey

Amendment No. 13: Appropriates $43,650,000 for surveys, investigations, and research instead of $45,065,000 as proposed by the Senate and $43,000,000 as proposed by the House. The increase provided over the House bill includes $450,000 for the Federal program under water resources investigations and $200,000 for classification of minerals on public lands.

Bureau of Mines

Amendment No. 14: Appropriates $22,017,000 for conservation and development of mineral resources instead of $22,624,000 as proposed by the Senate and $21,667,000 as proposed by the House. Of the increase provided over the House bill, $200,000 is for research on ferrous and nonferrous metals at the Boulder City, Nev., laboratory, and $150,000 is for expanding work at the Morgantown Petroleum Research Laboratory. The amount provided includes $343,000 for foreign mineral activities.

Amendment No. 15: Appropriates $2,185,000 for construction instead of $2,885,000 as proposed by the Senate. The amount allowed is for construction of additional laboratory facilities for the Petroleum Experiment Station, Bartlesville, Okla.

National Park Service

Amendment No. 16: Appropriates $18,575,000 for management and protection instead of $19,076,000 as proposed by the Senate and $18,500,000 as proposed by the House. The increase provided over the House bill is for archeological investigations set out in the Senate report, including $5,000 for the old Fort Atkinson site, Nebraska.

Amendment No. 17: Appropriates $15,000,000 for maintenance and rehabilitation of physical facilities as proposed by the House instead of $15,250,000 as proposed by the Senate.

Amendment No. 18: Provides a limitation of $2,200,000 on the funds available for the acquisition of lands under the construction appropriation instead of $2,925,000 as proposed by the Senate and $2,100,000 as proposed by the House. The amount provided includes the following: Minute Man National Historic Park, $500,000; Independence National Historical Park, $250,000; Civil War areas, $400,000; Mammoth Cave National Park, Ky., $540,000; Petrified Forest National Monument, $100,000; and $410,000 for other park areas. None of the funds shall be available for acquisition of lands for the Everglades National Park, Fla.

Amendments No. 19 and 20: Appropriate $18,000,000 for construction as proposed by the House instead of $21,413,125 as proposed by the Senate, and delete Senate language provision concerning the Jefferson National Expansion Memorial. The amount provided includes $1,650,000 for continuation of construction of the memorial as proposed by the House instead of $4,603,125 as proposed by the Senate.

The amount provided also reflects a reduction of $300,000 in the funds carried in the House bill for camp and picnic facilities, an increase of $200,000 for planning the restoration of Ford's Theater, Washington, D.C., and an increase of $100,000 for land acquisition as discussed above in amendment No. 18. $25,000 shall be available for the purchase of a patrol boat for Yellowstone Lake within the funds budgeted for Yellowstone National Park.

Amendment No. 21: Appropriates $30,000,000 as proposed by the House for construction (liquidation of contract authorization) instead of $31,000,000 as proposed by the Senate.

Fish and Wildlife Service

Bureau of Sport Fisheries and Wildlife

Amendment No. 22: Appropriates $18,645,000 for management and investigations of resources instead of $18,770,000 as proposed by the Senate and $18,220,000 as proposed by the House. The increase provided over the House bill is as follows: Assistance to Navajo, Hopi, Fort Apache, and Zuni Indian Reservations in fishery management, $25,000; research on effects of pesticides on fish and wildlife, $250,000; and marine sport fisheries research, $150,000.

Amendment No. 23: Appropriates $4,535,000 for construction instead of $4,841,000 as proposed by the Senate and $3,485,000 as proposed by the House. The increase provided over the House bill is for the following hatcheries: Alchesay Springs, Ariz., $260,000; Garrison Dam, N. Dak., $200,000; Corning, Ark., $100,000; Erwin, Tenn., $100,000; Creston, Mont., $130,000; Gavins Point Dam, S. Dak., $150,000; Hot Springs, N. Mex., $100,000; and for a survey, Walker Lake area, Nevada, $10,000.

Bureau of Commercial Fisheries

Amendment No. 24: Appropriates $6,591,000 for management and investigations of resources instead of $7,051,000 as proposed by the Senate and $6,249,000 as proposed by the House. The increase provided over the House bill is for the following: Pesticides research, $67,000; industrial fisheries research (menhaden, sardines, and herring), $175,000; South Atlantic exploratory fishing and gear development program, $100,000. In addition, the conferees direct that $60,000 be made available for this latter program from Saltonstall-Kennedy funds to make a total of $160,000 available during fiscal year 1961.

Office of Territories

Amendment No. 25: Appropriates $2,810,000 for administration of territories, instead of $3,060,000 as proposed by the Senate and $2,560,000 as proposed by the House. The increase provided over the House bill is to accelerate construction of the jet airport on American Samoa.

TITLE II—RELATED AGENCIES

Department of Agriculture

Forest Service

Amendment No. 26: Appropriates $92,159,700 for forest land management instead of $101,495,800 as proposed by the Senate and $88,159,700 as proposed by the House. The increase provided over the House bill shall be allocated (1) proportionately to activities in accordance with the amounts proposed for the first year of the plan for the National Forests and (2) to the initiation of a program for rehabilitation of recently burned areas.

Amendment No. 27: Appropriates $17,332,000 for forest research instead of $20,545,400 as proposed by the Senate and $16,332,000 as proposed by the House. Of the increase allowed over the House bill, $925,000 shall be allocated proportionately to the research program activities in accordance with the amounts proposed for the first year of the plan for the national forest, and $75,000 shall be available for facilities at the Marquette Research Center, Michigan.

Amendment No. 28: Appropriates $12,334,800 for State and private forestry cooperation as proposed by the House instead of the $13,584,800 as proposed by the Senate.

Amendment No. 29: Appropriates $1,000,000 for access roads as proposed by the House instead of the $2,000,000 as proposed by the Senate.

Amendments No. 30 and 31: Reported in disagreement.

National Capital Planning Commission

Amendment No. 32: Appropriates $250,000 for land acquisition as proposed by the House instead of $1,050,000 as proposed by the Senate.

Outdoor Recreation Resources Review Commission

Amendment No. 33: Appropriates $950,000 for salaries and expenses as proposed by the House instead of $1,000,000 as proposed by the Senate.

MICHAEL J. KIRWAN,
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JOHN TABER,
Managers on the Part of the House.

Mr. KIRWAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 30: Page 30, line 16, after "amended" insert "by purchase, condemnation or otherwise,".

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

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

Mr. GROSS. Will the gentleman tell how this bill now compares moneywise with the bill the House passed?

Mr. KIRWAN. When the bill passed the House and went to the Senate there was $543.4 million in the bill. The Senate increased that by $45.8 million to a total of $589.2 million. The conferees' report is $557.7 million. The bill is $49 million over the current year and $7.3 million over the budget. It is over the House bill by $14.3 million and $31.5 million below the Senate bill.

Mr. GROSS. $14 million?

Mr. KIRWAN. Above the House bill and $31.5 million below the Senate bill. In other words, we agreed to less than a third of the Senate increase.

Mr. GROSS. I thank the gentleman.

Mr. KIRWAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Speaker, I wish to discuss two very important items on which the Senate allowed additional forestry funds under cooperation in State and private forestry. These are forest management and forest protection.

Under the Cooperative Forest Management Act program the States with the aid of the Federal Government are attempting to improve the management of a most important segment of the Nation's forest resources. I refer to the 265 million acres of small woodlands which represent more than three-fourths of our privately owned commercial forest land, or more than one-half of all the commercial forest land in the Nation. Dealing with this problem is difficult because it involves some four and a half million owners. The urgent need for action has been emphasized in the recent national survey of our timber situation.

The States have set an excellent record in organizing to carry on this work and provide the necessary technical help to these private woodland owners. From a start of 9 or 10 foresters in 1940 the program has grown and now some 500 foresters are available to provide assistance to these private woodland owners. These, however, are not enough to do the job. Less than 40,000 owners annually are receiving adequate assistance. An additional 35,000 are receiving some help but not enough. Additional States wish to enter the program or extend their present initial effort. These are Alaska, Kansas, and Hawaii. Other States are receiving only token assistance at this time which should be increased. The States recognize this problem and are attempting to do something about it. They need the stimulus of added Federal assistance to get the job done.

The Congress was authorized to appropriate $2½ million annually under the Cooperative Forest Management Act. The 1960 appropriation amounted to $1,542,000. The States are financing the program to approximately twice this amount. I regret to say the Congress has not given full support to the State partners. Continued support is a critical factor in carrying on this work and in assuring that these woodlands will provide a rightful share to our rapidly growing needs.

In addition our interest in improved forest practices on small woodland ownerships makes it imperative that these forest properties will first be adequately protected from fire. The small woodland owner must of necessity place a priority reliance upon the public organized program for his protection from forest fire. An orderly intensification of this program to meet present day demands calls for more overall effort. An extension of protection is needed on about 34 million acres of forest and related lands that are not now being protected. To this must be added a buildup of the present program on about 200 million acres in order to do an adequate job of protection.

Great strides have been made in the protection effort. We can be proud of the job that has been done in cutting down the number and size of forest fires year by year. We are particularly proud of the job that has been done in our Southern States but the job ahead calls for increased effort and the States need the added stimulus of an increased Federal interest and participation.

There has been no increase in the C–M 2 appropriation since fiscal year 1956. This lack has continued year by year despite the increased costs of protection and the need for adopting the modern ways of firefighting that in themselves cost more. The States have greatly overmatched the Federal sharing. In 1955 the Committee on Conservation of Natural Resources of the Commission on Intergovernmental Relations recommended that the Federal share in C–M 2 should be maintained at 25 percent of the expenditures in the program. This has not been done. Last year the Federal share had dropped to 18 percent of the total expenditures in the program. A token increase from year to year would reassure the States of the Federal interest in the protection of non-Federal lands from forest fires and assist in stimulating the program efforts.

Overall an increase is needed in the Federal share in the cooperative forestry programs to stimulate the nationwide effort to protect and properly manage our State and privately owned forest resources. I had hoped the conference committee would allow the $250,000 increase in the cooperative forest management item and aid the $1 million cooperative forest fire control item which the Senate recommended. This the committee was unable to do and I recognize the problems which confront its members. I commend the committee on the work they have done generally for forestry and for the increased amounts they have approved in this important field. These funds will prove very beneficial.

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: Page 30, line 17, strike out "$750,000, to remain available until expended" and insert "and to be available without regard to the restriction in the proviso in section 1 of that Act".

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

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

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

Mr. SAUND. Mr. Speaker, may I request this information from the gentleman from Ohio? What is the status of the proposed regional forest fire research laboratory for southern California at Riverside so far as the gentleman's committee is concerned?

Mr. KIRWAN. The conferees agreed to an increase of $5 million more for the Forest Service but stipulated that $4 million would be allocated to forest protection and management and $1 million to forest research. Except for an urgent item of $75,000, all of this latter amount

is for the conduct of additional research. As you know, our committee has allowed sizable increases in recent years for fire control in southern California, including research, and additional funds are carried in this bill. I expect to be in California during the recess and I shall be happy to go to Riverside and review the need for these facilities. We certainly will consider your request in connection with next year's bill.

Mr. SAUND. Mr. Speaker, I thank the gentleman.

FOREST FIRE RESEARCH LABORATORY FOR SOUTHERN CALIFORNIA

Mr. SAUND. Mr. Speaker, southern California is a natural desert which the ingenuity and productive efforts of man have turned into a veritable garden.

An equally prominent characteristic of southern California is its mountains, covered with vast and beautiful national forests.

Because of the low-moisture content of the soil, the dry brush and timber of these forests become highly inflammable and forest fires are now a year-round hazard.

With southern California's rapid growth in population, there has been an increasing demand for and use of recreational facilities which these scenic forests afford. As a result, the danger of fire has increased every year.

In recent years, these devastating fires have resulted in enormous loss of property—and even loss of life. Eleven men lost their lives in one night fighting a fire in 1956.

Since 1951, there have been 1,792 forest fires in southern California's 5 national forests. In the past 3 years alone, there were 787 fires, burning 211,000 acres of forestland. These fires ranged over five counties: Los Angeles, San Bernardino, Orange, San Diego, and Riverside.

The estimated damage from forest fires in California in 1959 was $20 million—two-thirds of which occurred in southern California. Likewise, a large share of the $16,400,000 spent for emergency firefighting in California in 1959 was expended in southern California.

There is a definite need to find better methods of preventing and combating these destructive forest fires. The need for a modern experimental laboratory for forest fire research is apparent. The officials of the five southern California counties have agreed on Riverside as the site for such a laboratory.

I know the situation which prevailed when the conference committee of the Senate and House of Representatives denied $900,000 for the construction of the Regional Forest Fire Research Laboratory at Riverside.

On the morning of May 3, when the conferees were meeting on the Department of Interior and related agencies appropriations bill, the President of the United States delivered his message to Congress, emphatically protesting against any expenditures over his budget request for such facilities as this proposed laboratory.

I believe in balancing the budget and curtailing unnecessary expenditures by the Federal Government, but I do not believe in pennypinching where the preservation of the natural resources of our great Nation is concerned. After all, we derive our wealth from the great gifts which Almighty God has bestowed upon the Nation and which ingenious Americans have learned to put to maximum use.

Where does the wealth of America come from? From harnessed rivers which provide water for the farms and cities and produce electricity for homes and factories.

Certainly, the money advanced by the Federal Government to build the Hoover Dam, the All-American Canal and related facilities could not be classified as extravagant or irresponsible.

The forests of southern California belong to the people of the United States. How could the expenditure of small amounts of money in the interest of preventing their destruction by fire be considered unnecessary?

With the increasing population and the growing demand for water, ways are being sought to convert salt water into fresh water. The U.S. Congress has authorized expenditure of $22 million for development of this program. The construction of a laboratory to find better methods of fire prevention and control falls in the same category.

Mr. Speaker, it may be too late this year to receive the approval of this appropriation of $900,000 for the construction of the Regional Forest Fire Research Laboratory at Riverside, Calif. I know how heavy and close the danger of a Presidential veto hangs over the heads of all of us at the present time.

But I respectfully request that the committee make a careful study of the forest-fire situation in southern California in order that its members may consider approving the funds next year.

Mr. KIRWAN. Mr. Speaker, the conference action provides a total of $557,667,600 for 1961 for the Department of the Interior—excluding the Bureau of Reclamation and the power agencies—and certain related agencies, including the U.S. Forest Service. This represents an increase of $49,014,347 over comparable appropriations for the current year. The conference total represents an increase of $14,292,000 over the House bill and a decrease of $31,545,025 from the Senate bill.

The bill reflects an increase of $7,337,300 in the budget request, primarily to make more adequate provision for the requirements of our national forests, care of the public lands by the Bureau of Land Management, the conduct of research by the Bureau of Mines and the Fish and Wildlife Service, additional camp and picnic facilities in our national parks, and care of the Indians.

The bill also reflects several major changes in the budget estimates to eliminate or reduce certain activities in order to make funds available for more urgently needed requirements. The net increase of $7,337,300 made in the Budget Bureau requests consist of the following:

Reductions in the budget request:	
Mineral exploration loan program	−$550,000
Liquidation of contract authorization for parkways and roads and trails (decrease due to slippage in program)	−4,000,000
Acquisition of lands for Superior National Forest	−250,000
Acquisition of stream valley parks in Maryland and Virginia in vicinity of Washington, D.C.	−2,175,000
Outdoor Recreation Resources Review Commission	−230,000
Legal services, Department of the Interior	−152,000
Other decreases	−201,700
Total decreases	−7,558,700
Increases in the budget request:	
Bureau of Land Management (for adjudication of applications, management of grazing lands, soil and moisture conservation and weed control)	+1,475,000
Bureau of Indian Affairs (for modernization of land record system and school and road construction)	+2,540,000
Geological Survey (for water resources investigations and classification of minerals on public lands, offset in part by disallowance of funds requested to replace an AEC transfer)	+285,000
Increases in the budget request—Continued	
Bureau of Mines (for additional research and construction of laboratory facilities)	+$2,535,000
National Park Service (for additional camp and picnic facilities and archeological investigations offset in part by reductions in land acquisition and management)	+749,000
Bureau of Sport Fisheries and Wildlife (for additional research on blackbird control, fish-rice farming, effects of pesticides on fish and wildlife, marine sport fisheries research, and construction of hatcheries)	+1,720,000
Bureau of Commercial Fisheries (for additional work on exploratory fishing and gear development, pesticides research and industrial fisheries research)	+342,000
Administration of territories (to accelerate jet airport construction on American Samoa)	+250,000
Forest Service (for expanding management and protection and research under the plan for the national forests)	+5,000,000
Increases in budget	+14,896,000
Net change from budget	+7,337,300

We continue to be concerned about the number of employees and expect the agencies to make every effort to assure maximum utilization of existing staff in meeting additional workloads. I am sure that in many instances new or expanded activities can be staffed through transfer of employees from less important work or from areas where they are not being fully utilized. As indicated in our House report, we are especially concerned about the size of staffs in the Washington, regional, and district offices and the number of personnel engaged in engineering and design and supervision of construction.

I believe that the following comparison of the 1961 bill with the amounts available for the current year shows that the net increase allowed of $49,014,347 will be spent only on urgent additional requirements in the administration, maintenance, and conservation of our great natural resources. These activities involve 747 million acres of public land and are forecasted to generate over $500 million in Federal revenues in fiscal year 1961.

Major increases over fiscal year 1960:	
Federal cost under the Federal Employees Health Benefits Act of 1959	+$2,144,483
Bureau of Land Management: For adjudication of applications, management of grazing lands, fire control in Alaska, and timber sales	+1,275,000
Bureau of Indian Affairs:	
For education of an additional 2,850 pupils in new facilities	+2,500,000
For improvement of Indian land and title work and real estate services	+748,000
For school construction	+640,000
Geological Survey: For expanded workload under mineral lease supervision, royalty accounting, land classification, and water resources investigations	+1,050,000
Bureau of Mines: For expanded coal, petroluem, and metals research; more frequent coal-mine inspections; and laboratory construction	+3,135,000
National Park Service:	
For management and protection of new park areas and facilities and increased visitor use	+1,784,000
For increased costs of maintenance and rehabilitation of physical facilities including wage board increases	+891,517
For construction of new facilities, including campgrounds and visitor centers	+4,400,000
Bureau of Sport Fisheries:	
Provision of a direct appropriation to replace receipts, including hunting stamp funds, no longer available for operation, and maintenance of wildlife refuges, enforcement, and research	+4,581,450
For construction and operation of new hatchery facilities and new refuge areas	+1,637,000
Bureau of Commercial Fisheries: For research and construction of a new vessel to conduct research in oceanography	+2,397,000
Office of Territories: For acceleration of construction of the jet airport on American Samoa	+250,000
Major increases over fiscal year 1960—Continued	
Forest Service:	
For forest land management, including timber sales, fire control, structural improvements, recreation, reforestation, range improvements, and soil and water conservation	+$10,058,000
For expanded forestry research, including construction of 3 laboratories	+2,854,000
For construction of forest roads and trails	+2,000,000
For acquisition of lands for the Superior National Forest	+750,000
Smithsonian Institution: For additions to the Natural History Building	+13,500,000
Virgin Islands Corporation:	
For operating losses	+561,000
For expansion of the power program	+2,538,000
For a loan to the operating fund for construction of a salt water distillation plant	+1,100,000
Total, major increases over fiscal year 1960	60,794,450
Major decreases from fiscal year 1960:	
Acquisition of land, National Capital park, parkway, and playground system	−2,036,000
Transitional grants to Alaska	−4,500,000
Fisheries loan fund	−3,000,000
Minerals exploration loan program	−550,000
Transfer in the estimates of rental costs to General Services Administration	−538,300
Total, major decreases from fiscal year 1960	−10,624,300
Other increases and decreases in bill (net)	−1,155,803
Net increase in bill over fiscal year 1960	+49,014,347

Mr. METCALF. Mr. Speaker, I, too, wish to pay tribute to members of the conference committee, who have agreed upon significant increases above the President's budget requests for investment in resource development of importance to Montana and the Nation.

They include an additional $5 million distributed among reforestation, soil and water management, timber management and range improvement programs of the Forest Service.

I am particularly pleased to note the provision of a total of $597,000—more than double the administration request—for research into the effects of insecticides, herbicides and fungicides upon fish and wildlife.

You will recall that in 1958, Congress authorized appropriation of up to $280,000 a year for continuing studies which would lead to determination of the amounts, percentages or mixtures of such chemicals that can be used effectively while minimizing loss of valuable fish and wildlife resources.

It took our researchers only a few months to determine that they were facing a gigantic problem—a backlog of untested poisons so large, and development of pesticides so rapid, that the program should be stepped up. That is, it should be if we are to do the job of saving our crops and trees, while at the same time safeguarding a multimillion-dollar recreation, tourist and commercial fishery industry.

So last year, the senior Senator from Washington, Senator MAGNUSON, and I, who cosponsored the original legislation, introduced bills to increase the authorization ninefold. This was after seeing evidence of wholesale destruction of wildlife following insecticidal operations.

A responsible Congress passed the increased authorization, and the President signed it. Encouraged by this, the Fish and Wildlife Service last fall asked the Bureau of the Budget to approve a request for a supplemental appropriation for fiscal 1960. They were turned down. The agency asked for an increased appropriation for fiscal 1961. That was turned down, too. The budget provided for an appropriation of $280,000, divided, but not equally, among three programs: sport fishery research and wildlife research in the Bureau of Sports Fisheries and for research in the Bureau of Commercial Fisheries.

This was another example of administration doubletalk. Previously, administration agencies, with the concurrence of the Bureau of the Budget, approved an increase in the authorization for pesticide research. But when it comes down to actually doing the job, instead of issuing press releases about it, the administration refuses to follow through.

It is strange that an administration, which is so upset about one chemical weed killer's effect on cranberries, has refused to ask for increased funds, authorized by Congress, for research on the whole range of poisons used to kill plant diseases, weeds, and bugs.

As this bill is now before the House, it carries a total of $597,000, which the Fish and Wildlife Service assures us can be used efficiently.

The limited research possible to date has asked more questions than it has answered. They cover the whole range of direct effects of control agents on plants, animals, soils, and soil organisms. They include the indirect, accumulative, longtime effects of these poisons upon plants, wildlife, and on man. There remains a lot of work to be done on these poisons and the species, formulation, dosage, period of feeding or exposure, mode of entry into the body, and various environmental and other conditions, upon which toxicity depends.

This necessary control program involves a multi-billion-dollar recreation and commercial fishery industry of interest and importance to at least 40 million Americans. According to the most recent survey, we spend some $3 billion and at least 567 million man-days hunting and fishing each year.

I propose that we give our researchers the tools they need to determine the amounts and mixtures of chemical sprays that can be used effectively while minimizing the loss of fish and wildlife. The full amount authorized by Congress, $2,565,000 a year, would be less than 1 percent of the wholesale value of the chemical sprays that were produced commercially in this country last year.

This would be a modest investment in the protection of fish and wildlife resources which generate billions of dollars worth of sales to our sportsmen and tourists each year. But even if there weren't a dime in this program for anyone, it would be in the public interest to be sure that in using these pesticides we are not poisoning ourselves and our children.

I am sorry that the conferees refused to stop the Bureau of Indian Affairs from tapping the till of the revolving loan fund for administrative expenses.

This fund, set up to make loans to Indian Tribes for reconstruction and rehabilitation, has been fully committed and should be increased by $15 million to an authorized total of $25 million.

If figures I have from the Bureau are correct, through the fiscal year 1960 a total of $3,515,000 has been taken out of the fund to pay operating expenses. The estimate for this year called for another $754,000 of the fund to be so used. When I appeared before the committee, I urged an end to this policy of attrition and expressed the hope that money would be appropriated as soon as possible to make the fund whole again. The other body deleted language providing that $754,000 of the fund to be used in connection with administering loans. That language was restored by the conference committee.

I hope the need for this amount will be considered in a supplemental appropriation.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1961

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes.

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 further

consideration of the bill H.R. 11998, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

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

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

When the Committee rose on Tuesday, May 3, 1960, the Clerk had read down to and including line 7 on page 1 of the bill. If there are no amendments at this point, the Clerk will read.

The Clerk read as follows:

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except those undergoing reserve training), midshipmen and aviation cadets, and expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $25 in any one case, $2,507,055,000, and, in addition, $75,000,000, to be derived by transfer from the Navy stock fund: *Provided*, That no part of these funds shall be available for the pay and allowances of personnel assigned to departmental administration in excess of the number so assigned on December 31, 1959.

Mr. FORD. Mr. Chairman, the Department has furnished me with several summaries of the action of the committee which I feel would be helpful to Members and others.

They are as follows:

House committee report on Department of Defense appropriation bill, 1961

COMPARISON WITH PRESIDENT'S BUDGET

[Thousands of dollars]

	President's budget	House committee report	Comparison with President's budget
BY SERVICE			
Department of the Army:			
Appropriations	9,315,000	9,403,440	+88,440
Transfers from revolving funds	260,000	260,000	
Total, new obligation availability	9,575,000	9,663,440	+88,440
Department of the Navy:			
Appropriations	11,816,000	11,900,675	+84,675
Transfers from revolving funds	60,000	75,500	+15,500
Total, new obligation availability	11,876,000	11,976,175	+100,175
Department of the Air Force:			
Appropriations	16,997,000	16,843,752	−153,248
Transfers from revolving funds	30,000	30,000	
Total, new obligation availability	17,027,000	16,873,752	−153,248
Office of the Secretary of Defense: Appropriations	1,207,000	1,190,000	−17,000
BY SERVICE—continued			
Total, Department of Defense:			
Appropriations	39,335,000	39,337,867	+2,867
Transfers from revolving funds	350,000	365,500	+15,500
Total, new obligation availability	39,685,000	39,703,367	+18,367
BY TITLE			
Title I—Military personnel:			
Appropriations	11,813,000	11,818,760	+5,760
Transfers from revolving funds	350,000	365,500	+15,500
Total, new obligation availability	12,163,000	12,184,260	+21,260
Title II—Operation and maintenance	10,527,300	10,353,092	−174,208
Title III—Procurement	13,085,000	12,948,627	−136,373
Title IV—Research, development, test, and evaluation	3,909,700	4,217,388	+307,688
Total, Department of Defense:			
Appropriations	39,335,000	39,337,867	+2,867
Transfers from revolving funds	350,000	365,500	+15,500
Total, new obligation availability	39,685,000	39,703,367	+18,367

Analysis of increases in House report

Army Guard and Reserve strengths: Increases for personnel and operation and maintenance appropriations to maintain guard strength at 400,000 instead of 360,000 ($52,300,000) and Reserve strength at 300,000 instead of 270,000 ($53,100,000)	$105,440,000
Army modernization: A general increase for high priority equipment with recognition that the entire Army procurement program is directly related to modernizing the equipment of the Army	207,600,000
Airlift: Increase intended for procurement of an additional 50 aircraft of the C-130B type, but modified for extended range with any balance to be applied to the procurement of a cargo version of the KC-135 aircraft or an aircraft of similar capability	250,000,000
Air defense: Increase for procurement of an additional 2 squadrons of F-106 fighter aircraft	215,000,000
Airborne alert: Increase exclusively for the procurement, storage, and distribution of extra engines, spare part stocks, and supplies to provide for greater capability to undertake an airborne alert	115,000,000
Minuteman program: Committee increase above President's budget includes $27,000,000 for procurement proposed by semiofficial revision to budget and a further addition of $20,700,000 in R.D.T. & E. for acceleration of the development of mobile capability	47,700,000
Polaris program: Committee increase above President's budget includes $153,000,000 proposed by semiofficial revision to budget and a further addition of $241,000,000. Increase provides full funding for 5 submarines and partial funding for 7 instead of full funding for 3 and partial funding for 9 as proposed in the revised budget	$394,000,000
Antisubmarine warfare: Total increase of $207,000,000 above President's budget includes: $100,000,000 for R.D.T. & E.; $50,000,000 for 2 DE's; and $57,000,000 increase for 1 nuclear attack submarine to provide a total of 4 (semiofficial revision to budget proposed a reduction from 3 to 1, with reduction of $114,000,000 in appropriations)	207,000,000
Space program: Midas program increased by $26,400,000 proposed by semiofficial revision to budget and a further addition of $10,200,000; Samos program increased by $33,800,000; Discoverer program increased by $35,000,000 proposed in semiofficial revision to budget and a further addition of $10,000,000	115,400,000
Other increases: The committee adopted other increases proposed in semiofficial revision to budget, as follows:	
Interceptor improvements	136,200,000
Atlas program	136,000,000
BMEWS program	35,000,000
Surveillance program	16,700,000
GAR-9 and ASG-18 program	15,000,000
Total increases	1,996,140,000

Analysis of decreases in House report

Travel: Reduction equal to 10 percent of estimate in each of 19 personnel, operation and maintenance, and research, development, test, and evaluation appropriations	$73,054,000
Transfers of surplus stock fund cash in lieu of new appropriations: $15,000,000 increase in transfer from Navy stock fund and $500,000 from Marine Corps stock fund	15,500,000
Communications: Reduction in operation and maintenance appropriations of Army, Navy, and Air Force to compel consolidation of long-lines communications	84,300,000
Departmental administration: Reduction equal to 10 percent of estimate for specified organizations, including field activities performing departmental-type functions	33,626,000
Other operation and maintenance activities:	
1. Contingencies—general reduction	15,000,000
2. Dependents education—per-pupil estimate limited to $270	1,430,000
3. Wherry-Capehart housing—10-percent reduction in estimated maintenance	11,052,000
4. Motor vehicle hire—10-percent reduction	992,000
5. Aeronautically rated officers—reduction associated with limit on number	30,000,000
6. Ships and aviation fuel—reduction for price decreases	20,896,000
7. Mission support-type flying	6,450,000
Total	85,820,000
Army procurement: Reduction includes $8,000,000 for M-151 Jeep-type vehicle and $120,000,000 due to use of anticipated MAP reimbursements for shelf issues in lieu of new appropriations	$128,000,000
Procurement generally: A reduction of 3 percent in each procurement appropriation to force more economical procurement practices	400,473,000
Aircraft carrier: Committee reduction deletes conventially powered attack carrier	293,000,000
BOMARC program: Committee reduction from fiscal year 1961 program in President's budget includes the $381,000,000 reduction proposed in the semiofficial revision to the budget and a further reduction of $40,000,000. The committee action also contemplated a cutback of prior years' BOMARC programs with a resultant savings of $254,000,000 in new appropriations	675,100,000
SAGE supercombat centers: The committee adopted the reduction proposed in the semiofficial revision to the budget	200,500,000
Identification and control, A.C. & W.—the committee adopted the reduction proposed in the semiofficial revision to the budget	3,900,000
Total decreases	1,993,273,000

House committee report on DOD appropriation bill, 1961—Comparison with semiofficial revised budget

[Thousands of dollars]

	President's budget	DOD semi-official amendments	Semiofficial revised budget	House committee report	Comparison with semi-official revised budget
BY SERVICE					
Department of the Army:					
Appropriations	9,315,000	----------	9,315,000	9,403,440	+88,440
Transfers from revolving funds	260,000	----------	260,000	260,000	----------
Total, new obligation availability	9,575,000	----------	9,575,000	9,663,440	+88,440
Department of the Navy:					
Appropriations	11,816,000	+39,000	11,855,000	11,900,675	+45,675
Transfers from revolving funds	60,000	----------	60,000	75,500	+15,500
Total, new obligation availability	11,876,000	+39,000	11,915,000	11,976,175	+61,175
Department of the Air Force:					
Appropriations	16,997,000	−158,100	16,838,900	16,843,752	+4,852
Transfers from revolving funds	30,000	----------	30,000	30,000	----------
Total, new obligation availability	17,027,000	−158,100	16,868,900	16,873,752	+4,852
Office of the Secretary of Defense: Appropriations	1,207,000	----------	1,207,000	1,190,000	−17,000
Total, Department of Defense:					
Appropriations	39,335,000	−119,100	39,215,900	39,337,867	+121,967
Transfers from revolving funds	350,000	----------	350,000	365,500	+15,500
Total, new obligation availability	39,685,000	−119,100	39,565,900	39,703,367	+137,467
BY TITLE					
Title I. Military personnel:					
Appropriations	11,813,000	----------	11,813,000	11,818,760	+5,760
Transfers from revolving funds	350,000	----------	350,000	365,500	+15,500
Total, new obligation availability	12,163,000	----------	12,163,000	12,184,260	+21,260
Title II. Operation and maintenance	10,527,300	----------	10,527,300	10,353,092	−174,208
Title III. Procurement	13,085,000	−255,500	12,829,500	12,948,627	+119,127
Title IV. Research, development, test, and evaluation	3,909,700	+136,400	4,046,100	4,217,388	+171,288
Total, Department of Defense:					
Appropriations	39,335,000	−119,100	39,215,900	39,337,867	+121,967
Transfers from revolving funds	350,000	----------	350,000	365,500	+15,500
Total, new obligation availability	39,685,000	−119,100	39,565,900	39,703,367	+137,467

House report on Department of Defense appropriation bill, 1961

SECTION I—A. SUMMARY OF INCREASES AND DECREASES FROM PRESIDENT'S BUDGET

[Thousands of dollars]

	Appropriations	Transfers from DOD revolving funds	Total obligational availability
Department of the Army:			
President's budget	9,315,000	260,000	9,575,000
Net change in House report	+88,440	----------	+88,440
Increases	313,040	----------	313,040
Decreases	224,600	----------	224,600
Amount provided under House report	9,403,440	260,000	9,663,440
Department of the Navy:			
President's budget	11,816,000	60,000	11,876,000
Net change in House report	+84,675	+15,500	+100,175
Increases	601,000	15,500	616,500
Decreases	516,325	----------	516,325
Amount provided under House report	11,900,675	75,500	11,976,175
Department of the Air Force:			
President's budget	16,997,000	30,000	17,027,000
Net change in House report	−153,248	----------	−153,248
Increases	1,082,100	----------	1,082,100
Decreases	1,235,348	----------	1,235,348
Amount provided under House report	16,843,752	30,000	16,873,752
Office of the Secretary of Defense:			
President's budget	1,207,000	----------	1,207,000
Net change in House report (decrease only)	−17,000	----------	−17,000
Amount provided under House report	1,190,000	----------	1,190,000
Department of Defense, total:			
President's budget	39,335,000	350,000	39,685,006
Net change in House report	+2,867	+15,500	+18,307
Increases	1,996,140	15,500	2,011,640
Decreases	1,993,273	----------	1,993,273
Amount provided under House report	39,337,867	365,500	39,736,703

SECTION I—B. SUMMARY OF INCREASES AND DECREASES FROM SEMIOFFICIAL REVISED BUDGET

[Thousands of dollars]

Department of the Army:			
President's budget (no revision)	9,315,000	260,000	9,575,000
Net change in House report	+88,440	----------	+88,440
Increases	313,040	----------	313,040
Decreases	224,600	----------	224,600
Amount provided under House report	9,403,440	260,000	9,663,440
Department of the Navy:			
Semiofficial revised budget	11,855,000	60,000	11,915,000
Net change in House report	+45,675	+15,500	+61,175
Increases	562,000	15,500	577,500
Decreases	516,325	----------	516,325
Amount provided under House report	11,900,675	75,500	11,976,175
Department of the Air Force:			
Semiofficial revised budget	16,838,900	30,000	16,868,900
Net change in House report	+4,852	----------	+4,852
Increases	654,700	----------	654,700
Decreases	649,848	----------	649,848
Amount provided under House report	16,843,752	30,000	16,873,752
Office of the Secretary of Defense:			
President's budget (no revision)	1,207,000	----------	1,207,000
Net change in House report (decrease only)	−17,000	----------	−17,000
Amount provided under House report	1,190,000	----------	1,190,000
Department of Defense, total:			
Semiofficial revised budget	39,215,900	350,000	39,565,900
Net change in House report	+121,967	+15,500	+137,467
Increases	1,529,740	15,500	1,545,240
Decreases	1,407,773	----------	1,407,773
Amount provided under House report	39,337,867	365,500	39,703,367

House committee report on Department of Defense appropriation bill, 1961—Continued

SECTION II. INCREASES OVER BUDGETS

[Thousands of dollars]

Item and appropriation title	Semi-official revisions to President's budget	Committee changes from revised budget	Committee changes from President's budget
Army National Guard, maintaining strength at 400,000		52,340	52,340
National Guard personnel, Army		31,700	31,700
Operation and maintenance, Army		20,440	20,440
Operation and maintenance, Army National Guard		200	200
Army Reserve, maintaining strength at 300,000		53,100	53,100
Reserve personnel, Army		35,000	35,000
Operation and maintenance, Army		18,100	18,100
Army modernization: Procurement of equipment and missiles, Army		207,600	207,600
Airlift capability, additional aircraft: Airlift modernization		250,000	250,000
Air defense, 50 F-106 aircraft: Aircraft procurement, Air Force		215,000	215,000
Airborne alert capability		115,000	115,000
Operation and maintenance, Air Force		15,000	15,000
Aircraft procurement, Air Force		100,000	100,000
Minuteman program	+27,000	20,700	47,700
Missile procurement, Air Force	+27,000		27,000
Research, development, test, and evaluation, Air Force		20,700	20,700
Polaris, fleet ballistic missile submarines	+153,000	241,000	394,000
Procurement of aircraft and missiles, Navy	+57,000	38,000	95,000
Shipbuilding and conversion, Navy	+96,000	203,000	299,000
Antisubmarine warfare	−114,000	321,000	207,000
Shipbuilding and conversion, Navy (nuclear attack submarines)	−114,000	171,000	57,000
Shipbuilding and conversion, Navy (destroyer escorts)		50,000	50,000
Research, development, test, and evaluation, Navy		100,000	100,000
Midas program: Research, development, test, and evaluation, Air Force	+26,400	10,200	36,600
Samos program: Research, development, test, and evaluation, Air Force		33,800	33,800
Discoverer program: Research, development, test, and evaluation, Air Force	+35,000	10,000	45,000
Interceptor improvements: Aircraft procurement, Air Force	+136,200		136,200
Atlas program: Missile procurement, Air Force	+136,000		136,000
BMEWS program: Other procurement, Air Force	+35,000		35,000
Surveillance program: Other procurement, Air Force	+16,700		16,700
GAR-9 and ASG-18 programs: Research, Development, test, and evaluation, Air Force	+15,000		15,000
Unidentified increase: Missile procurement, Air Force	+100		100
Total increases	+466,400	1,529,740	1,996,140

SECTION III. DECREASES FROM BUDGETS

Item and appropriation title	Semi-official revisions to President's budget	Committee changes from revised budget	Committee changes from President's budget
Travel, 10-percent reduction		73,054	73,054
Military personnel, Army		16,552	16,552
Military personnel, Navy		5,945	5,945
Military personnel, Marine Corps		1,923	1,923
Military personnel, Air Force		16,540	16,540
Reserve personnel, Army		1,885	1,885
Reserve personnel, Navy		832	832
Reserve personnel, Marine Corps		339	339
Reserve personnel, Air Force		236	236
National Guard personnel, Army		797	797
National Guard personnel, Air Force		391	391
Operation and maintenance, Army		6,970	6,970
Operation and maintenance, Navy		3,619	3,619
Operation and maintenance, Marine Corps		427	427
Operation and maintenance, Air Force		14,395	14,395
Operation and maintenance, Army National Guard		373	373
Operation and maintenance, Air National Guard		108	108
Research, development, test, and evaluation, Army		510	510
Research, development, test, and evaluation, Navy		470	470
Research, development, test, and evaluation, Air Force		742	742
Transfers of surplus stock fund cash in lieu of new appropriations		15,500	15,500
Military personnel, Navy		15,000	15,000
Military personnel, Marine Corps		500	500
Communications, reduction in operating costs to force consolidation		84,300	84,300
Operation and maintenance, Army		10,700	10,700
Operation and maintenance, Navy		4,600	4,600
Operation and maintenance, Air Force		69,000	69,000
Departmental administration, 10 percent reduction		33,626	33,626
Operation and maintenance, Army		9,898	9,898
Operation and maintenance, Navy		11,410	11,410
Operation and maintenance, Marine Corps		847	847
Operation and maintenance, Air Force		7,781	7,781
Salaries and expenses, Secretary of Defense		2,000	2,000
Research, development, test, and evaluation, Air Force		1,690	1,690
Contingencies, general reduction: Contingencies, Department of Defense		15,000	15,000
Dependents education, per pupil estimate limited to $270		1,430	1,430
Operation and maintenance, Army		700	700
Operation and maintenance, Navy		117	117
Operation and maintenance, Air Force		613	613
Wherry-Capehart housing, 10 percent reduction in estimated maintenance		11,052	11,052
Operation and maintenance, Army		3,257	3,257
Operation and maintenance, Navy		2,117	2,117
Operation and maintenance, Air Force		5,678	5,678
Motor vehicle hire, 10 percent reduction		992	992
Operation and maintenance, Army		175	175
Operation and maintenance, Navy		138	138
Operation and maintenance, Air Force		679	679
Aeronautically rated officers, reduction associated with limit on number		30,000	30,000
Operation and maintenance, Army		1,860	1,860
Operation and maintenance, Navy		6,690	6,690
Operation and maintenance, Air Force		21,450	21,450
Ships and aviation fuel, reduction in cost		20,896	20,896
Operation and maintenance, Army		225	225
Operation and maintenance, Navy		20,671	20,671
"Mission support" type flying		6,450	6,450
Operation and maintenance, Army		200	200
Operation and maintenance, Navy		1,250	1,250
Operation and maintenance, Air Force		5,000	5,000
Use of anticipated MAP reimbursements for shelf issues in lieu of new appropriations: Procurement of equipment and missiles, Army		120,000	120,000
Procurement of the M-151 jeep-type vehicle: Procurement of equipment and missiles, Army		8,000	8,000
3-percent reduction in procurement appropriations to promote improved contractual methods and procedures		400,473	400,473
Procurement of equipment and missiles, Army		42,498	42,490
Procurement of aircraft and missiles, Navy		66,240	66,240
Shipbuilding and conversion, Navy		64,350	64,350

House report on Department of Defense appropriation bill, 1961—Continued

SECTION III. INCREASES FROM BUDGETS

[Thousands of dollars]

Item and appropriation title	Semi-official revisions to President's budget	Committee changes from revised budget	Committee changes from President's budget
3-percent reduction, etc.—Continued			
Other procurement, Navy		13,020	13,020
Procurement, Marine Corps		2,820	2,820
Aircraft procurement, Air Force		99,744	99,744
Airlift modernization		11,112	11,112
Missile procurement, Air Force		73,560	73,560
Other procurement, Air Force		27,129	27,126
Conventionally powered attack carrier: Shipbuilding and conversion, Navy		293,000	293,000

Item and appropriation title	Semi-official revisions to President's budget	Committee changes from revised budget	Committee changes from President's budget
Fiscal year 1961 Bomarc procurement funds: Missile procurement, Air Force	−381,100	40,400	421,500
Cutback in prior year's Bomarc program with resultant savings in new appropriations: Missile procurement, Air Force		253,600	253,600
SAGE supercombat centers: Other procurement, Air Force	−200,500		200,500
Identification and control, AC&W: Other procurement, Air Force	−3,900		3,900
Total decreases	−585,500	1,407,773	1,993,278

Language Provisions

Military personnel assigned to departmental administration: Proviso under "Military personnel" appropriations limits number of military personnel assigned to departmental administration for each service to number so assigned on December 31, 1959 (House report, pp. 21–23).

Limitation on departmental administration: Proviso under "Operation and maintenance" appropriations of Army, Navy, Marine Corps, and Air Force limits amounts available for departmental administration to approximately 90 percent of amount in budget estimates. Departmental administration organizations and definition of expenses involved are outlined in House committee report (House report, pp. 21–23).

New appropriation, "Airlift Modernization": New language establishes a new appropriation, "Airlift Modernization." This item was formerly included in the appropriation "Aircraft procurement, Air Force." The new appropriation head does not include a service designation, but it appears that it is intended to be an Air Force appropriation. A proviso prohibits use of the appropriation for procurement of aircraft for assignment to passenger service (House report, pp. 16–18).

Limitation on travel: New section 533 establishes a limitation of $660 million on travel expenses for TDY and PCS travel of civilian and military personnel of DOD, chargeable to appropriations in the bill (House report, p. 19).

Flight pay: New section 534 establishes a limitation of 97,546 on the number of officers to receive flight pay (limitation number excludes Reserve officers on active duty for training and officer receiving flight pay under provision of section 514 without meeting minimum flight requirements (House report, pp. 20–21).

Dependents education: Section 506 increases the per pupil limitation on dependents' education from $265 to $270 (House report, p. 46).

Purchase and resale of household effects: Section 527 incorporates language which provides authority for the purchase and resale at cost of household effects overseas, including automobiles (House report, p. 73).

Legislative liaison activities: Section 530 establishes a limitation of $900,000 on legislative liaison activities. The report indicates the limitation now applies to direct congressional liaison activity covered under the heading "Legislative liaison" in budget estimate data furnished in hearings (House report, p. 73).

Commercial airlift: Section 531 continues previous concept of a fixed amount set aside for procurement of commercial airlift. Amount specified as $80 million for fiscal year 1961. Language revised to limit such procurement to participants in the Civil Reserve Air Fleet (House report, p. 18).

Hire of motor vehicles: Section 532 retains a limitation on funds for hire of motor vehicles and fixes the amount for fiscal year 1961 at $9 million. There are no exceptions to this limitation (House report, pp. 45–46).

Missile transfer authority: The committee did not include language contained in section 633 of the 1960 Appropriation Act which authorized the transfer of an additional $150 million for the acceleration of strategic or tactical missile programs.

Transportation of commissary supplies: Committee did not accept budget language to continue subsidization for transportation costs to Hawaii and Alaska of commissary supplies.

Department of Defense appropriation bill, 1961

[Thousands of dollars]

Item	President's budget request	House committee report	House committee report compared with request	Explanation of changes
(1)	(2)	(3)	(4)	(5)
Title I—Military Personnel				
Military personnel, Army	[1] 3,261,000	[1] 3,244,448	−16,552	10-percent reduction in permanent change of station travel.[2]
Military personnel, Navy	2,528,000	2,507,055	−20,945	
			(−5,945)	1. 10-percent reduction in permanent change of station travel.[2]
			(−15,000)	2. Reduction attributable to additional transfers from Navy stock fund.
Military personnel, Marine Corps	607,000	[1] 604,577	−2,423	
			(−1,923)	1. 10-percent reduction in permanent change of station travel.[2]
			(−500)	2. Reduction attributable to transfer from Marine Corps stock fund.
Military personnel, Air Force	[1] 4,030,000	[1] 4,013,460	−16,540	10-percent reduction in permanent change of station travel.[2]
Reserve personnel, Army	200,000	233,115	+33,115	
			(+35,000)	1. Maintaining Army Reserve strength at 300,000.
			(−1,885)	2. 10-percent reduction in travel.[2]
Reserve personnel, Navy	88,000	87,168	−832	10-percent reduction in travel.[2]
Reserve personnel, Marine Corps	25,000	24,661	−339	Do.[2]
Reserve personnel, Air Force	54,000	53,764	−236	Do.[2]
National Guard personnel, Army	199,000	229,903	+30,903	
			(+31,700)	1. Maintaining National Guard strength at 400,000.
			(−797)	2. 10-percent reduction in travel.[2]
National Guard personnel, Air Force	46,000	45,609	−391	10-percent reduction in travel.[2]
Retired pay, Department of Defense	775,000	775,000		
Total, title I	11,813,000	11,818,760	+5,760	
Title II—Operation and Maintenance				
Operation and maintenance, Army	3,112,000	3,116,555	+4,555	
			(+20,440)	1. Maintaining National Guard strength at 400,000.
			(+18,100)	2. Maintaining Army Reserve strength at 300,000.
			(−6,970)	3. 10-percent reduction in travel.[2]
			(−10,700)	4. Reduction in communications.
			(−225)	5. Reduction in aviation fuel cost.
			(−200)	6. Reduction in "mission support" type flying.
			(−1,860)	7. Reduction associated with limit on aeronautically rated officers.[2]
			(−175)	8. 10-percent reduction in motor vehicle hire.
			(−3,257)	9. 10-percent reduction in estimated maintenance of Wherry-Capehart housing.
			(−9,898)	10. 10-percent reduction in departmental administration.[2]
			(−700)	11. Reduction in per pupil estimates, dependent education.[2]

See footnotes at end of table.

Department of Defense appropriation bill, 1961—Continued

[Thousands of dollars]

Item	President's budget request	House committee report	House committee report compared with request	Explanation of changes
(1)	(2)	(3)	(4)	(5)
TITLE II—OPERATION AND MAINTENANCE—Con.				
Operation and maintenance, Navy	2,550,000	2,499,388	−50,612	
			(−3,619)	1. 10-percent reduction in travel.[2]
			(−4,600)	2. Reduction in communications.
			(−20,671)	3. Reduction in ships and aviation fuel cost.
			(−1,250)	4. Reduction in "mission support" type flying.
			(−6,690)	5. Reduction associated with limit or aeronautically rated officers.
			(−138)	6. 10 percent reduction in motor-vehicle hire.
			(−2,117)	7. 10 percent reduction in estimated maintenance of Wherry-Capehart housing.
			(−11,410)	8. 10 percent reduction in departmental administration.[2]
			(−117)	9. Reduction in per-pupil estimates, dependents education.[2]
Operation and maintenance, Marine Corps	176,000	174,726	−1,274	
			(−427)	1. 10 percent reduction in travel.[2]
			(−847)	2. 10 percent reduction in departmental administration.[2]
Operation and maintenance, Air Force	4,282,000	4,172,404	−109,596	
			(+15,000)	1. Provision for airborne alert.
			(−14,395)	2. 10 percent reduction in travel.[2]
			(−69,000)	3. Reduction in communications.
			(−5,000)	4. Reduction in "mission support" type flying.
			(−21,450)	5. Reduction associated with limit on aeronautically rated officers.[2]
			(−679)	6. 10 percent reduction in motor-vehicle hire.[2]
			(−5,678)	7. 10 percent reduction in estimated maintenance of Wherry-Capehart housing.
			(−7,781)	8. 10 percent reduction in departmental administration.[2]
			(−613)	9. Reduction in per-pupil estimates, dependents education.[2]
Operation and maintenance, Army National Guard	157,000	156,827	−173	
			(+200)	1. Maintaining National Guard strength at 400,000.
			(−373)	2. 10 percent reduction in travel.[2]
Operation and maintenance, Air National Guard	176,000	175,892	−108	10-percent reduction in travel.[2]
National Board for the Promotion of Rifle Practice	300	300		
Operation and maintenance, Alaska Communication System	7,000	7,000		
Salaries and expenses, Secretary of Defense	20,000	18,000	−2,000	10-percent reduction in departmental administration.[2]
Contingencies, Department of Defense	30,000	15,000	−15,000	General reduction.
Claims, Department of Defense	16,575	16,575		
Salaries and expenses, Court of Military Appeals, Department of Defense	425	425		
Total, title II	10,527,300	10,353,092	−174,208	
TITLE III—PROCUREMENT				
Procurement of equipment and missiles, Army	1,337,000	1,374,102	+37,102	
			(−42,498)	1. 3-percent reduction to promote improved contractual methods and procedures.
			(−8,000)	2. Reduction in procurement of the M–151 jeep-type vehicles.
			(+207,600)	3. General increase for Army modernization.
			(−120,000)	4. Use of MAP reimbursements for shelf items in lieu of new appropriations.
Procurement of aircraft and missiles, Navy	2,113,000	2,141,760	+28,760	
			(−66,240)	1. 3-percent reduction to promote improved contractual methods and procedures.
			(+95,000)	2. Increase related to funding of 2 additional fleet ballistic missile submarines.
Shipbuilding and conversion, Navy	2,032,000	2,080,650	+48,650	
			(−64,350)	1. 3-percent reduction to promote improved contractual methods and procedures.
			(−293,000)	2. Deletion of conventionally powered aircraft carrier.
			(+299,000)	3. Revision of Polaris program from 3 funded plus 9 long leadtime to 5 funded plus 7 long leadtime.
			(+57,000)	4. Addition of 1 nuclear submarine (SSN) to a total of 4.
			(+50,000)	5. Addition of 2 escort vessels (DE) to a total of 4.
Other procurement, Navy	434,000	420,980	−13,020	3-percent reduction to promote improved contractual methods and procedures.
Procurement, Marine Corps	94,000	91,180	−2,820	3-percent reduction to promote improved contractual methods an procedures.
Aircraft procurement, Air Force	[3] 2,994,000	3,225,056	+231,056	
			(−70,400)	1. Procurement of 25 C–103B's shifted to new appropriation, "Airlift modernization." [2]
			(−50,000)	2. Development of new cargo transport shifted to new appropriation, "Airlift modernization." [2]
			(+215,000)	3. Addition of 50 F–106 aircraft for air defense.
			(+100,000)	4. Addition of spare parts and equipment for expanded airborne alert capability.[2]
			(−99,744)	5. 3 percent reduction to promote improved contractual methods and procedures.
			(+136,200)	6. Increase for interceptor improvements.
Airlift modernization		359,288	+359,288	
			(+70,400)	1. Procurement of 25 C–130B's shifted from Aircraft procurement, Air Force.[2]
			(+50,000)	2. Development of new cargo transport shifted from Aircraft procurement, Air Force.[2]
			(+250,000)	3. Increase in funds for additional airlift.
			(−11,112)	4. 3-percent reduction to promote improved contractual methods and procedures.
Missile procurement, Air Force	3,024,000	2,378,440	−645,560	
			(−421,500)	1. Deletion of Bomarc procurement.
			(−73,560)	2. 3-percent reduction to promote improved contractual methods and procedures.
			(−60,000)	3. Midas program shifted to "Research, development, test, and evaluation, Air Force."
			(−253,600)	4. Use of cutback in prior years' Bomarc in lieu of new appropriations.
			(+136,000)	5. Increase in Atlas program.
			(+27,000)	6. Increase in Minuteman program.
			(+100)	7. Other.

See footnotes at end of table.

Department of Defense appropriation bill, 1961—Continued

[Thousands of dollars]

Item	President's budget request	House committee report	House committee report compared with request	Explanation of changes
(1)	(2)	(3)	(4)	(5)
TITLE III—PROCUREMENT—Continued				
Other procurement, Air Force	1,057,000	877,171	−179,829	
			(−27,129)	1. 3-percent reduction to promote improved contractual methods and procedures.
			(+16,700)	2. Increase in surveillance program.
			(+35,000)	3. Increase in BMEWS.
			(−3,900)	4. Reduction in identification and control, A.C. & W.
			(−200,500)	5. Reduction in SAGE super combat centers.
Total, title III	13,085,000	12,948,627	−136,373	
TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION				
Research, development, test, and evaluation, Army.	1,041,700	1,041,190	−510	10-percent reduction in travel.[2]
Research, development, test, and evaluation, Navy.	1,169,000	1,268,530	+99,530	
			(−470)	1. 10-percent reduction in travel.[2]
			(+100,000)	2. Increase in antisubmarine warfare capability.
Research, development, test, and evaluation, Air Force.	1,334,000	1,542,668	+208,668	
			(−1,690)	1. 10-percent reduction in departmental administration.[2]
			(−742)	2. 10-percent reduction in travel.[2]
			(+20,700)	3. Acceleration of mobile capability for Minuteman.
			(+45,000)	4. Increase in Discoverer program.
			(+36,600)	5. Increase in Midas program.
			(+60,000)	6. Midas program shifted from missile procurement, Air Force.
			(+33,800)	7. Increase in Samos program.
			(+15,000)	8. Increase in Gar 9 and Asg 18 programs.
Salaries and expenses, Advanced Research Projects Agency, Department of Defense.	215,000	215,000		
Emergency fund, Department of Defense	[4] 150,000	[4] 150,000		
Total, title IV	3,909,700	4,217,388	+307,688	
Grand total	39,335,000	39,337,867	+2,867	

[1] In addition, the following amounts to be derived by transfer from stock funds:

	President's request	House report
	Millions	*Millions*
Military personnel:		
Army	$260.0	$260.0
Navy	60.0	75.0
Marine Corps		.5
Air Force	30.0	30.0
Total	350.0	365.5

[2] Bill contains related language provisions.
[3] Includes $120.4 million which has been made a part of the new appropriation "Airlift modernization."
[4] In addition, transfer authority of $150 million.

Mr. BECKER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to direct my remarks to the distinguished gentleman from Michigan [Mr. FORD], a member of the subcommittee. I have discussed this matter with him, and I want to get a point straightened out with reference to the report on this bill, particularly to the second and third paragraphs on page 18 of the report. In reading these two paragraphs having to do with the Military Air Transport Service, having to do with the military airlift, and referring to the CRAF program as well as the Presidential report, there seems to be a little conflict in my mind and I should like to have it clarified in view of the fact that this report, of course, will make legislative history.

Being a member of the Special Committee on Armed Services investigating the military airlift, and sitting in hearings from March 9 to April 22, this year, this matter was also before our subcommittee, Mr. KILDAY'S committee last year, of which I was a member, and also 3 years ago, so I have a little feeling about this matter.

I was very much interested in reviewing the committee's report to note that you had tackled this problem of adequate airlift so effectively and had given your endorsement to the presidentially approved course of action. It is surely high time that this important subject be dealt with definitely.

Here is what I was referring to on page 18 of the report, with respect to competitive bidding. During the course of our committee's consideration of this airlift problem, the carriers brought to our attention the fact that they had presented to the Department of Defense a proposed airlift contract by which they would undertake not only to move traffic at special reduced rates approved by the Civil Aeronautics Board, but also would undertake to provide expanded emergency airlift upon the Department's call and to purchase new modern turbine-powered cargo equipment. This proposal struck me as warranting the most serious consideration by the Secretary of Defense.

My question is, Am I right in thinking that your report would not prevent the Secretary of Defense from entering into such a contract if he thought his action would be in the national interest?

Mr. FORD. The answer to that specific question is that the Secretary of Defense could enter into such a contract. As I interpret the committee's action as expressed in the bill and as expressed in the committee report, we are endorsing the President's Committee report on the MATS airlift. In addition we are endorsing the Reed committee report on the MATS airlift. There is nothing in the report or the bill which is in conflict with those two reports. It is my personal impression that these reports should be implemented and that our legislation should assist in that implementation. We want the commercially-sponsored passenger and cargo operators to expand their operations so that they do get new aircraft for the benefit of our airlift forces. I think the committee bill earmarking the new aircraft which are included in the bill will help the Army in providing airlift capability. That is in conformity with the committee's recommendations. At the same time by earmarking these aircraft, we have prevented MATS from entering into unfair and unnecessary competition with our commercial carriers both cargo and commercial carriers.

Mr. BECKER. That is a very clear statement. This will be a part of the legislative record. Thank you.

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

The CHAIRMAN. The Chair will count. [After counting.] Seventy 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. 80]

Alexander	Chelf	Michel
Alford	Colmer	Mitchell
Allen	Davis, Tenn.	Montoya
Andrews	Forand	Morris, N. Mex.
Ayres	Gilbert	Powell
Bailey	Grant	Rains
Barden	Gray	Roberts
Blitch	Herlong	Rogers, Colo.
Boggs	Jackson	Rogers, Tex.
Bolling	Kilburn	Rooney
Bonner	Lafore	Spence
Boykin	Loser	Taylor
Buckley	Magnuson	Teague, Tex.
Burleson	Marshall	Walter
Carnahan	Martin	Weaver
Celler	Merrow	Young

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, 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. 11998), and finding itself without a quorum, he had directed the roll to be called, when 384 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 Clerk will read.

The Clerk read as follows:

RETIRED PAY, DEPARTMENT OF DEFENSE

For retired pay and retirement pay, as authorized by law, of military personnel on the retired lists of the Army, Navy, Marine Corps, and the Air Force, including the reserve components thereof, retainer pay for personnel of the inactive Fleet Reserve, and payments under the Uniformed Services Contingency Option Act of 1953, $775,000,000.

Mr. KOWALSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to compliment the distinguished gentleman from Texas, chairman of this committee, and the members of his committee for an outstanding job on this legislation and for a most instructive and informative presentation on Tuesday.

As a man who has spent most of his adult life in the Army, I shall, of course, support this important defense legislation. I am convinced, however, that with good organization and good management, we could save $4 to $7 billion annually in our defense establishment.

In my opinion, the Pentagon organizational structure is archaic and the waste in manpower and money is stupendous. I regret I don't have the time to discuss this issue, but I have introduced legislation to provide for a unified defense establishment.

I should like to raise two problems.

In recent days, there has been a great upheaval in Korea where, with sincere sympathy from this country, the Korean people are trying to build a democracy. This democracy, however, hangs on a thread and in a great measure is dependent upon our military protection. In Korea today, we have two divisions. It is no secret that these divisions and our other fighting units in Korea are at 50 to 60 percent strength. There are Korean soldiers filling out another 30 percent but, although these Koreans may be fine soldiers, they are not Americans. Can anyone predict what these Korean soldiers will do when they are faced with domestic strife and conflicting loyalties? I want to assure you that two one-half divisions are not equal to one division. As a matter of fact, their effectiveness may be measured at something between zero and one. A one-half division is as crippled as a man with a broken leg. I was in Japan in 1950 when we rushed our first one-half division into Korea. I know the battalion commander of the initial battalion which had only two of its four authorized companies. That unit was decimated. We are building up to the same deplorable situation in Korea today.

I ask this House how many billions of dollars must we appropriate so that the Secretary of the Army will give this country full strength fighting units on the frontiers of democracy in Korea? I hope that the distinguished gentleman from Texas, who is the chairman of this committee, and the distinguished chairman of our Armed Services Committee, will find a way to prevail upon the Army to give us full strength fighting units on the firing line.

The other problem that I should like to raise concerns our airborne alert. When General Power first brought the proposed 24-hour airborne alert to the attention of the public in February of this year, I questioned its feasibility because of the logistical problems involved and the need for trained men to execute it. I pressed the Air Force for answers to some basic questions but was held off for several weeks with a statement that these answers were classified. Finally, on February 25 of this year, in reply to specific written questions that I submitted, I received the following written replies from the Air Force:

Question. How many aircraft, either in numbers or percentage would be required to be airborne under the plan suggested by General Power?

Answer. One-fourth of the force.

Question. How many additional aircraft above that we now have in operation would be needed to carry out this plan?

Answer. None.

Question. How many crews, in addition to those we now have, would be required to operate the 24-hour nuclear airborne alert?

Answer. Crew to aircraft ratio would be raised from 1.6 to 1 to 2 to 1.

Question. What would be the cost of the additional aircraft required?

Answer. No additional aircraft are required.

Question. What would be the annual cost of the spare parts and operational funds required?

Answer. Approximately $800 million, although this figure cannot be related to specific fiscal year requirements.

Question. What would be the overall cost to implement this plan?

Answer. The cost in fiscal years 1960–61 to attain the capability and implement a one-fourth rate airborne alert is approximately $1 billion.

Question. When would the necessary crews, aircraft, and spare parts be ready to carry out the proposed plan?

Answer. Eighteen months after the decision to provide the capability for an airborne alert. A limited airborne alert may be initiated at any time.

Today this House is asked to appropriate $200 million to procure necessary spare parts to maintain a 24-hour airborne alert if and when one is ordered. In addition to that, $175 million is being transferred from other programs to this program for these spare parts. Now, if the Air Force gave me a correct estimate that it would take 1½ years to make an airborne alert operational from the time the decision is made to put into effect and if, as you and I know, we need additional trained men to maintain such an alert, I question the wisdom of making available $375 million for this program. Even if the 24-hour airborne alert could be put into effect more rapidly than the estimate made by the Air Force, additional spare parts alone will not permit the flying of aircraft 24 hours a day. We need additional men and these are more difficult to get and more time is required to train them than to secure necessary spare parts. But most important, are we wise in putting $375 million into an aircraft delivery program when today we are faced with a disastrous missile gap and need missiles?

Mr. BARR. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I want to join with the last speaker in congratulating the distinguished members of this committee for the work that they have done. I can understand the direction they are pointing the defense efforts of the United States, and I think they are right. I just want to get down to a few questions of fiscal management. I do not think I qualify as any military expert, but I have spent my life in finance and dealing with corporate reports and money. Gentlemen, I tell you as far as the money is concerned, we might as well have printed this report in Turkish. I have great difficulty in determining how this money is going to be used.

If I can direct the attention of the gentlemen of the committee to pages 23 to 26 of the report, which is concerned with fiscal management, in these pages you gentlemen seem to be very upset with the Director of the Bureau of the Budget with reference to his expenditure limitation control. You describe certain steps which you think should be taken to get around these hampering restrictions which you say he is putting on. Gentlemen, if you go through this report, as I read it, it seems to me you are describing a bill which was numbered H.R. 8002 on the floor of this House and which was passed by the 85th Congress. I cannot find anybody, even the gentleman from Florida, who knows the public law number of this bill. But it does seem to me, you are describing an accrual accounting system, a system that describes the flow of defense production and defense dollars from a prior year to the present year and project it into the future. You recognize, I think, in these three pages that you cannot chop off an effort year by year. You cannot cut the tail off the dog in sections. You have to realize it is a tail that flows. It is a production. It is a flow of money. It is a flow of material from year after year after year. Is that not a description of accrual accounting? Would someone care to answer that question for me?

Mr. MAHON. The gentleman is referring to our statement on fiscal management.

Mr. BARR. Yes, sir.

Mr. MAHON. The committee was pointing out that there is a ceiling fixed by the Bureau of the Budget on expenditures for the military services.

Mr. BARR. That is correct.

Mr. MAHON. And this has operated in such a way in some instances so that important programs have had to be canceled because it was necessary to stay within the expenditure limitation, and this has brought about a bad system of management in the view of the majority of members of the committee.

Mr. BARR. I agree.

Mr. MAHON. The committee feels you have to have fiscal responsibility and good management.

Mr. BARR. That is right.

Mr. MAHON. When you have an inflexible expenditure ceiling, you get into difficulties. When you provide funds for important programs and when we ask for money and appropriate money, we believe, generally speaking, the services ought to be permitted to go ahead with these programs for which they have requested funds and for which the Congress has made appropriations.

Mr. BARR. I agree with you sir, absolutely. The Director of the Bureau of the Budget is chopping it off year by year. It is impossible. It seems to me, as I read H.R. 8002 and as I read the testimony and as I read the hearings, that this is exactly what this bill was designed to prevent. It is a system that industry has used since Andrew Carnegie. This is a system that recognizes production is a flow and does not stop arbitrarily on January 1.

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

Mr. BARR. I am delighted to yield.

Mr. FORD. Most of the members of the House Committee on Appropriations opposed H.R. 8002. One of the reasons for that opposition was this imposition of an expenditure limitation which we thought was unrealistic. We also felt that the contract obligation approach was wrong. As I read our committee report and the pages to which you have referred, we also are complaining about an expenditure limitation. I think the report is consistent with the views of the majority of the members of the Committee on Appropriations a year ago when we fought, unfortunately unsuccessfully, against H.R. 8002.

Mr. BARR. As I read the hearings on H.R. 8002 the expenditure limitation was not in the original bill.

Mr. MEYER. Mr. Chairman, I move to strike out the last word and take the floor to raise a few questions. I would like to state my personal position clearly. I would vote any sum necessary for the defense of our country provided I felt the money was going to be wisely and efficiently spent.

But I want to emphasize the fact that I mean the defense of our country. Therefore I would like to read a little from part 7 of the Appropriations Committee hearings and then ask a question of our most competent subcommittee chairman, the gentleman from Texas. The section I would like to read is on page 73 regarding preventive war in which this colloquy took place between the gentleman from Texas [Mr. MAHON] and General Power:

PREVENTIVE WAR

Mr. MAHON. If he launches his missiles, that is about it, unless he has a lot of time to recycle, which he probably would not have. It seems to me as the head of SAC you would face up to what appears to me to be the facts of life—that all you are going to do is try to destroy a few hundred million or more of his people and his industry and completely paralyze him; but as far as hitting his bases generally, there are just too many of them; you cannot be sure of hitting them and he can use them to hit you. You cannot afford to start a preventive war.

General POWER. Let me address myself to that question. I am not advocating preventive war. The mission of SAC is deterrence. I do not think you can deter a war by wishful thinking. It is a real tough job, but I happen to believe it is possible. However, I think you can only deter by operating from a platform of strength—unquestionable strength. If we go on the premise of trying to deter a war, I also submit that you will not deter a war unless you have the capability to start a war.

And this is where I question the principle of deterrence and defense and would like to ask our subcommittee chairman if there is any meaning in these words that have been said that we are going to engage in preventive war or anything of that type?

Mr. MAHON. I would say it is not the desire of the subcommittee to endorse a policy of preventive war or so-called preemptive war.

The object of this bill is to give us such strength through a mixed force of Polaris missiles, bomber strength, strength in the Army, Navy, Air Force and Marines that war will be deterred. One of the elements of deterrence is that should an attack be made upon us we have a sufficient retaliatory power still existing to destroy great industrial and metropolitan areas if necessary; therefore, if the opponent is convinced that this would be the case, then war would be deterred by reason of our capability of launching an indisputable and devastating counterattack.

But we do not want to give the opponent complete assurance that we will sit by with folded hands and submit to destruction without raising a finger in our own defense.

Mr. MEYER. What the gentleman means, quite clearly, is that there is no intention of having a preventive type war.

Mr. MAHON. No intention whatever of preventive war. That is contrary to our national policy.

Mr. MEYER. Then I would like to go to page 8 of the committee report in which this statement is made:

In the final analysis, to effectively deter a would-be aggressor, we should maintain our Armed Forces in such a way and with such an understanding that should it ever become obvious that an attack upon us or our allies is imminent, we can launch an attack before the aggressor has hit either us or our allies. This is an element of deterrence which the United States should not deny itself. No other form of deterrence can be fully relied upon.

In reading that I am wondering who would decide an attack is imminent? To me that is an enunciation of the principle of preemptive war in this particular case.

Mr. MAHON. If an attack is made on us by manned bombers, those bombers would have to be in the air for a period of hours before this country could be hit. We have radar screens and early warning lines as well as information overseas in regard to what is going on in the world. If it becomes obvious an attack is being launched or is in the process of being launched on this country, certainly we have the right and plan, I hope, to have our bombers in the air. They can be recalled if necessary. We do not want to have them on the ground subject to destruction by an attacking force. This is a matter of being on the alert.

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

Mr. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a member of the House Committee on Appropriations who has served a great many years on that committee has contributed invaluably to the results of this bill and this committee report. In addition, he has had a beneficial and widespread impact on every agency and department of governmental activity. It just so happens that today is his 80th birthday.

I speak now of our beloved and respected colleague, the gentleman from New York [Mr. TABER].

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

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

Mr. MAHON. There is no one on either side of the aisle for whom the Members have more respect and affection than for the gentleman from New York [Mr. TABER]. He has a big heart, he has a fine mind, he is an understanding soul, he is a man of the very highest qualities, and has contributed tremendously to the welfare of this Nation over a period of years.

This might be said:

Some call him "Meat-Ax" JOHN,
And that doesn't miss a mile;
But when he is using the ax,
He always tries to smile.

JOHN has carried that ax around with him a long time, but it is a clean, sharp ax. He always uses it to prune the fat, he never strikes the artery and becomes destructive. He is not a destructive Member, he is a constructive Member. I think it is wonderful he has lived to this year. He is not old in any proper sense of the word.

It is a pleasure to join with the gentleman from Michigan and our friends on both sides of the aisle in paying tribute to one of the greatest Romans of them all, JOHN TABER, of New York.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for two reasons, first, to express my appreciation of the great care and judgment that the committee has used in going over this rather vast bill and how well they did it. This picture is changing all the time. They inserted some items and they cut some out in an endeavor to keep our defense up to the minute.

Mr. Chairman, I do wish to present to the House, however, one other aspect that may be of importance. I direct your attention to the hearings on the B–70 program. Mr. Chairman, the B–70 program is not just a plane. It is a gigantic program of aeronautic and scientific advancement. It is a tremendous program.

Mr. Chairman, we cannot stop progress. Progress has got to go on. If we stop progress, we are in for real trouble.

Temporarily the B–70 last year was cut back by reason of the fact that we had had a rather amazing and sudden breakthrough on missiles. Well, we can understand that, but, Mr. Chairman, I suggest that it would be most dangerous to put all of our eggs in one basket, the missile basket, because, of course, it has its limitations even with the great progress that has been made. We have always prided ourselves and we have defended ourselves in our defense posture on being balanced, on being flexible, and we do not dare concentrate on one. Likewise, missiles might be of use particularly in an all-out sudden war, but in various other kinds of wars they may be of less or little use. Presently the Strategic Air Command, with its B–52's and B–58's is a complete and I believe effective deterrent, and has been up until now, and it will be for several years more, perhaps 1963. But, Mr. Chairman, we need something beyond that, and the only way we can get it is now to reactivate the great B–70 program. That is not just one plane of one manufacturer. It is a group of 18 great programs and hundreds of smaller ones. It is not a plane that flies as any other we have ever had before. It may be no larger than the B–52, but it goes three times the speed of sound, 2,000 miles an hour, and can cruise at 80,000 feet altitude. It has terrifying power. It can be over Moscow and back in a short time or can be recallable at any time, which a missile cannot.

Mr. Chairman, last year we took out about $80 million of a $150 million request and cut it back to prototype. Eighty million dollars, of course, sounds like a lot of money. But, Mr. Chairman, as compared to the $40,000 million defense budget it does not seem quite that much, especially when it is the most vital program of all.

Now, there have been some changes happen in the last relatively few weeks. We have had a trend toward an agreement limiting nuclear testing. We have had a trend toward an agreement on disarmament. Can we afford at this time to neglect the progress so far made? The B–70 program, if continued, provides protection and deterrence while negotiating. It is an added force toward achieving such agreement and protection. We would then be negotiating from strength, and consequently this program is needed.

Mr. Chairman, I shall not offer an amendment, but I do suggest and highly recommend to the committee that if the other body in its wisdom should insert an amount to reactivate, that the conferees consider that matter most carefully and, if possible, act favorably.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to extend my remarks in regard to the B–70 at this point in the RECORD.

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

There was no objection.

Mr. MAHON. Mr. Chairman, through fiscal year 1960, the Congress has provided $723.6 million for the B–70 program. This included $345.6 million in fiscal year 1960. The executive branch has, however, reduced the fiscal year 1960 program to $150 million, a reduction of $195.6 million in the funds provided by the Congress. In other words after Congress had appropriated the money the program was cut back in this sum by the Department of Defense. The bill now before the House approves the budget estimate of $75 million for the continuation of this program in fiscal year 1961. The funds provided in the pending bill support a production program of two prototype airplanes but they do not provide support for a weapons system, except to a very limited degree, for the airplane. The Air Force had sought for fiscal year 1961 for the B–70 a total of $456 million.

Mr. HARRIS. Mr. Chairman, will the gentleman yield for a question?

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

Mr. HARRIS. The gentleman will recall that I spoke to him yesterday with reference to attempting to clarify a point that is in the committee report. I refer to page 18 of the report. This is in connection with the matter of mobility in military operations. I refer to that part of the report just before the last paragraph, the last sentence in the paragraph in the middle of the page, in the matter of the procurement of airlift. It is stated in the report that:

> It is not the intent of the committee that this limitation should in any way destroy or eliminate open competitive bidding, but rather that only those who actively participate in the CRAF program should be eligible to bid.

The point I should like clarification on is this: Could this be construed that it would be mandatory that such procurement would have to be by competitive bid?

Mr. MAHON. I should like to say to the distinguished chairman of the great Committee on Interstate and Foreign Commerce that it is not the intention of the Committee on Appropriations mandatorily to require or preclude competitive bidding for the procurement of air transportation.

Mr. HARRIS. I felt sure that was what the committee had in mind, but I was somewhat fearful that with that sentence as it is, without clarification, it might be construed as some indication that it was absolutely a requirement when, as the gentleman and I am sure his great committee know, there are many instances when such competitive bidding would not even be available; and it would not be necessary in the public interest to provide the Armed Forces with what they need.

I thank the gentleman for clarifying that point.

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

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

Mr. MONAGAN. As I understand it, one of the criticisms of our Armed Forces by certain generals is that we have not given sufficient attention to conventional arms, so to speak. I should appreciate having the gentleman's opinion on that point as it bears on this appropriation bill.

Mr. MAHON. It is true that the ships of the Navy are getting old, the airplanes of the Air Force are getting old and the weapons of the Army and Marines are getting old. Each year we have been providing certain funds for modernization. Last year we provided certain funds for modernization of the Army, which were not used. We are providing in this bill twice as much money, I believe, as was requested for procurement of a modernized version of the Army rifle, for example. We have a long way to go. This bill takes a partial step. It is true that we are not sufficiently modernized in the forces.

Mr. MONAGAN. May I ask the gentleman if that applies to these so-called brushfire wars, our capacity to fight them?

Mr. MAHON. Limited war is one of the fields in which we need more modernization. We provide in this bill $250 million above the budget for airlift for our strategic forces.

I think this is one of the most significant moves towards modernization that we could make. With the weapons you have, if you cannot get to the point of danger in a hurry you do not have modernization. We also have provided funds otherwise for modernization of the various services.

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on Tuesday we discussed in detail the defense appropriation bill itself. Our committee report accompanying this bill should be carefully read by each Member of Congress. Our subcommittee chairman, the gentleman from Texas [Mr. MAHON] in his opening statement certainly laid to rest much of the misinformation circulated by some so-called defense experts during the past year. I would like to comment further on the debate which flared up earlier this year on the so-called missile gap. The people who have raised the cry of missile gap make this strategic assumption: The national security of the United States in the decade of the sixties should be based upon matching Russia ICBM for ICBM. Incidentally, the logic of their arguments parallel the logic of the arguments of those conventional warfare proponents who assert that the United States should match Russia division for division. The only difference between the two is that the ICBM school is going to put all their eggs in the ICBM liquid-fuel missile basket, while the conventional warfare proponents are going to put all their eggs in the manpower basket.

Mr. Chairman, I do not deny that there is a gap. But it is a commonsense

gap, as one commentator noted. It is a gap in the ability of some persons with splintered vision to see the whole, total picture of our military might. It is a tendency of those people to isolate integral parts of overall strength.

In the speeches on Republican policy given on this floor last January, and recently published in the booklet "Meeting the Challenges of the Sixties," I think the gentleman from California [Mr. WILSON] has appropriately summed up how the negative attitudes of this group of critics play into the hands of the Soviet strategy.

He said:

> Guided by their protracted conflict strategy, the Russians have achieved an amazing integration of a variety of efforts. While they are concentrating and coordinating their own efforts, they seek to keep our own efforts splintered and divided. They do not want us to relate our space effort to our economic effort, or our political effort to our military effort. They try to induce this splintering of our effort by a series of alternating challenges. * * *
>
> In every case, certain groups in America panic into the Soviet trap and demand a crash, rash program with some short-range, narrow goal. In almost every case, this crash program would be merely copying or duplicating one particular temporary instrument in the pattern of Soviet challenges.

Fortunately, with the leadership of President Eisenhower, Vice President NIXON, and Secretary Gates, America is not going to fall into this Soviet trap. As Secretary Gates wisely noted in an April 25, 1960, speech before the annual meeting of the Associated Press:

> The program of the Department of Defense is not created in isolation, but is a principal segment of our total strategy and total national policy. Today this strategy and policy include factors that are political, economic, and psychological, as well as military. A purely military peacetime decision is rare.

The administration starts with the strategic assumption that the United States is doomed if she commits herself to matching the weapons of war chosen by the Soviet Union as most advantageous to the Communist block, and least advantageous to the free world. The matching game is purely to the advantage of Russia. It is defensive—totally devoid of the initiative. It entirely plays into the hands of the Soviet Union, by getting us the least national security for the most money spent.

What is the policy of the administration? It is the policy of basing our national security upon a mix of weapons, where we—not Russia—set the priorities of their relative importance. Mr. Speaker, it is this mix of weapons, skillfully combined with our solid alliance systems, our superior geographical position, our greater industrial power, and our more flexible, healthy economy that puts us in an enormously better national security posture than that of the Soviet Union.

If we continue skillfully to employ and develop this mix of weapons, these free world alliances, our superior geographical position, our mighty industrial base, and our free enterprise economy—then we can rest assured that throughout the 1960's we shall remain far superior to Russia. We shall maintain real deterrence, provided of course irresponsible critics do not destroy our national confidence in that deterrence. And our strategic striking force will continue as an ever-present restraint upon the unruly ambitions of the Kremlin.

Let me review the components of our strategic striking force:

B–47, medium range jet bomber: The B–47 has a range of over 4,500 miles without refueling and is capable of air-to-air refueling. Its speed is faster than 600 miles per hour. There are over 1,500 B–47's in service, based in the United States and abroad.

B–52, long-range jet bomber: The late model B–52 has a range of 8,000 miles, a speed faster than 600 miles per hour, can carry many nuclear weapons, and can deliver more destructive power than all ICBM's on Russian launching pads as we started our 1961 hearings. We have 450 now in the service and more are in production. There are more than 45 SAC bases for B–47's and B–52's in the United States, and more than 25 overseas.

Hound Dog, air-to-surface missile: Hound Dog missiles have entered the operational inventory this year. Hound Dog is launched from a B–52; has a speed of over 1,400 miles per hour, and a range of about 600 miles. It can be fired while the bomber is far outside the local defense area. The energy released from one Hound Dog is dozens of times greater than that expended against the V–1 and V–2 launching sites during World War II. This missile will soon be followed by the Sky Bolt air-to-surface missile with a greater range and larger warhead.

Naval attack aircraft: We now have 1,000 naval jet attack aircraft, with some 200 at sea in mobile carriers in the Mediterranean, and Western Pacific. They are capable of carrying one or more nuclear weapons each.

Air Force tactical aircraft: There are now more than 1,000 Air Force tactical aircraft deployed overseas, within striking range of profitable targets in Communist countries. Each aircraft is capable of carrying one nuclear weapon.

Mace, intermediate range guided missile—pilotless jet aircraft: The Mace has a speed of 600 miles per hour and a range of 700 miles. It was deployed to Europe in 1959. By July we will reach our goal of two squadrons in Europe and two in the Pacific. Mace replaces the Matador missile, which has been deployed overseas since 1954.

Snark, long-range guided missile—pilotless jet aircraft: The Snark's range in over 6,000 miles, its speed is 600 miles per hour. It reaches a target at this range in 10 hours. We now have an operational wing based in the United States.

The explosive power from one Mace or one Snark greatly exceeds the total expended by bombing against all Axis military targets in Europe during World War II.

B–58, medium-range jet bomber: Our program calls for over 100 B–58's operational. They have about the same range as the B–47, but can reach speeds of over 1,500 miles per hour. They are refuelable in the air. B–58 aircraft are now being introduced into SAC units. The first complete operational wing will be in the inventory by June 1961. Personally I did not favor funding in the amount of $750 million in fiscal year 1961 for the B–58. My position was to move on to the B–70 and bypass this B–58 bomber. A majority of the committee, however, favored continuing the B–58.

Atlas, intercontinental ballistic missiles—ICBM: The Atlas has a maximum range greater than 8,000 statute miles and is now operational. The later Atlas sites, as well as the Titan and Minuteman sites, will be hardened to withstand all but a direct hit by a nuclear weapon.

Polaris, fleet ballistic missile: The Polaris missile has a speed of 10,000 miles per hour, an initial range of 1,500 miles, and can be fired from either surfaced or submerged submarines.

Polaris, launching submarine: The first operational Polaris sub will be ready this year. The Polaris sub is nuclear powered and carries 16 missiles.

Titan, intercontinental ballistic missile—ICBM: Titan is expected to be operational by summer, 1961. Plans call for 140 Titans in the operational inventory by early 1964, all based in the United States. The Titan has a range of greater than 8,000 miles.

Minuteman, intercontinental ballistic missile—ICBM: The range of Minuteman will be 6,400 miles and the speed will be more than 15,000 miles per hour. As a solid fuel missile, it will be ready to fire on a moment's notice, and could be fired from a hardened site or mounted on rails. It will be lighter, smaller, and simpler than Atlas and Titan and will first be operational in 1962.

Sky Bolt, formerly known as air-launched ballistic missile: The development of Sky Bolt was initiated in late 1959. Present planning aims at an operational date of 1963. It will be launchable from a B–52. Sky Bolt is planned to have a range of 1,000 miles.

BMEWS, Ballistic missile early warning system: BMEWS is a network of superradar installations designed to give 15 minute warning in case of a surprise ICBM attack. The central station in Greenland will be finished in 1960. An Alaska station is due next year. And a third will be constructed in Britain.

Quail, air-launched decoy missile: Quail decoy missiles are entering the operational inventory this year. Quail can be launched from a B–47 or a B–52. It has a speed of more than 600 miles per hour. Before entering an enemy's radar net, it will be launched as a diversionary tactic.

Because of time limitations, I will not discuss the nuclear striking capability of our allies—the present striking power of the United Kingdom and the growing IRBM capability as Thor and Jupiter missiles are deployed to the United Kingdom, to Italy, and to Turkey.

I do want to sum up our limited war capabilities:

Fourteen Army divisions, of which 7 are deployed in Europe and Korea, and 1—slightly reduced—is in Hawaii. Three strategic Army corps divisions are

maintained in a high state of readiness in the United States.

Four fleets of Naval alert forces prepared for any eventuality from showing the flag to general war operations. These fleets include 14 attack carriers, 9 antisubmarine carriers, 13 cruisers, 237 destroyer types, 115 submarines, 82 mine craft, about 7,000 operating aircraft, and the highly trained and ready Fleet Marine Forces. These latter forces consist of 1 division-aircraft wing team based on the east coast with at least one battalion landing team and supporting aviation afloat in the Mediterranean, one division-aircraft wing team based on the west coast and a third division-aircraft wing team based in the western Pacific.

Thirty-four tactical Air Force wings, equipped, trained, and ready for combat, of which 2 tactical bomber wings, 9 tactical fighter wings, 3 tactical reconnaissance wings, 4 troop carrier wings, 5 tactical missile squadrons, and 18 air defense fighter interceptor squadrons are deployed overseas. Seven tactical fighter wings are located in the United States available for deployment anywhere needed.

Some 200 allied divisions with essential supporting air and naval forces. These forces have been or are being supported in some degree by our military assistance program.

Mr. Chairman, I have outlined briefly part of our "mixed" deterent force. The point every Member of Congress should bear in mind is that the number one issue facing America is not spending additional billions on defense as recommended by the Democratic advisory council. The No. 1 issue facing America and the world is working out an international agreement with ironclad inspection and control provisions so that these modern weapons will never be used. President Eisenhower has designated this as the No. 1 task as we face the future.

Mr. KING of Utah. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when the Committee on Appropriations and its subcommittee headed by the gentleman from Texas [Mr. MAHON] proposed the drastic and abrupt cutback in the Bomarc missile program, it obviously did so in the belief that the cut would prove a sound and necessary economy in the defense program.

I want it clearly understood that I applaud the committee's desire to give this Nation the most and the best defense which our expenditures will provide. I fully agree with the general principle that when weapons systems decline in importance to our defense arsenal, or fail to meet an acceptable standard of reliability, they should then be supplanted by systems which demonstrate a greater capability and reliability in repulsing a possible enemy, and that, as the new systems are implemented, the older systems finally must be discarded entirely.

This, of course, is the principle and the practice on which a sound defense is built. We possess true deterrent strength only as we keep our weapons systems capable of matching and overpowering the ever-changing and ever-improving weapons of every potential attacker.

What concerns me in this debate is the policy we follow, and the methods we use, in discarding certain weapons systems by downgrading their priority in the national arsenal and phasing them out.

I strongly oppose the contention that the drastic and abrupt cutback proposed on the Bomarc represents sound economy.

I recently devoted a week to an inspection tour of Utah missile installations for the Committee on Science and Astronautics, of which I am a member. That trip clearly confirmed for me a conviction I had reached earlier in my committee work and hearings on our space and defense efforts.

That conviction is this: What our defense program needs—and what I strongly advocate—is a carefully planned policy of orderly phaseouts. Sudden and precipitous phaseouts—made with no more warning than we have had on this proposed Bomarc slash—inevitably do serious injury to the industries, the communities, and the skilled manpower upon which we must depend for the ultimate success of our defense effort.

In the mushrooming technological age in which we find ourselves desperately striving to maintain the balance of power and preserve the peace, our skilled manpower—our scientists, engineers, and laboriously trained technicians—represent, in my opinion, the Nation's greatest defense resource.

I am convinced that any temporary economies which are gained by sudden and unplanned phaseouts in weapons programs are more than wiped out by the economic hardships and dislocations which the cuts inflict upon the industries and the individuals involved.

A case in point is the Ogden plant of the Marquardt Corp., which is producing Ramjet engines for both Bomarc A and Bomarc B missiles.

The Ogden plant employs 1,740 men and women. Four hundred of these men received specialized training at courses provided at one of Utah's major universities, which courses were sponsored by Marquardt. Many of these men received training in specialized skills, the general need for which is somewhat limited. I was told, for example, that Marquardt employs 40 precision grinder operators and that each one required a minimum of 7 years of intensive training to reach his full proficiency.

I am told that Marquardt was encouraged by the Air Force to locate in Ogden, Utah, in 1957, and to make every effort to get into production as quickly as possible. For that reason, Marquardt deliberately refused to broaden its production base, and to achieve the versatility and diversity in its program which sound business planning might otherwise dictate, in order to reach its immediate production goals in the least possible time.

I want to note that Marquardt clearly achieved its production goals. It has achieved the enviable record, I am told, that it has never missed a production schedule, and has never had a product failure after delivery.

Are we going to reward this kind of remarkable and invaluable service with a sudden and drastic cutback which disrupts the defense team which made that record?

Marquardt's impact on the local economy was profound. The U.S. Chamber of Commerce has compiled figures as a result of intensive investigation, showing the economic impact which the employment of 100 new men would have on a given community. These figures show how disastrous it would be if the direction of this impact were suddenly reversed. It will be noted that through the multiplier effect of the dollar, the economic influence resulting from the employment of 100 new men fans out, until there is scarcely a person in the community who is not at least indirectly benefited.

I set forth these interesting figures in the following tabulation:

Impact of 100 new factory workers on community: 296 more people, 112 more households, 107 more automobiles, 174 more jobs, $590,000 more personal income per year, 4 more retail establishments, $360,000 more retail sales per year.

Suffice it to say that the unorderly phaseout of a program, without proper planning in advance, would have the following serious consequences:

First. Because of the reverse operation of the multiplier effect of the dollar, the economy of the community would be particularly hard hit. For every man discharged, as many as five or six other men would suffer. School programs, civic improvement programs, and many other programs which were undertaken on the strength of the reasonable expectation that employment would remain high, would of necessity be abandoned. All of this creates bad feeling and poor relations for the Department of Defense. At the same time, the morale of the skilled workers affected by the cuts is seriously injured, and these capable workers are discouraged, sometimes permanently, from continuing in defense work.

Second. Excellent working teams are broken up, to the detriment of our defense effort. I was told that it takes $400 to employ an unskilled worker, and $1,400 to employ a skilled worker. It takes many months, and sometimes years, to train such skilled workers and scientists, and to develop scientific teams. When a sudden cutback is effectuated, these teams are disassembled and the Nation as a whole suffers.

At the time of my visit, this plant and its management were proceeding on the assumption that the production of their Bomarc components would be phased out on an orderly and reasonable schedule. It has been announced shortly before that the Bomarc program would be so phased out as to require the cessation of Ramjet engine production by the Marquardt Corp. after the second quarter of 1962, instead of the final quarter of 1963, as was originally estimated. This was bad enough, but when the Committee on Appropriations announced an

almost immediate phaseout of Bomarc B, I felt that it was going too far. All in all, the situation posed by this proposed cutback is very unsatisfactory. It would mean that some 1,700 skilled workers would soon be out of work in Utah alone. It is not likely that all of them, or even most of them, will find jobs which fully utilize their particular skills. It is apparent that the closing of Marquardt will have a damaging effect upon the economy of Weber County. It should also be noted that much experience and technology which the U.S. Government has paid for in the past will be lost to the Government.

In conclusion I would like to emphasize that when a defense plant closes its doors or suffers a sharp and unexpected cutback, the economic hardships which result injure not only the company itself, the community, and the employees, but also the national economy and the defense effort. I am convinced that the Congress and the Federal Government should work diligently in the development of a policy which replaces sharp cutbacks with orderly phaseouts based on careful planning. I feel that our defense program should make every effort to avoid disrupting long established working teams and closing down installations, and should concentrate instead upon integrating these plants and these people into new defense programs as the older and no longer useful programs are phased out. At the same time, the Department of Defense should work very closely with its contractors so that they are kept continuously informed about the evolution of the programs in which they are engaged. The plant owners should be encouraged to broaden and diversify their production base and to build flexibility into their plants, so that they help to cushion themselves against the phaseouts and cutbacks which must inevitably arise from the fluid and dynamic nature of our defense effort. I also feel that Department of Defense and NASA should be encouraged to work more closely together so that when a particular military program is phased out, careful consideration is given to the utilization of the existing utility in the expansion of our civilian space program.

Above all, I feel that Congress should avoid making any drastic and unplanned cuts that would cause unnecessary damage to our defense effort.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I understand the Appropriations Committee has called for a reduction of 3,000 to 4,000 Department of Defense employees in the Washington area.

Mr. MAHON. If the gentleman will yield, in excess of 3,000 in departmental headquarters; not headquarters, but departmental headquarters.

Mr. GROSS. I want to commend the committee on its insistence that personnel be reduced, but at the same time I want to point out that you are not going to accomplish anything if you are simply going to turn around and appropriate the money for the Defense Department and the various Military Establishments to hire consultants and management experts. You are going to defeat the purpose of the reduction; there will be no economy and no saving to the taxpayers.

Mr. MAHON. It, of course, is possible to discharge employees and do the work by contract, and when you do the work by contract the number of employees does not appear on the record. By reason of that fact, we have warned the Department that the work done by these employees who may be removed from Federal employment shall not be done by contract. We have asked to be kept advised of developments in the field of such contracts.

Mr. GROSS. I would like to cite a few examples of this contract business and for which millions of dollars, and I do mean millions of dollars, are being expended.

Here is a $95,000 contract to the firm of Booz, Allen & Hamilton for a study of the adequacy of existing Army and Navy ammunition facilities. Does anyone on the Appropriations Committee or anyone on the House Armed Services Committee mean to tell me that we do not have competent personnel in the Army, Navy, and Marine Corps ordnance divisions to determine the adequacy of the ammunition terminals in this country?

Then the Institute for Defense Analyses, $5,465,000 to make various scientific and technical studies and evaluations for the Defense Department.

What is the Institute for Defense Analyses—IDA? It was organized as a nonprofit organization in April 1956, with the California Institute of Technology, Case Institute of Technology, Massachusetts Institute of Technology, Stanford and Tulane Universities as sponsors on the original request of the Secretary of Defense. On page 182 of the hearings the statement is made that one of the reasons IDA was organized was to enable the salary of individuals to be set on the basis of their stature, seniority, and degrees, rather than on the basis of the grade into which their job descriptions would fit in the Classification Act.

Mr. Chairman, this appears to be an excellent example of one agency creating an outside group to avoid our civil service rules and regulations to hire employees to perform work normally done within the Federal Government with career civil service employees.

Let us look at a few of the salaries IDA is paying:

2 employees	above $30,000
13 employees	$25,000–$29,000
35 employees	$20,000–$24,000
79 employees	$14,000–$19,000

With a total employment of 241 employees, this defense contractor has 53 percent of its personnel drawing annual salaries equivalent to and even above the rate of pay of classified supergrades. Can it be that these people, with these high salaries, are that much more qualified than our career Government scientists and engineers? I doubt it.

Likewise does one wonder why we are always trying to recruit scientists and engineers for the Federal Government? The Federal departments and agencies are merely subsidizing contracts and allowing such contractors to draw from the Government.

Current Air Force contracts for consultants

Ernst & Ernst	$138,700
J. E. Southerland & Co	165,000
Touche, Nevin, Baily Industries	182,326
Benton & Bowles	322,000
Booz, Allen & Hamilton	288,885
Geo. Technical Corp	236,882
Western Electric	63,000
Various engineering firms (military construction)	1,599,000
Various engineering firms (military construction)	540,800
Total	3,564,930
Rand Corp	13,500,000
ANSER	900,000
MITRE	10,000,000
Space Technology Laboratory	6,390,000
Total	34,354,930

Here is the Rand Corp. which started in 1956 with 5 people. They now have 900 people. Its purpose is to make broad area studies for the Air Force in the theoretical field. It has no laboratories and produces no hardware.

The Rand Corp. was established through the assistance of the Ford Foundation. The amount being spent by the Rand Corp. has doubled in 5 years from $6,500,000 in 1955 to $13,500,000 in 1960.

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

Mr. GROSS. Mr. Chairman, I ask unanimous consent to address the House for 5 additional minutes.

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

There was no objection.

Mr. GROSS. Mr. Chairman, here is the Peat, Marwick & Mitchell Co. with a $49,145 contract. Its purpose is to design budgeting, funding, and accounting systems in the Army Ballistic Missile Agency.

Now our Manpower Utilization Subcommittee, a subcommittee of the House Committee on Post Office and Civil Service, in its study of the financial management program of the Department of Defense found the Army on the 30th of June 1957 had 38,500 people working in the financial management function of the Department of Defense. In fact, the Department of Defense reported over 104,000 people were working in financial management in all branches last year. Yet the Army had to go outside the Federal Government to find experts to develop a budgeting and accounting system.

The next example is RCA with a $1,400,000 contract to develop concepts and systems for improving the processing of intelligence. The Army has four contracts with local universities:

Johns Hopkins	$4,400,000
George Washington	2,550,000
American	350,000

That makes a total of $7,300,000.

The purpose of these contracts includes such things as research on logistic systems, wargaming, manpower resources, industrial preparedness, and to develop new training methods and devices.

Mr. Chairman, I would appreciate knowing why the Army or any military department, for that matter, feels it is necessary to contract out a study of its manpower resources or to develop training programs?

Here are some examples of Navy contracts:

First. Method Engineering Council, $186,000 to train personnel and make pilot installations.

Second. Serge Birn Co., Inc., $152,000 to train personnel and make pilot installations.

Third. Design Service Co., $92,573 to review stock records and inventories aboard ships.

Fourth. Cresap, McCormick & Paget, $58,000 to postaudit the production, planning, and control program in the naval shipyards, established several years ago by this same management firm.

These are only a few such contracts on management. Every Navy Bureau has a large staff for management analysis. In fact, the Navy Department's Office of Navy Management has grown from a staff of 8 in 1953 to a present staff of 71 of whom 13 are GS–15 and above.

I also note on page 179 of the Appropriation Hearings, Part 7, that Navy is paying a college professor $4,200 to conduct 60 classes in management development—60 classes. At $70 a lecture the professor is doing very well.

Likewise the Navy has hired an expert at the rate of $53 per hour to teach what? Effective writing. At $53 per hour.

Again one wonders as to the reason why such jobs are contracted out. The Navy certainly has among its hundreds of thousands of employees someone qualified to teach writing and to speak on management.

Again in part 7 of the hearings of this subcommittee, we find that—

Headquarters, U.S. Air Force, hired a self-employed portrait artist, the wife of an Air Force officer, at $50 a day to do two portraits for the Air Force Academy collection.

The Air Force Academy employed two experts to explain the latest merchandising procedures, philosophy of merchandising, and efficient sales and operation of the cadet sales store.

Headquarters, Air Materiel Command, employed a retired chief supply officer as a consultant at $40 per day to counsel civilian employees concerning retirement plans and to prepare employees psychologically for retirement.

Mr. FORD. Mr. Chairman, willl the gentleman yield?

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

Mr. FORD. The gentleman from Iowa has been reading from part 7 of the subcommittee hearings.

Mr. GROSS. That is correct as to part of the examples I have cited.

Mr. FORD. That is an indication that the subcommittee was alert to this problem, had gone into it; and I can assure the gentleman that we intend to put pressure on the Department to see that the examples he has given are not repeated and duplicated in the future if we can possibly accomplish that result.

Mr. GROSS. Let me suggest to the gentleman that there is just one way to meet this situation: It is to give those responsible one clear warning and if they fail to heed that warning cut them off; take the money away from them.

Mr. FORD. I agree.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I take this time to propound a couple of questions to the chairman of the subcommittee.

By way of background I would like to say that I was very much interested in the statements of the gentleman from Mississippi the day before yesterday concerning Russia's armed forces. It was to the effect that a soldier in Russia also works in the productive area and therefore is not a drag on their economy. That certainly is true. I recall also the fact that in the European countries for many years military strength was maintained by keeping a heavy proportion of the population subject to military call. That was part of their Reserve program. We also have a Reserve program in this country. Having a Reserve group of active reservists is one way by which we can keep a large portion of the armed services from being a drag on the economy. A reservist works 40 hours per week and contributes goods and services to our national gross product and perhaps pays more income taxes than it costs for his training. Drafting more men instead of using reservists to the maximum extent possible is wasteful of the money and time spent on training the soldier.

I have an article here from the Des Moines Tribune of March 22, 1960, and I would like to quote from this article:

> Officials at Fifth Army Headquarters here contend that the Army doesn't have enough money to keep in Reserve units all men with military obligations.

It also says:

> Col. Humbert J. Versace, an Assistant Chief of Staff of Fifth Army, said the Army just doesn't have the funds to maintain large Reserve units.

Further on in the article it says:

> After an inductee is discharged, the National Guard has 60 days to sell him on joining the guard.

The National Guard is another form of the Reserves.

The article goes on to say:

> Lt. Col. Junior F. Miller, administrative assistant to the guard, says:
>
> "We have room for some men now, but when we go out to see a prospect who was recently discharged, we get the cold shoulder.
>
> "He knows his buddy down the street who got out last year hasn't done a thing, and he still isn't in the Reserve. So he ignores us."

I am pointing out wherein the Fifth Army Reserves at least are not up to what they could be. A reservist, of course, can replace a man who is in the Regular Army or who would be drafted for the Regular Army. To the extent reservists can be used there will be a reduction in the number of new men to be drafted and trained in order to maintain the desired manpower strength. I would like to ask the chairman of the subcommittee if it is true as alleged by these Army officials that there has not been enough money in either the present fiscal year or there would not be enough in the next fiscal year to maintain the Reserves at the necessary strength?

Mr. MAHON. The committee for the last several years has been providing additional funds above and beyond the amount requested by the President for the Army Reserves and for the National Guard.

At the top of page 5 of the report we point out that among the additions recommended by the committee is the following:

Army National Guard and Reserves, to maintain the respective strengths at 400,000 and 300,000, rather than 360,000 and 270,000 proposed in the budget, we added $105.4 million. Of this money something in excess of $53 million is provided for the Reserves. It is felt that with these additional funds above the budget a reasonably effective job can be done for the Reserves. Last year we took similar action in providing for the current fiscal year.

There may be some shortage of funds here and there but, generally speaking, insofar as I know, the fiscal needs have been reasonably well met for the Army Reserves.

Mr. SMITH of Iowa. You have furnished them with more money than they have requested?

Mr. MAHON. Fifty-three million dollars more for the Reserves than requested by the Secretary of Defense and the Bureau of the Budget.

Mr. SMITH of Iowa. There will not be a shortage of money as alleged by some of the Army officers?

Mr. MAHON. The gentleman is correct.

Mr. KNOX. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in the interest of safeguarding our Nation's security, I feel constrained today to inquire further into the crucial question of the virtual deletion of the Bomarc missile appropriation. This is the ground-to-air missile that proffers greatest security to our cities and communities against air attack. I have read the report of the committee and it appears to me that the committee action of drastically reducing the appropriation for this meritorious project is premised on the fact that the committee is not satisfied that the Bomarc B missile has been thoroughly tested and that it could not be used as a primary weapon in the defense of the United States.

It is obvious that some of the defense missiles that we have today have had a record of some failures in testing. They have not all functioned properly all the time. But if we have now gone as far with the Bomarc program as we are going to go and we now hastily abandon it, the launching pad structures built originally for defense will stand deserted on the horizon like the monuments to Eva Peron in the Argentine—mounds of concrete and buildings—in time to be demolished.

In evaluating the wisdom or lack of wisdom in this ill-considered decimation

of the Bomarc program, we must remember that President Eisenhower—our Nation's foremost defense authority—recommended the appropriation of $421.5 million to further this urgent program.

I am concerned because of the many reports I have read about the lack of understanding and knowledge of the need for strengthening the Bomarc program on the part of certain self-designated military experts who are in authority with respect to legislative matters affecting the defense program. But in the face of the compelling facts demonstrating the need for this program we find today that the Appropriations Committee handling this program has decided that it will delete all of the funds with the exception of $50 million which would be limited in use for development, tests, and evaluations—a policy of procrastination and postponement.

Mr. Chairman, it would seem to me at this particular time that if there was justification for the appropriations committee only 2 years ago to make recommendations to the Congress for the construction of these bases for the Bomarc missile, then there must be today sound justification and genuine defense need to continue the testing of the missile and to make the necessary launching pads available so the missiles may be made operational at the time they may be needed for the defense of our country. The only way in which this argument can be refuted is to demonstrate that the missile has proved inadequate or that it is now obsolete and the facts and record do not do this.

We have had military installations that have become obsolete and in the interest of effective utilization of our defense dollar that is taken from our taxpayers, I have supported all endeavors to keep our military procurement directed to purchase of the most up to date materiel and equipment. In fact, we have one Bomarc missile base that is now under construction that was planned to replace a gun site installation of the Army. This gun site should have been eliminated, because the weapons employed there were obsolete insofar as being an effective defense installation is concerned in the light of today's weapons. This Bomarc missile installation was brought in for the urgent purpose of protecting a prime target against which a potential enemy might throw its entire force in order to impair seriously our military potential.

I certainly do not want to be responsible or feel in any way responsible for the deletion of a program in the missile field, with all of the propaganda that has been spread through the press by the political demagogs that the United States of America is lagging in the field of defense as far as missiles are concerned.

It has been proven day in and day out that as far as the missile program is concerned, we have had failures in every category of missile development. This is not only true of the United States but is also true of the Soviets. But, do we stop? No, we do not. Our people resolutely continue in the determined effort to protect our soil and the American way of life against the threat of Communist encroachment economically or militarily; the people that have dedicated themselves to the security and defense of the United States. I think it is past time that the statements about the missile lag are withdrawn or that this Congress should take a positive position and come forward with constructive legislation as recommended by our Commander in Chief in the field of developing those missiles which are necessary for the defense of the United States of America. The Bomarc missile is in this category. It is my hope the Air Force will not abandon progressing with existing Bomarc projects pending the further and more adequate consideration of this matter by the Congress. We cannot defend our citizens on an on-again off-again basis. At this point it is evident that reliance must be placed on the other body to correct this unwise and unwarranted House action.

Mr. PELLY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not a member of the Committee on Appropriations, therefore, heretofore I have not taken any active part in the debate on H.R. 11998.

However, I would like the record to be clear as far as the action of the committee in cutting funds for the Bomarc B procurement is concerned. I have full confidence in this missile and believe that we have some moral commitments as far as Canada is concerned, so that it seems to me the committee has been unnecessarily drastic in its action.

Last year, Mr. Chairman, I stated that I believed that laymen such as myself should be guided by the military experts. I said this when the Bomarc B appropriation was under discussion on this floor. I will still say it and I am most unhappy that the committee saw fit to depart from the Air Force request as adjusted. I should add, however, that I know that the members of the Appropriations Committee did what they believed proper and I am not going to introduce an amendment because I feel that this matter will come up when H.R. 11998 is considered by the Senate.

In other words, Members of the House certainly are inclined to go along with the bill as reported out of committee and I am sure that with no further statement on the part of the Department of Defense, if I would put in an amendment it would be beaten here in the House.

My thought is that when the Air Force and the administration has an opportunity to testify at the other end of the Capitol they can appeal from the decision of the House and then if the members of the other body agree with me and add funds for Bomarc B procurement as well as research, then in conference the matter can be adjudicated. In order to include in the record the fact that the Bomarc B has been successfully fired, I include the following article from the Boeing Airplane Co.'s house organ.

BOMARC B LOGS LONG TEST FLIGHT OVER EGLIN RANGE

Bomarc B logged its longest test flight to date Wednesday, rising from a Santa Rosa Island launching pad and roaring 170 miles over the Eglin Gulf Test Range in Florida.

The flight was described as completely successful by Robert J. Helberg, Bomarc program manager. It lasted for the full scheduled program and accomplished all of the scheduled maneuvers, including range, Helberg said.

The missile was destroyed on command after it had fulfilled its test objectives.

"The success of this flight is the testimonial to the good work done by all people associated with the program," said Helberg.

It was announced by the Air Force that the test was to evaluate rocket and ramjet performance within a specific test plan. No target was used in the test.

The advanced Bomarc's solid propellant rocket powered the supersonic missile to a cruising altitude above 60,000 feet. Helberg said the successful maneuvers included the Bomarc's making a transition from high to low altitude cruise. Wednesday's flight of the B inaugurated brand-new research and development range facilities at Eglin AFB. Bomarc had the honor of being the first missile to be fired using these particular Eglin Gulf Range facilities.

Mr. DIXON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the gentleman from Illinois and the gentleman from Washington have expressed very well my feelings. I am pleased to see that the committee has an open mind with regard to the Bomarc. The record shows that the chairman says that this does not end the Bomarc, that the other body can work its will; also, that there are investigations and studies that will go on. I appreciate that open mindedness as I do the other fine things the committee has done. I know that they are sincere in their convictions. I feel, however, that from the statement of the committee report in which they say that the tests have not established confidence in the missile, recent developments should call for a change in this position because on April 13 we did have a 100-percent successful test of this missile.

I am taking this occasion to read from a letter which the gentleman from Florida [Mr. SIKES] put in the RECORD the day before yesterday. He quotes a letter from the commanding officer at the Eglin Air Force Base. First let me say that the Bomarc A is already in production. We do not want you to think that the Bomarc A is not in production and successful although it has not the speed nor the range beyond 200 miles, which the Bomarc C has.

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

Mr. DIXON. I am glad to yield to the gentleman.

Mr. SIKES. I think the gentleman would also like to have it pointed out that the Bomarc A is not only in production, but it is in place at certain bases in this country. The program for carrying on the Bomarc A system is not affected or threatened. Five bases are either in being or in preparation at this time and all five will soon be in operation.

Mr. DIXON. I thank the gentleman for that additional information. Now I read from the letter from the commanding officer of Eglin Air Force Base which the gentleman placed in the RECORD:

The first attempt to fire a Bomarc-B at the air proving ground center was made on April 13, 1960.

That is since the hearings were had by the committee.

The launch was successful and the missile performed a simulated interception with the desired flight profile. Launches will be resumed in May 1960, after completion of additional work on the Eglin Gulf Test Range.

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

Mr. DIXON. I yield.

Mr. SIKES. I am glad the gentleman is taking this time to make it clear to the House that the action of the committee does not in any sense represent the end of the Bomarc–B program. There is in the bill $50 million, which is a substantial amount of money to carry on testing. It is true that in this bill there is no money for procurement of the Bomarc–B. Nevertheless I have the same confidence that the gentleman has in the series of tests now beginning at the Air Force proving ground center, Eglin Air Force Base, that those tests are going to prove successful. The first shot was successful in every way, as the gentleman has stated.

I would like to point out that if those shots are successful and if it can be shown that the shortcomings which previously were encountered in the Bomarc–B tests can be overcome, there will be time and opportunity for the Department of Defense to go to the Senate and ask for procurement funds to be restored, or to come back to Congress for reprograming or for a supplemental appropriation.

I do not think we should allow the record to show in any sense that we feel that this is the end of the program. We have an open mind on the program. Although Bomarc–B tests, with the exception of the recent first test in the new series beginning at the Air Force Proving Ground Center, have been disappointing, there is still time to reestablish a procurement program and to make the Bomarc–B a part of our weapons system.

Mr. DIXON. Those are my feelings and those are my hopes. I feel that to chop this off without notice would be a tragedy. It would leave a void in our defense that we cannot afford right when the missile is proving its success.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I am one who has been for a powerful national defense. I believe that in the world of today with the international dangers that confront us if I am going as a legislator to err in judgment I prefer to err on the side of strength rather than on the side of weakness.

I also believe that the only level on which you can deal with the leaders of the Soviet Union is the level of the law of self-preservation. The only thing they respect is what they fear, and that is military strength and power greater than they possess themselves.

I am one of those who believe in greater appropriations for national defense, and I believe in more taxes. I have said that publicly. I am not just for more appropriations but I take the responsibility of saying that if we go to the American people with the recommendation sent up for greater national defense and additional taxes for greater national defense the American people will gladly support that recommendation and make the sacrifices necessary.

I note at the end of 1952 the strength of the United States Army was 1,596,419. The strength of the United States Army is now 870,000. Only a few years ago this very subcommittee included appropriations to keep the United States Army at a strength of 900,000. They also had money in there for Reserves to maintain them at a strength of 400,000.

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

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

Mr. FORD. As I recall the figures, the strength of the Army to which the gentleman from Massachusetts referred in 1952 was 1,500,000-plus.

Mr. McCORMACK. 1,596,419.

Mr. FORD. Now we have 870,000 in the U.S. Army.

Mr. McCORMACK. That is correct. I have the figures for each year.

Mr. FORD. I am sure those figures are correct, but I wish to point out that in 1952 we were fighting the Korean war 8,000 miles away from the continental limits of the United States. Today we are at peace. I think the different conditions justify a difference in our Army active-duty strength.

Mr. McCORMACK. I recognize the strength of that, but on the other hand it is a reduction of over 700,000. Our Army in 1954 was 1,404,000; in 1955, 1,109,000; and in 1956, 1,025,00. We have been gradually going down.

My remarks were in connection with the question of organization of the Army, which I think is of vital importance. Those of us who supported the 900,000 Army last year, and I know the gentleman from Michigan also supported it, recognized the practical situation and tried to get more money in for organization of the Army, and we did, a good part of which has been frozen. There is money in this particular bill for organization of the Army.

The question I wanted to ask is this: My information is that about 60 percent of the Army weapons and equipment now are of Korean war or prior basis. Is that correct?

Mr. FORD. I cannot verify the precise percentage, but I would doubt that the active-duty Army has that high a percentage of pre-Korean equipment. As a matter of fact, as you look into the figures which are supplied to us of the equipment going into the active-duty inventory in the fiscal year 1960 and what is planned in fiscal year 1961, you will find there are some very effective weapons—the Davey Crockett, the M–14, the new personnel carrier, the M–60 tank, and a number of effective and potent weapons for the Army so that our ground forces will have greater firepower, greater mobility, and greater communications. These are the three things of vital importance for an effective Army. I believe on a selective basis, we are now getting an Army that will have excellent equipment ready to maintain the peace that we have had for the last 7 years.

Mr. McCORMACK. I notice from the information I have which is from sources I consider to be reliable, about 60 percent of the Army's weapons and equipment are of Korean war or prior vintage. I also note the distinguished chairman of the House Committee on Armed Services, the gentleman from Georgia [Mr. VINSON] sent a letter to Chairman MAHON of your subcommittee in which he recommended a list of weapons and equipment needed by the Army, and he went into detail on that. That was the result of the work of a subcommittee of his committee looking into the matter. The purpose I have in mind is not to criticize but to ask if it is not important that steps be taken in connection with the modernization of our Army.

Mr. FORD. May I respond to the gentleman from Massachusetts?

Mr. McCORMACK. Certainly.

Mr. FORD. Last year our subcommittee did add $200 million to the fund for Army modernization. At the same time in our committee report, as I recall, we were critical of the procurements that the Army had made in prior years. It was the feeling of the committee instead of taking the resources, their financial funds on hand, and using them for real modernization of firing power, communications, and mobility, they had used them in certain fields that did not appear to us to have a high priority. Now, I think they have revised their procurement policy and I think they are doing better in what they are buying.

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

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. McCORMACK. Mr. Chairman, my information is that the amount of money that has been added to the Army procurement funds for 1960, that is, for the fiscal year 1960 by both the House and the other body, is $382.6 million.

This included funds for Nike-Zeus of $137 million.

That left $245.6 million for procurement and modernization. There is applied to the 1961 program the sum of $38 million.

In other words, the sum of $207.6 million for procurement and modernization has not been used.

Of that amount, and applied against 1960 shortages, is the amount of $164.2 million. So that out of $382.6 million, which included Nike-Zeus—and that has been frozen, of course—the only amount applied to modernization for this fiscal year is the sum of $43.4 million.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Chairman, the problem that has been called to our attention by the gentleman from Massachusetts [Mr. McCORMACK] has long been a problem of deep concern to many of us. The United States observed the agreements of the Korean truce whereby it

was agreed not to modernize the armed forces in that area, including U.S. troops stationed in that theater of operations. Unfortunately, in observing this agreement the administration continued observing this agreement while observing a complete modernization of the troops in North Korea. While this truce was in a stalemate Red China modernized her forces. Last year the United States finally negated that section of the agreement, which I think was section 22, and we are now modernizing the forces with new weapons. This condition is so desperate that I feel it should be on a crash basis. In the words of one who returned from that theater: If an order had to be given to our units at this moment, the only order that could be observed is "Retreat."

It was detrimental to our defense in the Far East. It is only recently, in the last year, that we withdrew that agreement and are now only beginning to modernize the troops in that area.

I agree with the gentleman from Massachusetts that this should be on a rush basis.

Mr. McCORMACK. Our military strength, of course, is relative in nature. I understand that the Soviet forces, the ground and closely integrated tactical air forces have continued to receive high priority in Soviet weapons and equipment. The Soviet ground forces numbering some 2½ million men have been completely modernized and reorganized since World War II.

I want to congratulate the subcommittee on the work it has done. I am just rising to pinpoint what I think is a very important matter in connection with the modernization of the Army, complete modernization to give that greater power through modern weapons. The subcommittee has done a remarkable job and I congratulate them, but I think this matter should be driven home as effectively as possible so that the U.S. Army may be completely modernized as quickly as possible.

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

Mr. McCORMACK. I yield.

Mr. FORD. I think through the prodding of this subcommittee and other Members of Congress the Army has taken a new look at the kind of modernization they need. I have compared the priority lists of last year which were submitted to our committee with the priority lists submitted this year. There is quite a difference. The Army I think has come around to the viewpoint that increased fire power, mobility, and communications are more important, if you take a look at their list this year compared to the list last year.

Mr. McCORMACK. I know from talks I have had with the gentleman from Michigan—he and I have talked about this many times. He served on the Select Committee on Outer Space of which I was chairman and was one of the most valuable members of the committee. I know that the gentleman from Michigan and I have the same common objectives and the same common thoughts.

But I wanted simply to call attention to the importance of the modernization of our Army and also that the subcommittee and the Congress originated that by making appropriations. We hope the executive branch of the Government will carry out the intent of Congress in accordance with the appropriations.

Mr. Chairman, the U.S. Army has long recognized the need for modernization of its weapons and equipment and has repeatedly requested additional funds that would permit adequate modernization within the Army. These additional funds, however, have not been made available to the Army during the past decade. In reality, the Army has been furnished only sufficient funds to replace those items of equipment that were consumed, worn out, or completely obsolete. The Army, however, has not stood still in its planning, organization, and doctrine. The Army has completely reorganized its fighting units under the pentomic concept—a reorganization predicated almost completely on the availability of new modern equipment. This equipment, however, has not been forthcoming due to the lack of adequate funds being made available to the Army for modernization. As a result, due to causes beyond the control of the Army, it finds itself today using the same rifles, the same machineguns, the same trucks, and for all practical purposes the same combat vehicles as well as many other weapons and equipment that were used in World War II and in the Korean war. In fact, today, 60 percent of the Army's weapons and equipment are of Korean war or prior vintage.

Let us go behind the scenes for a moment and see what the Soviet Army—the Soviet ground forces—have been doing since World War II. The Soviet forces, the ground and closely integrated tactical air forces have continued to receive high priority in Soviet weapons and equipment. The Soviet ground forces numbering some 2½ million men have been completely modernized and reorganized since World War II. The great majority of weapons and equipment are postwar design and have been produced in great quantities—quantities sufficient to reequip the existing 175 divisions and still maintain a large stockpile sufficient for mobilization and in some instances, in such numbers to supply completely other Communist bloc armies.

The extensiveness of the Soviet Army modernization program is indicated by the presence of new medium and heavy tanks, a variety of field artillery pieces including free rockets, surface-to-air missiles, short- and medium-range ballistic missiles with ranges up to 1,100 miles, modern electronic equipment and fire control and communications, as well as ICBM.

Accompanying the introduction of this modern equipment has been the revision of tactical doctrine, thoroughly tested by realistic training. These Soviet ground forces and supporting air and naval forces are now capable of initiating concurrently extensive land operations on several fronts in the peripheral areas under the control of the Communists.

So much for behind the scenes. Let us look at how we stand today. At the close of World War II our U.S. Army forces were the best and most modernly equipped ground forces in the world. Today, however, this is not the case. As I have mentioned previously the Soviet Army since World War II has been completely reequipped and in many instances has been completely equipped again with second generation weapons and equipment; this is especially true in the areas of mobility, communications, and fire power. It is not that we in the United States do not have better equipment and weapons available—because we do. But none of these items of modern equipment or weapons are in the hands of our troops; we are ready to produce this essential equipment but there are no funds available to the Army to procure this critically needed hardware. In cold hard facts, this is how we stand. The Soviet Army not only has us outmanned but it also has better equipment in the hands of its troops. We must immediately correct this situation by providing adequate funds for modernization of our ground forces—this is a step that should have been taken several years ago. We must produce modern weapons and equipment in sufficiently large amounts to, in part, offset the numerical and qualitative advantage presently enjoyed by the Soviet ground forces.

The gentleman from Georgia [Mr. VINSON], chairman of the House Armed Services Committee, has forwarded to Representative MAHON, chairman of the DOD Subcommittee, House Appropriations Committee, a recommended list of weapons and equipment needed by the Army. This list is in quite detail and totals approximately $928 million. In general, the detailed list covers assault weapons and ammunition for our frontline battle groups, $51.5 million; tanks, armored personnel carriers, other combat vehicles and ammunition, approximately $100 million; mobile artillery and ammunition to include self-propelled 105-millimeter howitzers; 155-millimeter howitzers, and 175-millimeter guns, $160 million; cargo and troop transport aircraft, surveillance aircraft, medical evacuation aircraft, $93.5 million; missiles and rockets to include the Pershing, Honest John, the Little John, Davy Crockett, Redeye, and the Hawk, $180.7 million; communication and electronic equipment to include radios, fire control, and target acquisition equipment, $181 million; and tactical vehicles to include tactical trucks, amphibious vehicles, tactical and logistic support transport, $160.6 million.

These general categories of equipment that I have mentioned are those items that the Army must have as an initial step toward modernization.

I am glad to note that the Appropriations Committee has added money for the next fiscal year to the administration's budget for Army modernization. While this amount falls short of the $928 million which the chairman of the House Armed Services Committee and the Army consider necessary for fiscal year 1961, it certainly is a good step in the right direction.

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to go further into the matter of Army modernization. I appreciate very much the in-

terest of the distinguished majority leader, the gentleman from Massachusetts, in this subject. It is in keeping with his longtime efforts to strengthen our national defense.

There is a possibility of misunderstanding the intent of the committee as a result of the language of the report.

I call your attention to page 54 of the report on which it is stated that $50,498,000 should be available as a result of improved procurement practices and as a result of jeep procurement slippage in the amount of $8 million, plus $120 million estimated by the Army to become available as a result of the so-called off-the-shelf sales to the military assistance program of items now in the inventory of the Army which will not require replacement in kind, plus $37,102,000 in new funds will in fact make up $207.6 million for Army modernization.

Mr. Chairman, that could be interpreted as meaning that if those sums are not available there will not be Army modernization as specified in the report, and that is the point I want to be doubly certain is clarified.

It is the intention of this committee that there be $207.6 million for Army modernization above the budget. It is not our purpose to have the amount of $207.6 reduced if any of these anticipated funds do not materialize. I therefore invite the concurrence of the gentleman from Michigan [Mr. FORD] and the gentleman from Texas [Mr. MAHON] in that statement.

Mr. FORD. I should say for myself that it was the committee's intention that there be $207.6 million over the budget in the Army procurement of equipment and missile account.

Mr. SIKES. May I have the concurrence of the gentleman from Texas in the fact it is the committee's intention that there be $207.6 million of Army modernization above the procurement funds carried in the budget?

Mr. MAHON. I agree with the statement of the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I would like to point to some of the dangers that may exist in this present situation and which we are clearly trying to avoid. Last year, as the gentleman from Massachusetts and others have pointed out, the Congress provided more than $300 million for Army modernization.

As a result of the failure of the Department of Defense to carry out the clear intent of the Congress as shown in the debate and in the language of the reports, the funds for modernization which actually were made available from last year's bill were very limited. As I recall it only $37 million was actually applied to Army modernization.

It is the desire of Congress, it is the determination of Congress, that such a situation not again result. I would like for the record to be very clear that if for instance the $120 million which is expected to be received from military aid sales should not become available, if it is not generated, or if there should be a shortage in any of the other funds which are expected to be available, it is still the expectation of this committee that there be modernization of $207.6 million above the amount carried in the budget and the Department of Defense is directed to take the necessary steps to insure that modernization, by seeking additional funds when the bill is before the Senate, by reprograming, or by coming back to Congress for additional funds in a supplemental appropriation.

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

Mr. SIKES. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Would not the distinguished gentleman from Florida agree that the Army modernization list submitted to us this year is certainly much more in keeping with the feeling of the committee than the previous lists?

Mr. SIKES. That is exactly right.

Mr. LAIRD. In the past the Army has gone ahead under Army modernization to buy atomic cannons, which are rather glamorous things, but what we need in modernization is rifles.

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

(By unanimous consent (at the request of Mr. SIKES) he was allowed to proceed for 5 additional minutes.)

Mr. SIKES. Mr. Chairman, the Army and the other services are encouraged to list their needs which exist beyond the budget limitations. In previous years the procurement want list, as submitted by the Army, seemed to wander all over the lot rather than to concentrate on those items which are needed most to give fire power, mobility, and protection for troops. That is what the Committee is trying to accomplish. The list as prepared this year by the Army is a much better list, a much more realistic list, than those that have been previously submitted. The additional funds which are provided for modernization in this bill are to buy right off the top of the list some of the most needed items—modern rifles, ammunition, mobile artillery, armored personnel carriers, battle tanks, plus Davy Crockett missiles and chemical rockets and launchers. Those are the type of items we think are needed most. Even so, it is only a beginning. The Army's want list showed $900 million in needed modernization. We provide only a little more than $200 million.

Mr. SANTANGELO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to commend the committee for its intensive investigation, its far-sighted viewpoint, and its redirection of some of the expenditures. Some of the Members have decried the fact that there has been a cutback in the Bomarc funds. I, for one, want to commend the committee for cutting out such funds and leaving sufficient money for research in that particular field.

I would like to bring to the attention of this body, however, that the Bomarc B missile is being produced by the Boeing Aircraft Co. I have in the past indicated the activities and the practices of the Boeing Aircraft Co. with respect to its operations with our Government in the payment of its income taxes after the Federal Renegotiation Board has determined that taxes were due and owing by it to the Government. The Boeing Aircraft Co. last year was given contracts in excess of $2 billion. For the years 1953, 1954, and 1955 the Federal Renegotiation Board determined that the Boeing Co. had earned excess profits of over $25 million and owed income taxes thereon. The Boeing Aircraft Co. resisted the payment of their taxes on their excess profits to the extent of $25 million. The cases are now pending in the courts. We have been financing the Boeing Aircraft Co. to the extent of 80 percent of expenditures and sometimes almost to the extent of 100 percent, and when their taxes are due and owing they put up a bond and we, the United States, have to sell bonds to raise the money to pay them on their procurement contracts, and they are opposing and resisting the payment of their taxes on their excess profits. If you will recall, when the Federal Renegotiation Act was up for renewal, the Boeing Co. was the leader of the aircraft companies in the fight to eliminate this renegotiation practice for collection of taxes on excess profits. You know that these companies are getting these contracts not on a competitive bid but they are obtaining these procurement contracts on a negotiated contract basis, which means that they get them without competition. They do not have to compete for the purpose of obtaining these contracts. They get them from the Government, and yet when they make their profits, their excess profits, which are unreasonably high, they tell the Government, which has to finance them, the Government which has given them the money to make a billion dollars, "We will not pay you the taxes; we will put up a bond and fight you in the courts. Go out and raise your money by selling bonds." You know that interest rates have gone from 2.5 to 5.5 percent on short-term bonds. I say I commend the committee for taking this attitude for the reason that the Boeing Co. has not been cooperative with the United States and in view of the fact that it has been a dismal failure so far as the operation of Bomarc A and B missiles are concerned. It is high time that we eliminate this wasteful expenditure on a program that has consistently failed.

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

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

Mr. WOLF. Mr. Chairman, I appreciate the comments being made by the gentleman from New York [Mr. SANTANGELO]. They are extremely enlightening in the light of the fact that the U.S. Government—the American taxpayer—has been keeping the Boeing Aircraft Corp. in business.

I believe it is extremely significant that the subcommittee has so greatly reduced the funds for the Bomarc program. Those of us who last year worked so hard to remove this Bomarc boondoggle are proud to see our efforts bear fruit. Not only has the Bomarc been drastically reduced but the SAGE system has had greatly reduced funding.

According to the subcommittee report, on pages 13 and 14, the reduction in total over the next 2 years plus refunds from

canceled efforts will amount to a reduction in the 1961 budget of $675,100,000. The reduction in the SAGE program amounts to $274,200,000. In other words just under $1 billion has been saved on this proven obsolete program. I hope, Mr. Chairman, that this—the Bomarc program—will be permitted to go now to the museum just as the bow and arrow, the slingshot, the cannon, and other weapons of old have gone.

The Clerk read as follows:

TITLE II

Operation and maintenance

Operation and Maintenance, Army

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, including administration; medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel on duty or leave, except elective private treatment), and other measures necessary to protect the health of the Army; care of the dead; chaplains' activities; awards and medals; welfare and recreation; information and educational services for the Armed Forces; recruiting expenses; meals furnished under contract for selective service registrants called for induction and applicants for enlistment while held under observation; subsistence of prisoners at disciplinary barracks, and of civilian employees as authorized by law; expenses of apprehension and delivery of prisoners escaped from disciplinary barracks, including payment of rewards not exceeding $25 in any one case, and expenses of confinement of such prisoners in nonmilitary facilities; donations of not to exceed $25 to each prisoner upon each release from confinement in a disciplinary barracks; military courts, boards, and commissions; authorized issues of articles for use of applicants for enlistment and persons in military custody; civilian clothing, not to exceed $40 in cost, to be issued each person upon each release from confinement in an Army or contract prison and to each soldier discharged for unsuitability, in aptitude, or otherwise than honorably, or sentenced by a civil court to confinement in a civil prison, or interned or discharged as an alien enemy; transportation services; communications services, including construction of communication systems; maps and similar data for military purposes; military surveys and engineering planning; contracts for maintenance of reserve tools and facilities for twelve months beginning at any time during the current fiscal year; repair of facilities; utility services for buildings erected at private cost, as authorized by law (10 U.S.C. 4778), and buildings on military reservations authorized by Army regulations to be used for a similar purpose; purchase of ambulances; hire of passenger motor vehicles; tuition and fees incident to training of military personnel at civilian institutions; field exercises and maneuvers, including payments in advance for rentals or options to rent land; expenses for the Reserve Officers' Training Corps and other units at educational institutions, as authorized by law; exchange fees, and losses in the accounts of disbursing officers or agents in accordance with law; expenses of inter-American cooperation, as authorized for the Navy by law (10 U.S.C. 7208) for Latin-American cooperation; not to exceed $5,459,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; $3,116,555,000: *Provided*, That not to exceed $89,084,000 of this amount shall be available for departmental administration.

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL:

On page 9, lines 10 and 11, in connection with "Operation and Maintenance, Army" strike out the following:

"*Provided*, That not to exceed $89,084,000 of this amount shall be available for departmental administration."

Mr. BROYHILL. Mr. Chairman, I have four additional similar amendments to other sections of the bill. They have the same objective and I ask unanimous consent they may all be offered at this time and considered en bloc.

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

Mr. MAHON. Mr. Chairman, we have no objection.

There was no objection.

The CHAIRMAN. The Clerk will report the several amendments offered by the gentleman from Virginia.

The Clerk read as follows:

On page 11, lines 8 to 10, in connection with Operation and Maintenance, Navy, strike out the following: ": *Provided*, That not to exceed $102,690,000 of the funds provided in this appropriation shall be available for departmental administration."

And:

On page 12, lines 7 to 9, in connection with Operation and Maintenance, Marine Corps, strike out the following: ": *Provided*, That not to exceed $7,625,000 of this amount shall be available for departmental administration."

And:

On page 14, lines 7 to 10, in connection with Operation and Maintenance, Air Force, strike out the following: ": *Provided*, That not to exceed $85,214,000 of the funds appropriated in this act for the Air Force shall be available for departmental administration."

And:

On page 18, line 2, in connection with Salaries and Expenses, Secretary of Defense, strike out the following: "$18,000,000" and insert in lieu thereof "$20,000,000."

Mr. BROYHILL. Mr. Chairman, the purpose of these amendments is not to increase the cost of this bill. I do not believe it will add anything to the cost of administering the Department of Defense during the next fiscal year.

The purpose of these amendments I have offered is to remove language from the bill which will require immediate reduction-in-force involving 4,000 or more employees in the various headquarters offices of the Department of Defense.

The bill, as written, contemplates a 10-percent reduction in the civilian strength of departmental headquarters, which is presently approximately 36,000. The limitations on spending for departmental administration, which appear in title II of the bill, would require that this reduction be accomplished by the actual separation of employees prior to July 1, 1960. In order to meet the spending limitations an actual reduction of more than 10 percent, involving the separation of 4,000 or more employees, would be necessary.

The committee report on H.R. 11998 indicates that the Department is topheavy in manpower and cost devoted to departmental administration. This matter is now under study in the Department of Defense in connection with the numerous changes in the original estimates which were made by the committee, involving roughly $4 billion.

The Department's position with regard to the question whether there is topheaviness in departmental administration will necessarily be taken following its current study of the bill's provisions. In any event, assuming that there is topheaviness in departmental administration, the total reduction proposed in the bill may be desirable. However, it is important that the method used in achieving this cut does not result in any unnecessary adverse action against the Department's employees. The undesirable impact on employees can, I believe, be avoided by removing the spending limitations which would permit the Department to accomplish the reduction through attrition.

It is my firm conviction that, wherever possible, cutbacks in civilian manpower should be accomplished by attrition in order to minimize firings. Hasty firings are harmful to the individual, his family, the community, and the Nation. It would be particularly unfortunate at this time if the Defense Department were required to separate large numbers of employees prior to July 1 with the result that such employees would be denied the opportunity to participate in the health benefits program which was established by law and which becomes effective on July 1, 1960.

The Department of Defense has for a number of years been engaged in an orderly program to bring its headquarters staffing into line with a minimum of disruption and hardship to its employees. As a result of this program, there has been a reduction of 4,787 in the civilian strength of the departmental headquarters during the last 3 years. This reduction has been accomplished almost entirely through attrition and without the hardship which would have resulted from substantial reductions-in-force. This program is a continuing one which would be carried on by the Department even if no cuts were required by appropriation act.

Granting that some further reductions in the civilian staff at departmental headquarters may be in order, it is my feeling that the Department should be permitted to continue to effect the reductions in an orderly manner by not filling vacancies as they occur in the normal course of business. It seems unnecessary to require that any necessary reductions be accomplished through the immediate severe reductions in force.

Figures which have been furnished me by the Department of Defense indicate that there have been very substantial reductions in departmental headquarters staffs since December 31, 1956. These reductions were initiated as a

result of a directive issued by the Secretary of Defense on March 18, 1957. This directive required that all of the military departments reduce the military and civilian strength in their departmental headquarters by 12 percent of the December 31, 1956, strength by June 30, 1958. After this 12-percent reduction was accomplished, the Department continue to give its attention to the need for reducing the number of employees engaged in departmental administration. The result is that as of December 31, 1959, civilian employment at the departmental headquarters levels has been reduced by 13.4 percent of the December 31, 1956, levels. This reduction has been carried out primarily by attrition and without any substantial reductions in force.

This record, it seems to me, argues for amendment of the pending bill so as to permit the Department to continue to make needed reductions without the unnecessary hardship to employees and their families which results from hasty reductions in force.

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

Mr. BROYHILL. I yield to the gentleman.

Mr. LANKFORD. Mr. Chairman, I should like to commend the gentleman from Virginia for offering these amendments and to associate myself with him in his remarks. I should like to say to the House that it seems to me that to call for the immediate firing of employees, as is contemplated here, is entirely unthinkable. It would create havoc in this area. Just yesterday we voted a bill to help depressed areas. Any dumping on the market of 3,000 or 3,600 people all at once from the Department of Defense, in this area, will create another distress area.

I should like to say again that I am wholeheartedly in support of the gentleman's amendments.

Mr. BROYHILL. I thank the gentleman. Mr. Chairman, I should also like to call the attention of the committee to the fact that the Department of Defense has been undergoing a reduction-in-force program through orderly procedure during the past 3 years. I understand they have had a reduction of civilian personnel of 4,787 and the Secretary of Defense issued an order in 1957 directing a 12-percent reduction in civilian personnel. That was put into effect on December 31, 1959, a total reduction of 20.4 percent from the 1956 level, so that does show that the Defense Department can have a reduction in force and that it can conduct it in an orderly manner and eliminate insofar as possible arbitrary layoffs. In most instances these reductions can be taken care of by attrition. This record argues for the amendment to the pending bill so as to permit the Department to continue to make reductions without unnecessary hardship to employees and their families which results from a reduction in force.

Again, I have no argument against a reduction in force. I think we can effect these reductions in a much more efficient, less costly, and orderly manner. I hope the committee will adopt these amendments, and I hope the gentleman from Texas will loosen up a little bit and agree to let these amendments be adopted.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendments which have been offered by the gentleman from Virginia.

Mr. Chairman, in the Washington area there are employed by the Department of Defense approximately 31,500 civilian employees and 14,000 military employees, at an annual cost of $383 million. If we take into consideration departmental headquarters employees outside of Washington the figure runs to a total of nearly 54,000 personnel and the cost to over $452 million.

It was the strong sentiment of the committee that the Defense Department and the services have gone too far in the employment of civilian personnel and have used excessive military personnel in departmental headquarters. We have provided that military personnel in headquarters cannot be increased beyond the number of military personnel on duty last December 31. We have provided for the 10-percent reduction, during the year, of civilian personnel in the departmental headquarters in order to try to stimulate a reorganization, a streamlining of the departmental headquarters.

There is no doubt in the minds of the members of the committee that we have too many people. In many instances they are obstacles to defense and efficiency rather than promoters of efficiency. This action, it was felt, was a modest step toward achieving more efficiency and more defense for fewer dollars.

It is true that normally some reduction can very easily be achieved by attrition; that is, by people leaving their departments, leaving the employ of the Government voluntarily. We did not want to restrict it to attrition because we felt that by better reorganization whole units might be eliminated and a better job could be achieved by the elimination of unnecessary jobs in the Department of Defense.

The gentleman from Iowa [Mr. GROSS] has pointed out that too often defense dollars are being used to import people to make decisions which should be made by competent people who are selected for important positions in the Defense Department.

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

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

Mr. BROYHILL. Is it the gentleman's understanding or is he telling us that it is not the intention of the committee that this reduction in force must be taken by July 1, 1960?

Mr. MAHON. It does not have to take place before July 1, 1960. This is a reduction in expenditures over the fiscal year 1961 which begins on July 1, 1960. The reduction in force could be adjusted within the administrative framework of the Department headquarters in Washington over a period of months.

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

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

Mr. FORD. It would be my interpretation that there is nothing mandatory in this language which says that 10 percent of the civilian payroll on July 1 must be eliminated in the Washington, D.C. area. It is simply spread over a period of time. They cannot spend any more money than we have indicated for administrative expenses, and they can adjust it as they see fit during the next 12 months.

Mr. MAHON. I think the gentleman is entirely correct.

Mr. BROYHILL. However, the reduction would have to be made prior to the fiscal year 1961.

Mr. MAHON. I do not think there is anything in the law that would require the reduction to be made prior to July 1, 1960. It seems to me this is a significant step in the right direction. I believe after streamlining their operation, defense officials get a better job done. If the Department of Defense will devote its energy to making decisions promptly and get a better coordination of effort, we can save a lot of military and civilian personnel in departmental headquarters.

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

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

Mr. FOLEY. Mr. Chairman, I rise to associate myself with the remarks made by my colleague, the gentleman from Virginia [Mr. BROYHILL]. I believe he has stated the proposition from the standpoint of the citizens of the metropolitan Washington area very accurately, and I wish to support him in his statement.

Mr. MAHON. I wish to say there is no desire on the part of the committee to be harsh with people who are working for the Government. They are no doubt doing the best they can under the system now in operation. There is wide latitude to work this matter out on the basis of orderliness in the various departments and in the Office of the Secretary of Defense.

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

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

Mr. GROSS. The committee did express its concern over this employment situation on repeated occasions; is that not correct?

Mr. MAHON. That is correct. I myself believe—although I have no official word about this—that there are many people in the Pentagon who believe this is a step in the right direction and who will support it and will welcome this and join us in achieving something that ought to be done.

Mr. GROSS. I agree with the gentleman. I am opposed to the amendment.

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

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

Mr. SIKES. I think it should be pointed out that there is nothing in this bill, so far as I can determine, that would cause these people to be separated from the payroll by the 1st of July 1960. As a matter of fact, if this bill becomes effective on the 1st of July 1960, this provision would apply to the next fiscal year for the 12 months beginning on July 1, 1960, and ending June 30, 1961.

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

The question is on the amendments offered by the gentleman from Virginia [Mr. BROYHILL].

The amendments were rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES, SECRETARY OF DEFENSE

For expenses necessary for the Office of the Secretary of Defense, including purchase (not to exceed five for replacement only, including two at not to exceed $2,900 each) and hire of passenger motor vehicles; and not to exceed $60,000 for emergency and extraordinary expenses, to be expended under the direction of the Secretary of Defense for such purposes as he deems proper, and his determination thereon shall be final and conclusive; $18 million.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

First, Mr. Chairman, may I join my colleagues in commending the committee for this very excellent job and for what I regard as the best report I have seen coming from this committee, and they have had many good reports in the past.

I note from the report on the Department of Defense appropriation bill that the committee is exerting desirable pressure, in my mind, upon the Department of Defense to develop an integrated Department of Defense communications system.

Am I right in concluding that the Department of Defense request for communications services has been cut by $84.3 million in the operation and maintenance fund in anticipation that an integrated system will be developed?

Mr. FORD. The answer to that question is "Yes."

Mr. CURTIS of Missouri. Then I would like to inquire as to what action, if any, the committee has taken to secure necessary integration in other service areas as contemplated by the McCormack-Curtis amendment to the 1958 Reorganization Act.

I make specific reference to those service areas that the majority leader mentioned on the floor at the time the amendment was adopted: financial management, budgeting, disbursing, accounting, and so forth; chaplains, medical and hospital services, transportation—land, sea, air—intelligence, legal, public relations, recruiting, military police, training, liaison activities, and so forth.

Mr. FORD. First I would like to say that we all owe a debt of gratitude to the gentleman from Missouri and the majority leader, the gentleman from Massachusetts, for their continuing interest in favor of a better program for procurement by the Armed Forces.

I must say that the Defense Department has not moved perhaps as rapidly as they should in the consolidation of procurement in the three services. It is my recollection that we now have eight single manager programs for procurement covering a wide variety of fields. The Department has indicated that during the current fiscal year and the next fiscal year they will have two additional single manager plans.

In the list that the gentleman read off, which he was kind enough to show me before this colloquy, there is only one area where the Defense Department has moved in, and that is transportation—an organization called MTMA. I believe that in the other areas the gentleman indicated there is room for consolidation and for improvement in procurement policies, practices, and procedures.

Mr. CURTIS of Missouri. I would like to thank the gentleman. I think it is obvious, for example—I will just take up the medical and hospital services where we have a shortage of medical skills in this country anyway—it is just ridiculous to run separate hospitals in the Medical Service of the Army, the Navy, and the Air Force, when they could be consolidated.

And then a very obvious one, the Chaplains Corps.

I thank the gentleman. I did want to take this opportunity of pointing this up at this time because it is in these areas that vast savings can be made in our Defense Department.

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

The Clerk read as follows:

PROCUREMENT OF AIRCRAFT AND MISSILES, NAVY

For the construction, procurement, production, modification, and modernization of aircraft, missiles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such lands, and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public or private plants; $2,141,760,000, to remain available until expended: *Provided*, That during the current fiscal year there may be merged with this appropriation such amounts of the unobligated balances of appropriations previously granted for "Aircraft and related procurement" and "Procurement of ordnance and ammunition", as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made.

Mr. LIPSCOMB. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, among the significant and far-reaching actions taken by the committee in regard to the defense program, its recommendations in the field of antisubmarine warfare are worthy of special mention and I take this time to discuss some of the major highlights of the bill in this regard.

I would like to call attention at this point to the very important part played by Chairman MAHON in connection with the committee's antisubmarine warfare recommendations. The emphasis he has placed on this program and the encouragement he has given have been instrumental in advancing our antisubmarine defense efforts over recent years.

Major committee recommendations in the defense bill relating to the ASW program are included under both title III of the bill, which provides for procurement of defense equipment, and the closely related title IV, which provides funds for research, development, test, and evaluation.

The committee has recommended appropriations of a total of $321 million over the budget request in the field of antisubmarine warfare. This includes $171 million to finance an additional three nuclear attack submarines, which makes a total of four in the bill. This amounts to one over the budget request, and means retaining two submarines proposed for elimination in postbudget Department of Defense recommended adjustments.

Also included in the budget increases is an additional $50 million to provide for two more destroyer escorts than requested in the budget. Both of these additions, for the additional submarines and the destroyer escorts, are designed to increase our antisubmarine warfare capabilities.

In a move to which the committee attached great significance, it has recommended $280 million for research and development in the antisubmarine program. This represents an addition of $100 million over the budget request and is for the purpose of emphasizing and speeding up work in this field.

I believe that there is a pressing need for the additional efforts in our antisubmarine mission that will be made possible under these increases.

Before discussing these increases and other recommendations of the committee in the antisubmarine warfare field, I wish to mention briefly some other items included in the bill for the ASW program. While no increases over the budget requests are included in the bill for these items, they represent important contributions to our defenses in this field.

Included are funds for: procurement of antisubmarine aircraft; procurement of new ASW torpedo and ASROC antisubmarine missiles; procurement of long-range search radar, new sonar equipment, and modernization of naval communications systems; funds for development, testing, and evaluation of the SUBROC missile, which is designed to provide our submarines with the ability to kill enemy submarines at increased ranges.

The action taken by the committee in providing the appropriation increases, especially the additional funds for ASW research and development, reflects its deep concern over the threat to our security represented by the modern submarine both because of its significance as a dangerous threat to our shipping lanes and because of its significance as a mobile, missile-carrying instrument.

The problem of antisubmarine warfare began during World War I and has grown steadily in complexity and importance since that time. The development of atomic power propulsion for submarines

has increased the seriousness of the problem many times over.

Until this development, the submarine was primarily a surface ship which could submerge to attack or to escape attack itself. Atomic propulsion, however, has made it a real submersible with great speed under water and with the ability to dive to great depths and stay there for indefinite periods, weeks if necessary.

Today we are not adequately equipped to meet the threat posed by these true submersibles. We have certain weapons to protect against them and others are being developed, but indications are that these weapons may soon be outstripped by the performance of the submarine.

In brief, it is a case of the submarine, with the advent of nuclear propulsion and the vastly improved ways this makes a submarine capable of performing, racing far ahead of the present capabilities to deal with it. Many very technical problems are involved in trying to cope with the problem, and we seemingly have limited knowledge about the problem.

The Soviets are reported to have several hundred submarines, primarily equipped to wage conventional warfare against allied shipping, at least half of which are equipped to conduct extended operations at sea. They are now also apparently constructing, or will soon be constructing, Polaris-type missile-launching submarines which could be capable of attacking either our cities or our strategic deterrent capabilities.

Thus the Soviet submarine threat is serious as an instrument of destruction on a mass scale, either in a limited war or an all-out engagement.

Because of their versatility and increasing deadliness, the submarine threat is so serious that we must not fail to meet it with as great a portion of our resources as we can reasonably command.

The primary problems in antisubmarine warfare are, first, detection and location; and, second, classification and identification. These missions must, of course, be accomplished at great distances and depths and under all conditions of the sea. After this comes the problem of delivering an antisubmarine weapon.

A submarine near the surface and traveling at a low speed can be dealt with effectively but the difficulties encountered to perform this same task are magnified tremendously at the depths to which modern submarines can dive and the speed at which they are capable of traveling. The problem promises to become more acute as submarines are improved even more in the future.

Antisubmarine torpedoes need to be several times as fast as the vessel they are attacking. Developing such weapons can be a formidable task, with the increased speeds and diving capabilities of modern submarines. The new submarines have caused a revolution in all aspects of antisubmarine warfare.

Undersea research has been carried on by small groups for a number of years though it appears that additional major efforts should have been made to solve the problems involved. There has been a lack of financial support both in conducting research and development and in undersea weapons preparations.

The committee expressed concern over the condition of our antisubmarine warfare capability in reporting the 1960 Defense appropriation bill, and at that time added $45 million for acceleration of our efforts along these lines. It appears that these funds have been put to good use, but much more needs to be done.

Last fall, my colleague on the Appropriations Committee, Congressman LAIRD, and myself, members of the committee staff, and representatives from the Navy, participated in a study of our antisubmarine warfare program, our facilities and installations.

We were impressed by the work that is being done, but we were more impressed with the large amount that still needs to be accomplished and by the unorganized and piecemeal fashion in which this work is being done.

For many years, the responsibility for antisubmarine warfare has been diffused among various bureaus of the Navy with very little coordination of effort. Until recently, there appears to have been little contact or coordination between the various groups working on different phases of the problem. It appears that mismatches have resulted in the various components of our weaponry in this field.

Because of the lack of coordination under one head, which it is believed has seriously hampered our efforts along these lines, the committee has recommended that our ASW efforts be placed under a single management system similar to that provided for the Polaris ballistic missile system. It has recommended that such action be taken immediately.

I strongly urge the House to accept the committee recommendations for increased antisubmarine warfare efforts. These recommendations have not been made to meet a problem the committee has in any sense invented or magnified out of proportion. To the contrary, they are to help meet a serious threat that exists and that must be dealt with. I believe the committee would be remiss in not bringing this matter to the special attention of the Membership of the House.

In conclusion, I believe this is a good bill, responsive to the defense needs of the Nation. Though there are areas in the bill with which I am not in complete agreement, I feel it provides sufficient funding to maintain a fully adequate defense posture and should be approved by the House.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. CURTIS of Missouri. Mr. Chairman, yesterday I put in the RECORD an article from the Wall Street Journal which dealt comprehensively and currently with waste, mismanagement, and duplication in the supply services of the military departments. I trust that all of my colleagues have or will read it carefully.

Some days previously I read with interest and some concern the testimony of Assistant Secretary of Defense for Supply and Logistics Perkins McGuire before the Defense Subcommittee of the House Appropriations Committee. As a result, it was my intention, when the defense appropriation bill reached the floor of the House, to discuss, point by point, that part of his testimony which dealt with the single manager plans and more specifically testimony before the Defense Procurement Subcommittee of the Joint Economic Committee, of which I am a member.

In fact, on April 20 I addressed a letter to Congressman FORD of the Appropriations Committee giving some of the background to those hearings and pointing out some of the deficiencies and errors of omission in Secretary McGuire's statement before the Appropriations Committee.

However, the statement of the Department of Defense and their claim that they have "a good supply system" and "are making a lot of progress" has now been answered far more effectively by the Appropriations Committee in the Department of Defense appropriation bill and accompanying report which it sent to the floor of the House, for which I commend the committee. I refer particularly to the action of the Appropriations Committee in cutting $400,473,000 from the general procurement and supply management appropriation and by stating in its report 1561 accompanying the bill:

> In recognition of the admitted waste of which all the foregoing cases are but representative samples, and in an effort to compel prompt remedial action, the committee recommends reduction of each procurement appropriation by 3 percent, a total decrease of $400,473,000.

The report further states:

> "The committee appreciates the fact that there are those in the Department of Defense who are striving for improvement in procurement and supply operations, but the results of their efforts cannot in any way be deemed sufficient.
>
> Time and time again congressional committees and the General Accounting Office point out to the Department of Defense procedural errors and make recommendations for improvements in procurement and supply practices and activities. Not only have the procedural changes made by the Department been ineffectual, but apparently normal good judgment is too frequently lacking in procurement and supply management programs.

I wish to compliment the House Appropriations Committee for dealing with this procurement and supply management situation in such a forthright and courageous manner. The fact that the committee calls on the Secretary of Defense for a detailed report not later than January 15, 1961, as to specific actions taken to improve and reduce costs in procurement and supply activities shows that they intend to follow through in this area. The committee's action and the language of its report show it recognizes that in these times of high

defense spending and high taxes, we cannot be content with a good supply system, we must have an excellent one with efficiency and economy throughout. We can afford no other kind.

That this fact is also recognized by other committees is evidenced by the hearings on this subject which have been held in the past few months by the House Government Operations Committee, the Joint Economic Committee, and the House Armed Services Committee.

The Department of Defense contends that they are "making a lot of progress" and cite the single managers that have been established. Four of these were established in 1955 and 1956, but it was not until after the hearings to be held by the Joint Economic Committee were announced that the Department of Defense stated two more would be started in January 1960.

It is interesting to note that, in answer to penetrating questions by Congresswoman MARTHA GRIFFITHS in hearings last week before the Subcommittee on Military Operations of the House Government Operations Committee on progress being made affecting military supply management, the Department of Defense witness finally admitted that only four so-called single managers are operational at this time. Four operational single managers in 5 years does not impress me as a lot of progress.

I was very encouraged with Assistant Secretary McGuire's statement about the unanimity of agreement in the Department of Defense on the need for integration. It has been a long row to hoe, and I would suggest that the Department promptly consider the integration of service-type activities. There is an extremely fruitful area for integration in such fields as communications, hospital operations, commissary stores, etc., and such unification was clearly also contemplated by the McCormack-Curtis amendment to the Defense Reorganization Act of 1958.

Now that we have unanimity of agreement on the need for integration, we have the question of how these single managers will be managed. The single managers must be closely coordinated and put under one policy management or the military services sooner or later will say that "we have now more supply systems than we had before and the single managers should be abolished." That type of thing has happened on more than one occasion during the last 10 years.

Although the Department of Defense has been quick to repudiate any plan for coordination of the single managers, as they did in the point-by-point response to statements made before the Joint Economic Committee, they have not yet advanced any plan of their own.

What we need is an effective supply system created from the many existing supply systems. When you realize that one of the main findings in the 1960 Economic Report of the Joint Economic Committee was that as much as $2 billion and possibly $3 billion can be realized annually in eliminating the current wasteful procurement and supply practices in the Department of Defense and by more effective control of surplus stocks and of stockpiles of obsolete material, you must agree with the Hoover Committee witness before the Subcommittee on Defense Procurement who said, "The principle of a unified supply system with all of its attendant economies in personnel, standardization, procurement, transportation, and depot systems, among other things, seems even more important in the light of current developments than at the time the Hoover Commission made such a recommendation."

The clerk read as follows:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $1,041,190,000, to remain available until expended: *Provided*, That during the current fiscal year there may be merged with this appropriation such amounts of the unexpended balances of appropriations heretofore made available for research, development, test, and evaluation, as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have read this bill backward and forward. I do not pretend to know all of what it contains, but I cannot find one item or one heading that I look for in most of these bills, and that is the familiar "representation allowance." Am I to understand that in this $39 billion bill there is no "hospitality;" no "representation allowance"? I wonder if anyone could enlighten me.

Mr. MAHON. I will say to the gentleman from Iowa that in this bill so-called representation allowances are carried under "Operation and maintenance" appropriations for the services.

Mr. GROSS. Well, that is a new twist for that business, is it not, "Operation and maintenance"?

Mr. MAHON. Yes.

Mr. GROSS. Yes.

Mr. MAHON. Also under "Salaries and expenses" in the Office of the Secretary.

Mr. GROSS. Salaries and expenses?

Mr. MAHON. In the Office of the Secretary.

Mr. GROSS. The State Department, which is pretty astute in these matters, is missing something, I will say.

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

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

Mr. FORD. As the Chairman has indicated, it does fall in those accounts which he enumerated to the gentleman from Iowa. Looking over what the amounts appear to be I would say they are reasonable and on a comparative basis I think would stand careful scrutiny.

Mr. GROSS. Of course, the Department of State tells us that, too, and they have about $1 million in their bill.

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

Mr. GROSS. I am glad to yield to the gentleman from Kansas who has long expressed an interest in this matter.

Mr. REES of Kansas. The gentleman says it is reasonable. I just wonder how much it is that they are providing for these allowances.

Mr. FORD. I do not have the total for the entire Department of Defense. I shall have those figures prepared. For the chief of a mission it is $1,200 a year; for a deputy chief $800 a year, and for each field grade officer $100 a year.

Mr. GROSS. Each field grade officer; what would that be?

Mr. FORD. Let me give the gentleman the total.

Mr. GROSS. I do not care to pursue this too far. I cannot find these items in the bill and I would not know how to get at them with an amendment.

Mr. FORD. I can give the total number of dollars. Out of a $39.3 billion bill the total is $1,301,000.

Mr. GROSS. That is still doing pretty well, $1,300,000.

Mr. FORD. Out of a total of $39.3 billion.

Mr. GROSS. The military is going to do pretty well on hospitality.

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

Mr. GROSS. I yield.

Mr. SHEPPARD. Mr. Chairman, I have a very wholesome regard for the gentleman from Iowa and an affection for him. I must admit that the gentleman is handling this matter as a gentleman would. I should like to point out one other matter to the gentleman, that this hospitality to which he has referred would include such things as Coca-Cola and various items like that. So I think it would be well if we looked at this matter dispassionately.

Mr. GROSS. One of my colleagues has suggested to me that we may find this "hospitality" item under the heading of an appropriation for ammunition one of these days.

Mr. Chairman, it is my hope that the Appropriations Committee will set out the expenditures for this purpose as line items so that amendments may be offered to reduce or eliminate the amounts.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, habilitation, lease, and operation of facilities and equipment, as authorized by law, $1,542,668,000, to remain available until expended: *Provided*, That during the current fiscal year there may be merged with this appropriation such amounts of the unexpended balances of appropriations heretofore made available for research, development, test, and evaluation, as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made: *Provided further*, That no part of this appropriation shall be used for construction, maintenance, or rental of missile testing facilities until the fullest practical use is made of testing facilities and equipment at existing installations or those now under construction.

Mr. PRICE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I ask unanimous consent to revise and extend my re-

marks and to proceed for 5 additional minutes.

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

There was no objection.

Mr. PRICE. Mr. Chairman, first I want to commend the Defense Appropriations Subcommittee on the wonderful job it has done in the preparation of this bill and in its report; and in particular for giving adequate consideration, I think, to the budget request for $75 million for the aircraft nuclear propulsion program.

My concern, which brings me into the well this afternoon, has nothing to do with the action taken by this subcommittee but it is the nature of concern on the consideration which will be given to the appropriations that have been budgeted for the ANP project for the Atomic Energy Commission since the aircraft nuclear propulsion project is an overall program where two separate appropriations must be considered as a whole, else the program itself might fall apart for at least a period of 1 year.

Never have I seen a development program more fraught with outside interference, redtape and vacillating support than the aircraft nuclear propulsion program. It is truly phenomenal that in spite of the difficulties injected by such outside interference steady technical progress has been made in this program by the working scientists and engineers in this field. It is truly gratifying that in spite of these difficulties we have progressed to the point where we can finally apply the technical knowledge we have obtained to a flyable aircraft engine.

Although we are finally at the point where we can go ahead with a nuclear aircraft engine to fly an airplane, I hear again the start of questions concerning the support of the program, possible additional program reviews and investigations, all of which will do nothing for the program but delay it again. I sincerely hope that none of my colleagues will do anything which will delay this program as much as 1 additional day.

As you know, the Joint Committee on Atomic Energy of which I am a member, has watched this program closely for approximately the last 11 years of its duration. The Research and Development Subcommittee of the Joint Committee, of which I am chairman, is thoroughly familiar with the history of developments in this program. I have many times voiced my dissatisfaction with the leadership and support this project was given in the past by the Department of Defense, the Atomic Energy Commission, and the administration in general. I am thoroughly familiar from firsthand observations with the technical difficulties of the development. I know of the time that has been lost and the difficulties which have been injected into the program by innumerable program reviews, reorientations, administrative indecision, and changes in leadership. Fortunately, due to the attention the Joint Committee has given the aircraft nuclear propulsion program, I believe the program is proceeding on a more firm technical footing. The administration has finally provided a set of firm criteria for the projects. A great deal of technical information is now available from the many power reactor experiments which have been run. A well balanced complementary program is under way on the direct and indirect cycle. All of the work now points to proceeding with the design of a flight test reactor to obtain as cheaply and directly as possible the basic information for fully useful operational nuclear propelled aircraft.

Every delay in the next phases of this development program will result in a day-for-day delay in getting a useful, fully operational, aircraft.

The practically unlimited range and endurance of a nuclear aircraft compared to chemical aircraft is axiomatically an enormous advantage. This Nation is not the only one who recognizes the importance of this advantage. The Soviets have also clearly recognized the importance of such a development as indicated in the following quotation from an article in a publication of the Minister of Defense of the U.S.S.R. in 1957, entitled "Application of Atomic Engines in Aviation." The complete text of the article is published in the July 23, 1959, Hearings of the Research and Development Subcommittee of the Joint Committee on Atomic Energy on the Aircraft Nuclear Propulsion Program:

> However, the range of modern [chemical fuel] bombers is limited by the amount of fuel that can be stored aboard. In this connection, aircraft with atomic engines, whose range will considerably exceed that of today's aircraft, are of considerable interest.

Further on in the same article the statement made by Academician I. V. Kurchatov before the 20th Congress of the Communist Party of the Soviet Union is quoted as follows:

> The use of atomic energy for transportation purposes has to be further expanded.
>
> During the present 5-year plan, work on atomic powerplants not only for an icebreaker, but for other vessels, for air and land transport has to be developed on a large scale.
>
> At the present time, science and engineering are on the verge of creating aircraft with atomic engines. The possibilities of such aircraft are being studied, the economic benefits, advantages, and disadvantages of atomic aviation of the future are being investigated, and a broad program of experiments and experimental work is being conducted.

During my visit to the atomic energy installations of the Soviet Union in September of last year I had an occasion to speak briefly about the development of nuclear propelled aircraft engines with Vasili Semenovitch Emelyanov, the head of the Soviet's atomic energy development administration. He told me that the Soviet Union was working on the development of a nuclear aircraft engine since they—as we have—recognize the great importance of such an engine. Of course, I was not shown any of the actual work or told about any of the detailed developments. Emelyanov did tell me though that they would let us know when they were successful in the development.

This brings up another important consideration relative to our proceeding with the development of a nuclear propelled aircraft without an additional day's delay. Our international scientific prestige would be gravely hurt if the Soviets attained nuclear flight before we did. Although we may have—or may still hold—the technical lead in this work, we must be ever mindful of the single purposeness the Soviets have applied to areas such as this to gain enormous amounts of international prestige.

It may not be too late if we apply the effort which is required and do everything possible to prevent another day's delay in our program. Just one more study or outside investigation may definitely put us out of the running.

The development of a nuclear aircraft engine is a very difficult task. It is much more difficult than for example our submarine reactor development. Accordingly, it requires a greater amount of effort and time. One thing we must remember, as we on the Joint Committee on Atomic Energy have found out in our close following of the program, is that the primary problem is the energy source itself—the reactor. In our work we must continue to concentrate our efforts on the reactor because therein lies the key to the application. Our work to date has resulted in enormous strides in the development of the reactor. We must now follow through to solve the remaining problems in this area.

In surveying our progress in the nuclear aircraft program we must not overlook the large amount of technical information which has been developed for use in other power reactor programs. The data developed has had wide application in a number of other high performance, lightweight reactor development programs. The technical information developed on high temperature fuel elements and highly efficient neutron moderators is assisting developments in a number of power reactor applications. Developments concerning reactor safety are being used to help solve similar problems in our civilian reactor program. In summary these byproduct results of the nuclear aircraft program have contributed a great deal to our progress in the general field of reactor technology.

I am starting to hear again questions concerning the usefulness of the nuclear aircraft we could go ahead with now. Again, to nail this down for the *n*th time, the most important thing we can do now is test out a propulsion system in actual flight. Our goal now is not multimach number flight and it should not be at this time. I believe that the most logical next step in our development program both from the standpoint of maximum usefulness and economy is to proceed into the nuclear flight phase.

Based even on our present criteria the basic characteristics of nuclear propulsion would add a whole new dimension to the spectrum of manned flight. Entire new areas for strategic and reconnaissance applications would be opened up with this type of aircraft. As General White, Air Force Chief of Staff, put it last year:

> While it is too early to define the exact weapon system which may evolve, applications now foreseen emphasize the military development requirement for nuclear-powered flight.

The unique nuclear aircraft characteristics of range and endurance would give us the economic solution to the continuous airborne alert problem. These characteristics, coupled with worldwide mobility of an aircraft would give us an outstandingly useful mobile missile launching device.

The importance of the complementary nature of the direct cycle and indirect cycle developments cannot be overemphasized. The work on the indirect cycle is proceeding as fast as it can at its present phase of development. Compared to the direct cycle the indirect cycle is in the preliminary stages of development. The problems remaining to be solved yet in the indirect cycle are still many. The direct cycle on the other hand is in the late stages of development and ready to proceed to the flight test phase. In order to get into the flight test phase as soon as possible we should go ahead with the direct cycle now. Nuclear flight experience will give us the basic data we need to proceed on a firm basis with our development work on the indirect cycle and other advanced work.

The aircraft nuclear propulsion program has been marked by many ups and downs in the past. Most of these were due to outside interference, by reviews of groups within and without the Government and vacillating support by the administration. Fortunately I believe we are now on the right track. We must do everything possible to keep this important work on the track and prevent as much as 1 day's additional delay from occurring.

You can be assured that the Joint Committee will continue to follow through on this program as suggested in the Appropriations Committee report on the Department of Defense appropriation bill. The Research and Development Subcommittee has in fact scheduled an executive meeting for this coming Thursday, May 5, 1960, with the Atomic Energy Commission to review the progress and plans in the manned nuclear aircraft program.

In closing I want to strongly endorse the following statement in the Appropriations Committee's report on the DOD appropriation bill:

A majority of the committee is inclined to feel that the development of a nuclear-powered aircraft is significant and will be achieved by some nation. Since the United States has been foremost in the development and use of nuclear propulsion for ships, it would be most unfortunate if another nation gained supremacy in nuclear propulsion for aircraft, particularly in view of our efforts to date. It may be true in this program as it has been in others, that one technological advance leads to another and that no one can foretell the full impact of each new achievement until well after it is attained.

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

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

These was no objection.

Mr. HOLIFIELD. Mr. Chairman, I have asked that the gentleman have these 2 additional minutes in order to make the following statement. I have known of his interest in this matter for over 11 years. Our former colleague, Carl Hinshaw, was tremendously interested in this and was one of the men who initiated this project and supported it in the early days. The gentleman has made a very thoughtful statement and, I think, a very factual statement. I hope another committee will take cognizance of what he has said. I want to ask the gentleman if he does not think, if we fall behind now when we are at the goal of obtaining this nuclear propulsion in space for some type of vehicle, and if the Soviets achieve this goal, if we will not suffer a propaganda defeat in the eyes of the world equal to, if not greater than, the propaganda defeat we suffered the first time with the Russian Sputnik No. 1.

Mr. PRICE. I am sure of that. It would be a much more serious defeat. Sputnik to many may be considered a propaganda vehicle, but there can be no doubt of the military value of nuclear-powered aircraft. I recall a statement made before the Armed Services Committee that we had no specific answer in being or under development to a nuclear-powered airplane flying the periphery of our country should the enemy decide to launch an attack against us in this way.

Mr. HOLIFIELD. The solution of this problem of continuous nuclear propulsion in space, as I pointed out on the floor in February a year ago, depends upon the utilization of atomic energy. At the present time with our chemical means of propulsion we get possibly 14 or 15 seconds of impulse; then we have to depend upon the momentum of the missile to place it into orbit, and once having obtained that position of orbit we are helpless to do anything about it. But if we solve this problem we can put a missile or a system into orbit, we can turn off the reactor, allow its orbital impulse to carry it around the world and then resume the action of the reactor and bring it back to earth if we want to. In other words, we would then have a controllable orbital vehicle.

Mr. PRICE. It is a recallable missile.

The Clerk read as follows:

EMERGENCY FUND, DEPARTMENT OF DEFENSE

For transfer by the Secretary of Defense, with the approval of the Bureau of the Budget, to any appropriation for military functions under the Department of Defense available for research, development, test, and evaluation, or procurement or production related thereto, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred, $150,000,000, and, in addition, not to exceed $150,000,000, to be used upon determination by the Secretary of Defense that such funds can be wisely, profitably, and practically used in the interest of national defense and to be derived by transfer from such appropriations available to the Department of Defense for obligation during the current fiscal year as the Secretary of Defense may designate: *Provided*, That any appropriations transferred shall not exceed 7 per centum of the appropriation from which transferred.

TITLE V—GENERAL PROVISIONS

Mr. McDOWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDOWELL: On page 29, after line 13, insert the following:

"SEC. 501. None of the funds appropriated in this Act shall be available for making payments on any research or development contract under which any invention, improvement, or discovery conceived or first actually reduced to practice in the course of performance of such contract or any subcontract thereof, or under which any patent based on such invention, improvement, or discovery, does not become the property of the United States."

And renumber the following sections accordingly.

Mr. FORD. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. FORD. Mr. Chairman, the amendment goes beyond the scope of the bill. It applies to contracts beyond funds included in this appropriation act.

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

Mr. FORD. I yield.

Mr. SIKES. I wonder if the gentleman would not be willing to reserve his point of order to allow the gentleman from Delaware to speak on his amendment.

Mr. FORD. Mr. Chairman, I reserve my point of order.

Mr. MAHON. Mr. Chairman, I reserve a further point of order against the amendment on the ground that it would require additional duties, but I withhold it to permit the gentleman to make his statement.

The CHAIRMAN. The gentleman from Michigan and the gentleman from Texas reserve points of order against the amendment.

The gentleman from Delaware is recognized for 5 minutes.

Mr. McDOWELL. Mr. Chairman, I offer an amendment to H.R. 11998, the bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, to provide for the protection of the interests of the United States in basic research with respect to patent rights arising from research conducted under research and development and procurement contracts financed by the Federal Government and paid for by the taxpayers of the United States.

My amendment is very short and simple. It provides that funds appropriated under this act may not be used to make payments on any research or development contract hereafter entered into, unless all inventions and discoveries made during the course of that contract, and all patents arising out of those inventions and discoveries, become the property of the United States.

I have been astounded to discover that in the absence of any legislative enactment by the Congress establishing a patent policy for the Department of Defense, or for the Federal Government as a whole, officials of the Department of Defense have themselves undertaken to develop a patent policy of their own which is in direct conflict with the repeated enactments of the Congress as

expressed in the Atomic Energy Act, the National Aeronautics and Space Act and other legislation where the Congress has specifically spelled out a patent policy which reflects the national interest of our country.

Mr. Chairman, the National Science Foundation recently estimated that during 1959, $7.9 billion of a total of $13.2 billion, or 60 percent of all research and development performed by industry in the United States was financed by the Federal Government through research and development and procurement contracts, and of this vast sum $6 billion was spent by the Defense Department.

It is high time that the Congress demand that the Defense Department get into step with the Congress on patent policy.

The Government's basic research should be promoted and protected because it is growing clearer every day that the comparable positions of Soviet Russia and this country will depend upon the success and proper conduct of this research and development policy and the successful establishment of a uniform and sound Government patent policy.

The Comptroller General of the United States, Joseph Campbell, has been looking into some aspects of this problem. As recently as March 10, 1960, Mr. Campbell wrote, and I quote from his letter:

An examination made by us of the operations of a major defense contractor disclosed that 218 invention disclosures arose from work financed under Government contracts. Of these, 62 patent applications had been filed, 33 applications were approved for filing, 57 disclosures were under evaluation, 3 were awaiting evaluation, and the remaining 62 disclosures were in an inactive status. Two disclosures were combined in a simple patent application. Most of these disclosures for which patent applications were filed or approved for filing were classified by the contractor as having commercial value. The circumstances that the work was sponsored and financed by the Government and performed for the express purpose of accomplishing research and development in the particular field seem to afford persuasive reasons for urging that, in addition to the right to the free use of any inventions, improvements, or discoveries resulting therefrom, the Government should retain the property rights thereto, including any patents that might be granted therefor.

So, here is the Comptroller General of the United States recommending to the Congress that the work sponsored and financed by the Government and performed for the express purpose of accomplishing research and development affords persuasive reasons for the Government retaining the property rights to any inventions, improvements, or discoveries resulting therefrom.

As long ago as 1947 Justice Tom C. Clark, former Attorney General, after an intensive study of the problem, recommended that the Government should take title to all inventions produced in the performance of a Government-financed research and development contract.

In 1956 former Attorney General Herbert Brownell submitted a report to the Congress, as required by the Defense Production Act of 1950, in which he found that the present patent policy, and I quote: "may be one of the major factors tending to concentrate economic power."

The magazine Product Engineering, published by McGraw-McHill, said on May 4, 1959, that—

Many people have asked why the United States does not at least recoup its research costs by taking a cut of the commercial royalties. The British Government has been doing this since the turn of the century. The Vickers *Viscount*, developed under Government contract, has returned enough to the British Treasury to pay off the original research cost and yield a profit. Jet engines have been a profitable venture for the Exchequer.

Product Engineering goes on to say that—

Excessive channeling of research contracts into big business is causing considerable worry. Big business (over 500 employees) gets at least 95 percent of the Government research, and 100 firms get 85 percent among them. The top 14 companies getting contracts between 1954–56 were all big electric and aircraft companies. * * *

The House Small Business Committee recently spoke of "the ominous shadow cast on the future with the monopoly of technology by big business." Small business, say its supporters, helps foot the Government research bill and should at least have access to patents developed at the taxpayers' expense.

I include as part of my remarks an article by Ronald J. Ostrow in the Wall Street Journal of June 10, 1959, which underscores the need for the amendment which I am offering, since it shows what a bonanza the patent giveaway policy of the Department of Defense is to those big businessmen lucky enough or bold enough to refuse to perform research vital to our defense effort and to our continued existence unless given all patent rights even though the Government pays for it:

[From the Wall Street Journal, June 10, 1959]

SWORD TO PLOWSHARE: MILITARY RESEARCH BRINGS GROWING FLOOD OF CIVILIAN PRODUCTS—ARMY HUT TURNS INTO BEACH HOUSE—NAVY GENERATOR GOES TO WORK ON PIPELINE—BUT SOME SECRETS SLIP AWAY

(By Ronald J. Ostrow)

Corporate Research, Inc., a year-old Ann Arbor, Mich., concern, plans to introduce this summer a round 230-square-foot house made of a plastic foam material lined with kraft paper. The company, aiming for the beach house and playhouse markets, will sell the house for about $249.

New York Savings Bank just installed a high-speed facsimile communications system linking its main office on Manhattan's 14th Street with a branch office at 46th Street and Lexington Avenue. The particular type of facsimile system was developed and is being produced by Alden Electronics & Impulse Recording Co., an affiliate of Alden Products Co., of Brockton, Mass.

These newly developed products have something in common: They were developed primarily with Government funds and made their debuts in the military market. The house grew out of an Army research contract aimed at finding light, portable huts to house troops; the facsimile system resulted from a Navy contract.

AN INCREASING IMPACT

The mushrooming expenditures by the Government for what is familiarly known in industry as R. & D., is having an increasing impact on private industry, and ultimately on consumers. In the current fiscal year the Pentagon is spending about 90 percent of its $3 billion research, development, and evaluation outlay among more than 1,700 private U.S. concerns. A year ago the Pentagon distributed a smaller amount among about 1,600 companies.

Look at some other cases where Government-sponsored R. & D. contracts led to products that found their way into civilian markets, and you get an idea of the diversity of the civilian goods that emerge by this route.

American Optical Co., of Southbridge, Mass., recently began selling a new type of lightweight sunglasses with straight sidepieces, designed to slip on and off easily, but to remain firmly in place when worn. A $367,000 Air Force R. & D. contract financed development of the glasses, originally made to be used by flyers while wearing radio headphones. "The reception (by the civilian market) has been very good already, and we expect very good sales," says an American Optical official.

GENERATORS AND POWERPLANTS

Texas Eastern Gas Transmission Corp. plans shortly to install a 300-kilowatt generator on its natural gas pipeline in Louisiana. The generator, a newly developed product of Solar Aircraft Co. of San Diego, is powered by a 500-horsepower Jupiter gas turbine engine that has been converted to run on natural gas. Solar began to develop the engine in 1947 under a Navy Bureau of Ships contract when the Navy was seeking a shipboard emergency generator. Other models of the Jupiter are on consignment to two boatbuilders who are experimenting with them as powerplants to run personnel craft for offshore petroleum operations.

Coleman Engineering Co., Inc., of Torrance, Calif., has sold 600 of its Digitizer devices, 70 percent or these to commercial markets, since it developed the machine while working on a $50,000 Navy contract in 1952 to develop a specialized automatic data-handling machine. The Digitizer converts the movement of gages and other motion into numbers, then transmits this data to a computer; commercial applications include automatically recording temperatures and pressures in oil refineries and recording and transmitting weather data from remote observation stations, eliminating the need for such stations to be manned.

A company developing a device under a Government contract usually retains commercial patent rights, but yields to Uncle Sam a royalty-free license to have the item manufactured for military use.

Companies aren't always able to take a product developed for the military and convert it directly into an item for the civilian market, of course. "Commercial benefits from Government R. & D. are usually indirect," says Dr. James E. Lipp, director of development planning for Lockheed Aircraft Corp. of Burbank, Calif. "Technical advances made under Government sponsorship are usually applied in altered form and at a later time in our commercial products," he adds.

A MAJOR EXAMPLE

A neighboring competitor of Lockheed, Douglas Aircraft Co., Inc., provides a major example of these indirect benefits. Says A. E. Raymond, senior vice president (engineering): "The DC–8 jet airliner we're getting into service now follows the pattern of sweptback-wing planes we developed for the military."

A Douglas official explains that sweptwing aircraft, which have greater speed potential, have different flight characteristics than the conventional straight-wing planes. For one thing, the center of gravity in a sweptwing craft is farther to the rear, and the plane has a tendency to be less stable at low speeds.

To work out this and other problems, Douglas, under a Navy R. & D. contract, built

the experimental sweptwing, needle-nose D–558–2 Skyrocket, a rocket-powered plane that first flew in February 1948. Later, with Navy contracts, Douglas turned out the sweptwing A3D, which first flew nearly 6 years ago but still is being produced and used as a bomber by the fleet.

"Military experience in operation and design is very useful commercially," says Mr. Raymond, "because the military is pushing for performance primarily, rather than safety. They try out new developments first, so commercial planes always derive some benefit from military designs."

Mr. Raymond is unable to estimate the amount his company saved through military-sponsored research in developing the DC–8, but notes: "If we hadn't had the military experience, we couldn't have built it at all."

Besides reaping both direct and indirect benefits from Government R. & D. projects, companies involved in these projects say the work allows them to maintain larger scientific and engineering staffs than they otherwise would be able to afford. They also find that working for Uncle Sam gives them access to reports on the progress of others in their industry; these reports yield vital technical information.

Observing that "civilian fallout from military R. & D. work is a hard thing to measure," a Raytheon Manufacturing Co. official declares: "We always benefit from military R. & D. inasmuch as it permits us to maintain a large and well-rounded scientific and engineering staff. From their research efforts, we derive a breadth and depth of technical knowledge that we would not be able to achieve solely from commercial R. & D."

Raytheon's development of radar for the Navy during World War II, with the resulting growth of a staff skilled in radar principles, is probably a classic example of Government-sponsored R. & D. enhancing a company's profit capabilities. "Today, we're a leading producer of commercial ship radar, the basic know-how for which we gained from the Navy work," an official of the Waltham, Mass., concern says. The commercial work is in addition to the radar Raytheon turns out for the military, he adds.

A MIXED BLESSING

Companies at work on Government R. & D. programs and sharing technical information with other concerns engaged in like tasks say this exchange proves a mixed blessing.

"These reports enable us to save a great deal of money and effort by not duplicating something another company has done already," says the president of a company which develops and manufactures semiconductors.

But this executive comments that "technical information sharing is one of the prices a company pays for being engaged in Government R. & D." And he offers an example of how some electronics companies got a boost from the Government research work done by one of their competitors.

Backed by a military contract, a young, small east coast concern "did a whiz bang job of developing a silicon power rectifier," a piece of electronic hardware that converts alternating electrical current to direct current. "The minute they were out with this thing, others in the indusry who had not been able to develop the rectifier on their own got a copy of the Government report and gleaned vital clues on how to produce the device," he says. The result was that a number of companies had the rectifier on the market at least a year sooner than they would if they had had to develop it entirely on their own.

In this case the company's development was not patentable, and there was nothing to prevent other companies from using the information learned through the Government report in producing their own versions.

A QUICKER EVALUATION

A company doing military-sponsored research often gets an earlier evaluation of how its work is going than it would if the research was aimed only for commercial markets, companies say.

"You get a good, early calibration of where your R. & D. stands in military work, not years later as is often the case in commercial research," contends Roy L. Ash, executive vice president of Litton Industries, Inc., Beverly Hills, Calif., electronics concern, whose military development and production currently accounts for about 45 percent of total volume.

"When competing in the commercial market, you often spend several years in the laboratory conceiving and developing a product, and then you take time to develop a market program and to test it, before you finally get around to putting the decision of your success up to the public," notes Mr. Ash. "But when you're selling to the military, they're interested in technological improvements just over the horizon—the best brainwork to this point. The Government," Mr. Ash adds, "is able to provide an early evaluation of your R. & D. effort."

Small companies often sing the loudest praise of Government R. & D. They say that with the aid of Uncle Sam's research money they're able to investigate fields that would be too expensive for them to look into with just their own resources.

COULDN'T AFFORD THE RESEARCH

"A company our size couldn't afford to be in this basic research if it weren't for Government contracts," says Ralph F. Redemske, vice president of Servomechanisms, Inc., Hawthorne, Calif., developer and producer of electromechanical systems and components whose sales totaled about $17 million last year. Mr. Redemske is speaking specifically of the company's investigation of thermoelectric power—the conversion of heat into electricity—under Navy sponsorship since 1957. The research, being carried on at the company's Santa Barbara, Calif., facility, is now at the rate of $100,000 a year, according to Mr. Redemske.

Government research contractors, both big and small, insist that the direct profits from an R. & D. contract are not what prompts them to vie for the work.

"Theres' not much profit in Government R. & D. work, especially when you develop just one of something," says an official of Packard-Bell Electronics Corp., Santa Monica, Calif. "But you learn how to make something new, advancing the state of the art, which very often leads to commercial or Government production contracts. Very often the gleam in an eye in your lab is going to produce a hum in your production line—regardless of who finances it."

Litton Industries' Mr. Ash also discounts the profits directly resulting from such work. "Litton isn't in this work to sell its engineering services for a fee," he says. "We look at it from the standpoint that for every dollar of engineering we do, there's $10 or $15 or $20 worth of future product sold."

A SMALLER PROFIT

Mr. Ash says that cost-plus-fixed-fee work, typically associated with military R. & D. yields a pretax profit of 6 or 7 percent of sales, lower than the 10-percent profit he says is generally associated with military fixed-price production contracts.

"The possible profit you can make from an R. & D. contract is so small that going out for that alone is hardly worthwhile," asserts Dr. James Carter, research adviser of Aerojet-General Corp., Azusa, Calif., subsidiary of General Tire & Rubber Co. "Of course, there's always the possibility of the research contract leading to military production or commercial application," he adds.

Although he won't forecast when any of them might reach the market, Aerojet-General has several commercial applications for some of its military research in the works, Dr. Carter says. One project: Adapting nitromethane as a commercial explosive. "Under a Navy contract, some years ago we did a great deal of investigation of nitromethane as a monopropellant—for missiles—one that would be a fuel and an oxidizer at the same time," Dr. Carter recalls. "However, it proved to be either too hazardous as a fuel or to have combustion difficulties."

Aided by its fuel study, Aerojet-General has ironed out some of the problems and now is working with petroleum companies studying the use of nitromethane in seismic oil exploration and also as the agent for underground explosions to step up the yield from low-producing wells. "It's much safer than nitroglycerine," claims Dr. Carter, "and because it's a liquid it's easier to place than solid explosives in a number of applications."

A SUBSTANTIAL PORTION

Although Government R. & D. contracts may offer lower profits than that which companies usually pursue, the dollar amount of the work often is much greater than what they themselves put into research, and accounts for a substantial portion of their total sales volume. For example, Lockheed in 1958 had volume of $962,679,211, which included $323,900,000 of Government research and development contracts. In the same period Lockheed spent $25.2 million on its own research and development program. This year the aircraft and missile maker expects to do $400 million of Government-sponsored R. & D. while digging down in its own pocket for about $12 million.

"In an industry with a rapidly expanding technology like ours," says Lockheed's Dr. Lipp, "a strong R. & D. program is a necessary foundation for virtually all of Lockheed's sales."

Despite the chance of a hefty production contract or profitable commercial application, companies note that Government R. & D. contracts in some cases have some major disadvantages. For one thing, they say a company's patent position is sometimes damaged by work it does under Government contracts. They also say that nonmilitary projects often are delayed by work on military R. &. D. jobs, which usually are on a rush basis, and that Government research wants often are too specialized to do a company's commercial market much good.

Another reason is that companies doing big Government R. & D. projects are, of course, at the mercy of the Federal Government; sudden cutbacks as the result of budget problems or other reasons often have a severe impact. A classic example was the cancellation in 1957 of R. & D. work being done by North American Aviation, Inc., on the Navaho missile. The work had started in 1950 and by the time it was canceled some $700 million had been poured into it. North American had to lay off 12,000 people when the project was dropped.

Space age concerns, in particular, are upset these days by the regulations of the youthful National Aeronautics and Space Administration regarding patent rights. Just last month a delegation representing some of these contractors trouped to Washington to urge that the agency revamp its rules.

ALL RIGHTS CLAIMED

Terms of the 1958 law which created NASA to oversee the U.S. space programs seem to give the Federal Government the right to claim all rights—commercial as well as military—to any invention resulting from a NASA contract. Critics of the legislation say this is contrary to the usual practice under Armed Forces procurement provisions, where a company developing a device under

a Government contract retains its commercial patent rights.

Contractors complain that besides retaining both commercial and military rights, NASA regulations define a contract so broadly that a subcontractor or supplier to a firm at work on a NASA project, though he has no direct contractual relationship with the Government agency, surrenders any chance to have a device patented if it's a space age item.

The NASA patent rules "will restrict creative effort on the part of private industry," warns Robert Lent, director of marketing for Statham Instruments, Inc., of Los Angeles, developer and manufacturer of transducers, electromechanical devices that convert physical information to electrical impulses and transmit the impulses to electronic data-handling equipment.

Mr. Lent claims the rules assume rockets and missiles won't be used in a commercial way. He complains the rules recently caused Statham to pass up an order.

"A buyer for a major company that had taken a NASA R. & D. contract came to us and wanted transducers off the shelf. But because his firm was working on a NASA contract, I would have jeopardized the patent position of our transducers in accepting the order," Mr. Lent contends. He turned down the sale, and the buyer went to another supplier, the marketing director adds glumly.

A NASA official in Washington, citing the agency's provisions that allow the NASA Administrator to waive the Government's patent rights, says it's not NASA's intention to apply the rules as severely as some industrial critics fear. Industry's objections to the patent provisions "are currently being considered," he says. "There will be changes," he predicts, "but how far they'll go we can't say."

Mr. FORD. Mr. Chairman, I withdraw my point of order. The original proposal submitted by the gentleman from Delaware included the word "hereafter" which, in my opinion, if included would have been subject to a point of order. It is my understanding he took those words out of the proposal. With their exclusion, my point of order is withdrawn.

The CHAIRMAN. The gentleman from Michigan withdraws his point of order. Does the gentleman from Texas insist on his point of order?

Mr. MAHON. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MAHON. The point of order is that this proposed amendment would imply additional duties beyond the scope of the bill.

The CHAIRMAN. Does the gentleman from Delaware desire to be heard on the point of order?

Mr. McDOWELL. Yes; I do, Mr. Chairman.

Mr. Chairman, I cited to the Chair certain Hinds' and Cannon's precedents which adequately demonstrate that the amendment does not in any way restrict the administrative procedures under the act. It is not retroactive in any sense of the word. With that, I simply leave the matter at this point to the Chair for a ruling.

The CHAIRMAN (Mr. KEOGH). The Chair is ready to rule.

The gentleman from Delaware [Mr. McDOWELL] offered an amendment in the language heretofore reported, and a point of order was made by the gentleman from Texas [Mr. MAHON] that it was, in effect, legislation on an appropriation bill, imposing additional duties on the executive branch of the Government.

The Chair has had an opportunity to reread the language of the amendment and to refer to the precedents applicable, in the opinion of the Chair, thereto. It is the opinion of this occupant of the chair that the amendment offered by the gentleman from Delaware is, in fact, a limitation on the appropriations appropriated in this act, and while it may be argued that the limitation imposed causes or results in additional burdens on the executive branch, in the opinion of this occupant of the chair, that is normal and reasonable to expect in the carrying out of the limitation.

Therefore, the Chair is constrained to overrule the point of order.

The point of order is overruled.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish to commend the gentleman from Delaware [Mr. McDOWELL] for his interest in this very important subject. I believe the gentleman from Delaware has a bill pending before the appropriate legislative committees that would accomplish what is intended by this amendment. It seems to me in view of the fact that legislative committees of the House are currently considering this legislation, it would be advisable not to take this step, this legislative step, as a limitation on an appropriation bill. As I understand the situation, there is a provision of law similar to that provision which is being offered here which is applicable to the National Aeronautics and Space Administration, and it is my understanding that efforts are now in progress to secure a repeal of that portion of existing law. The officials of the Department of Defense strongly oppose the amendment offered by the gentleman from Delaware. It is claimed by the Department of Defense that the proposal would seriously hamper technological progress on military weapons. Now, under these circumstances and in view of the fact that the Committee on Appropriations has had no hearings on this particular issue and in view of its far-reaching implications, it seems to me it would be most ill advised after such brief consideration to take favorable action. I would not want to preclude consideration, of course, by appropriate committees in further probing and exploring the issues involved here. I hope the House will support the committee's position that this amendment should be voted down, and I ask that it be voted down.

Mr. THOMPSON of New Jersey. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, our able friend and colleague the gentleman from Delaware [Mr. McDOWELL] is to be congratulated for his courage and foresight in bringing this matter to the attention of the Members of this House and I am sure that most of us will support the amendment he has offered. I have been interested in this matter since coming to Congress.

Certainly it is high time that the Department of Defense called a halt on its patent giveaway policy; and it is surely time that the Congress adopted the amendment he has offered to the effect that none of the funds appropriated for the Armed Forces shall be available for making payments on research and development projects hereafter where patents, inventions, improvements, or discoveries resulting therefrom does not become the property of the United States.

The policy of the administration and the Department of Defense with regard to this patent policy is a mistaken one.

In its present form it is directly traceable to World War II when some of the larger and bolder corporations and business leaders found that they had the Federal Government over a barrel and that they could prevail upon the Government to let them keep the patents which they developed with Government funds.

The patent policy of the Defense Department is inflationary in the extreme and increases the cost which the public must pay for many items which are essential to our economy.

They are responsible in part for the huge cost of the items which the Defense Department buys.

The patent giveaway policy of the Defense Department also adds to the cost of those items which are developed commercially.

So the public which pays for the development of patentable items pays for them again and again.

President Eisenhower has repeatedly called for a balanced budget, and has urged the Congress to fight inflation as we would a fire imperiling our homes.

Yet the President has yet to say a word about this Defense Department patent policy which could save the American taxpayers literally billions of dollars every year.

Senator RUSSELL LONG, chairman of the Subcommittee on Monopoly of the Senate Small Business Committee, told the Members of the other House on Tuesday, this week, that the Department of Defense spends $6 billion in research, and large firms get 97 percent of that $6 billion. Twenty companies received half of this work, and receive the full benefits of $3 billion a year in research and development work.

Senator LONG's speech and the colloquies which followed should be read by everyone concerned with fighting inflation in this country, including President Eisenhower and the officials of the Defense Department who are responsible for the present patent giveaway policy.

The report of the Subcommittee on Patents and Scientific Inventions of the House Committee on Science and Astronautics declared that—

Frequent references were made by the witnesses to the adverse effect of Government ownership of inventions and patents on small businesses. It was argued, for example, that one of the most advantageous ways for small business to compete successfully against larger competitors is by allowing small businesses to retain ownership of the commercial rights in their inventions and patents, whereby they will have the ability

to exclude larger competitors from a limited field under such patent rights. Although small businesses as well as large businesses would normally expect to grant the Government a royalty-free nonexclusive license to use, for Government purposes, any inventions made during the performance of a Government research and development contract, the smaller business would stand to gain more than the larger one, since the economic strength of the latter may be sufficient without patent protection, whereas the former are aided by, and derive economic strength from, the rights afforded by the patent system.

It is interesting to note that Senator LONG labeled this argument as, and I quote, "a lot of hogwash."

Among the examples he referred to in the Senate colloquies was a new carding machine which combs out cotton so that it can be twisted into thread. This machine was developed at Government expense, and it results in giving a 1-percent saving on the cotton that goes into making fabrics. Twenty concerns have been licensed to use this machine. They are competing with each other, and this competition has resulted in forcing prices down as a result of which material savings are being passed on to the public.

The U.S. Department of Agriculture had developed a process for freezing orange juice in cooperation with the State of Florida. At the present time more than 50 companies are licensed by the Department of Agriculture to use this method.

In both of these cases small business has profited and the public has realized considerable savings in the end products.

It is certainly much better for our economy to have such competition than to have a multibillion-dollar company increasing its monopolistic position by exclusive control of the many patents its enormous business with the Department of Defense gives it.

Another thing to bear in mind is that about 90 percent of the research and development contracts let by the Department of Defense are cost-plus-fixed-fee contracts.

The salaries of the company officers and officials who devote any of their time to these Government contracts are covered as are the millions of dollars which are spent on institutional advertising in slick-paper magazines.

A few large companies, for instance, Aerojet, when engaged on a Government contract will let a subcontractor who develops something patentable keep it.

Most big companies, however, demand and obtain from subcontractors full ownership of any patent rights which are developed.

Under the present policy of the Defense Department, small businessmen are never free from the threat of big business which controls the patents and proprietary rights they have obtained.

If we truly want to help small business then the best way to do it is to adopt the amendment proposed by our colleague the gentleman from Delaware [Mr. MCDOWELL].

There is a never-ending flow of words from high administration sources about the deep concern which the officials of the executive branch of the Federal Government have for private business, for the private industry sector of our economy.

Now, everybody knows that when a businessman or a corporation employs someone to do research and development work that any invention, improvement, or discovery conceived or reduced to practice in the performance of such work belongs to the hiring businessman or corporation.

Here, then, is the acid test.

If we believe in private industry then why depart from the practices of private industry in this matter?

Can we believe, shall we permit ourselves to even think, that the present administration believes in private industry just so long as it suits their purpose—and when it does not suit its purposes—it feels perfectly free to depart from these practices?

It is difficult for me to even conceive of such a state of affairs, but what other conclusion can there possibly be?

If this is the case, and the evidence points in this direction, then, gentlemen, the sooner the country wakes up to this situation the better it will be for everyone concerned.

And no one will be better off than small business, which is certainly getting the small end of things in the matter of research and development contracts.

I would like to say that I deplore the action being taken by the House Aeronautics and Space Subcommittee in recommending that the National Aeronautics and Space Administration give away all the rights to patents developed hereafter.

I find myself in agreement with Senator LONG who told the Members of the other House on Tuesday, this week, that:

I regret to say that a majority of the members of the House Aeronautics and Space Committee have recommended * * * that the National Aeronautics and Space Administration proceed to give away all the rights being developed under NASA. A very vigorous minority group is fighting against that position. The hearings were held, and apparently the members were impressed by them. I have not had the opportunity to go over them, but I notice that most of the witnesses were patent lawyers. Of the remaining witnesses, most of them were representatives of large corporations, who are getting all this handout. Apparently no effort was made to seek the kind of witnesses we sought for the Small Business Committee (of the Senate)—small businessmen, and people of that kind.

It is a little difficult to get witnesses from small business to testify, because the large corporations and those administering the Department of Defense have so many ways they can rough those people up.

A small businessman testified before us about the difficulty he had in getting the specifications to manufacture cameras. He told how it was costing the Government so much more than it should.

Within 3 weeks, in the Department of Defense there was ordered a worldwide field inspection of everything he sold the Government, which meant that the great patent lawyer serving as Deputy Assistant Secretary of Defense sent down the word to rough that fellow up, because he dared to testify against a policy of giving away $6 billion a year of patent rights.

It is very difficult to protect small business witnesses who come and tell us the truth. If they are not discriminated against by those who are administering their Government, they are subject to discrimination against them by large corporations to which they frequently apply for subcontracts.

In conclusion, then, I would like to say that I do not want to have any part of such gestapolike tactics.

I think the fair-minded Members of this body will agree with me that it is high time that the free-wheeling big business "bigshots" who have established the present patent policy of the Department of Defense were reined in.

I support the splendid amendment offered by my colleague the gentleman from Delaware [Mr. MCDOWELL] and I urge that all others interested in small business support it also.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes, with final recognition being accorded the gentleman from Michigan [Mr. FORD].

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr HOLIFIELD].

Mr. WOLF. Mr. Chairman, I ask unanimous consent to yield the time alloted to me to the gentleman from CALIFORNIA [Mr. HOLIFIELD].

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

There was no objection.

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

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

There was no objection.

Mr. WOLF. Mr. Chairman, I support the McDowell amendment. Those opposed to this amendment failed to point out the considerable dissent against the patent section in the Space Act now pending before our committee. In the hearings held before the Mitchell Subcommittee on Patents of the Science and Astronautics Committee it is significant to point out that the list is a page long on the report of those who testified. Yet not a person appeared in behalf of the public interest. The list includes patent attorneys and business interests with a private profit motive.

Mr. Chairman, I believe the public needs the protection from the naturally intense desire on the part of the large defense contractors to gain profits. I believe that when the taxpayers support a research program which leads to a new patent, the people—taxpayers—should own it, rather than be forced to pay royalties to the contractor who gained this patent at public expense.

Mr. HOLIFIELD. Mr. Chairman, it is obvious this important question cannot be discussed adequately in the short time we have for it today, but I would call the attention of my colleagues to pages 9215 to 9227 in the May 3 CONGRESSIONAL RECORD in which a Member

of the other body made a major speech on this particular subject. This is a subject that does need taking care of, but I know we cannot take care of it at this particular time.

The basic point at issue here is whether the Defense Department is going to continue to give away windfall patent benefits to its contractors which have been paid for by the money of American taxpayers. This is absolutely against the principle of American patent policy. If any individual through his own research and development funds acquires a patentable idea he is entitled to that patent. This is exactly what happens when the Government issues a contract to a contractor for research and development. It furnishes the taxpayers' money for that purpose. The Government is entitled to any patentable developments which may accrue under the expenditure of that money.

The big corporations of this country require the people who work for them to sign a contract that any idea that is conceived during their time of employment that is patentable is assigned automatically to the company that hires them. All we are requesting in this amendment is that the U.S. Government, which is the employer, and the contractor, who is the employee, abide by the same principle of assignment of patents in any patentable area as the result of Government research and development funds, the same as an employee does to the corporation for which he works.

The Atomic Energy Act has this requirement in it. Under the Atomic Energy Act there is a clause which requires exactly the principle of the amendment offered by the gentleman from Delaware. Where the Government pays for a patentable device, the Government gets it. Then it is made available to all of industry because the American taxpayers' money paid for it. But, under the Defense Act, the Department of Defense gives to its favored contractors windfall patent rights which are obtained by virtue of Government expenditure, and thereby they deny the rest of American business equal access to this particular device, and deny them the benefits industrially of this device. Ladies and gentlemen, this problem is going to come up when the Space Act is discussed later on, and I am going to discuss it in some detail, I assure you, at that time. There is a growing concern in the Congress on this policy of the Defense Department in failing to protect property—patent rights—which were paid for and belong to the Federal Government and all of American industry.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, I am sorry we have not had an opportunity to discuss this issue. I simply rise in support of the principle enunciated by the gentleman from Delaware and to serve notice on the House, we are going to be confronted very shortly with what I consider to be a trip back down the hill with reference to the patent provisions of the National Space Act. The patent provisions which were prepared by the select committee 2 years ago have worked very well with reference to the Space Agency, but it has not made some of these big contractors happy, because they are seeking a windfall at the expense of the American taxpayers. They have been pounding us over the head on the Science Committee in an attempt to try to get the door open again. Although I have the greatest respect for the members of my committee who have considered this subject, actually that is what our committee is in the process of doing, bringing to you a bill which opens the door wide open again and it will be a trip back down the hill after the select committee went up the hill in establishing good and sound practices that were copied after the Atomic Energy Act. I hope all Members of the House will take a look at the speech which my colleague from California has mentioned because I think it very ably describes the condition in which our patent laws are at the present time, and explains the great windfall which a few privileged contractors of this country are enjoying at the expense of the American taxpayers.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I rise to support the committee in its opposition to this amendment. I think it is quite clear this is an extremely difficult and complicated subject. This committee has not studied it nor is it really the kind of subject that this committee would study. The Joint Economic Committee has been in this area as well as the Committee on Ways and Means because we do face a real problem of how we can get more funds into research and development. This is a difficult problem. I appreciate some of the arguments of those who would like to alter our present laws one way or the other. I think a lot of work needs to be done in this area. But let us do it in an orderly fashion before the committees who can study and have studied this matter; in particular at the present time the Space Committee, Armed Services Committee, Judiciary Committee, and the Atomic Energy Committee. Then we can present our arguments. I certainly intend to testify on any measure that has anything to do with how we can get research and development funds into our society because we certainly need a great deal more.

Mr. Chairman, I want to close with one thought and that is, this is no area for demagoguery. I shun these arguments accusing people of trying to make money, and gouge, and so forth. This is entirely too serious a subject to treat in that light fashion.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire [Mr. BASS].

Mr. BASS of New Hampshire. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Delaware. I am a member of the Subcommittee on Patents of our Space Committee, which has held very extensive hearings on the patent provision in the Space Act. The Space Act patent policy is very similar to Department of Defense patent policy, because we have in NASA many research and development contracts, just as we do in DOD.

I had exactly the same reactions as my colleague and friend from Delaware when I first approached these hearings; namely, if the Government is paying for research and development projects, why should the Government not retain title to the patents arising from these contracts? But after I had heard all the testimony, I came to the opposite conclusion, as did all but one member of the Patent Subcommittee studying this problem, and this is a bipartisan committee.

We came to the conclusion that it would be better for our whole research and development program if we retained the present Department of Defense patent policy whereby the contractor can retain title to any patent arising from a research and development contract, but the Government retains a royalty-free license. That policy has worked well.

This is a very complicated subject. We held hearings for days on this subject. Our Space Committee is reporting out with a change in the patent provision of the Space Act, and I think it would be very premature and unwise for us to act now, hastily and without adequate consideration. Such action would seriously impede our whole research and development program which is so vital to the defense and security of this country.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

The Chair recognizes the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, during the long hours yesterday I read with great pleasure an excellent statement by a Member of the other body in the CONGRESSIONAL RECORD for Tuesday, May 3, on page 9215, in which this entire question is discussed at length. It is pointed out on page 9216 that the law requires the Government to take title to inventions from Government-financed research in the case of the AEC, the NASA, the Department of Agriculture; but we give the right to the firm doing the research in the Department of Defense, the Post Office Department, and National Science Foundation.

It seems to me that we in the Congress ought to make up our minds as to which way we are going. It seems to me that the taxpayers who have paid for this research are entitled to own what they have paid for.

More than that, the economy stands to benefit tremendously from obtaining the benefits of this research. It has frequently been said that one of the few benefits of war and military spending is that it enhances technology and progress of science and the useful arts. If that is so, the better way is to put these inventions to civilian use. This can only be done as we have the Government take title to the patents and make them available freely so they will be used. They ought to be in the public domain. Even so, the company or the person doing the research has the advance

knowledge and hence the inside track. When the Government had paid for a patent I do not see why the Government should not take title to it.

The amendment offered by the gentleman from Delaware is precisely in point, and is in keeping with the provisions we use elsewhere and should be adopted. The people ought to own what they have bought and paid for.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Chairman, notwithstanding the great affection and admiration in which I hold the proponents of this amendment, I must take the well of the House at this time to oppose the amendment. I, too, was a member of the subcommittee referred to by the gentleman from New Hampshire [Mr. BASS]. The Patents Subcommittee of the Committee on Science and Astronautics held hearings on this important question, insofar as it applied to the National Aeronautics and Space Administration, which hearings lasted for a week, during which time we heard well over 40 important witnesses. I became convinced that we would be doing a disservice to the country to leave the title to these patents in the U.S. Government, because the way it works out in practice is that the patents lie dormant. Nothing happens to them when the Government owns them. That which belongs to everybody is of value to nobody. What the industries need is the exclusive rights that the patent law gives to them to come in and develop the patent, which they do not have if the patent remains in the public domain.

So the way it works out in practice is that when the patent goes into the hands of the Government it stays there; it is not developed, and nothing comes from it. Our general defense effort, instead of spurting forward, slows down.

This was a very technical matter. I think this is not the right place to go into it. There will be ample opportunity to debate it and discuss it when it is brought before the House in due time. Then we can go into the merits This is an appropriation bill and for that reason I feel we should not open up a technical debate on a matter foreign to the purpose of an appropriation bill

Mr. Chairman, I oppose the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. DADDARIO].

Mr. DADDARIO. Mr. Chairman, this is no time to discuss, within such short period of time, legislation which is of extreme importance to each and every one of us and to the entire Defense Establishment of this country, going all the way from the Department of Defense through the National Space Agency, the Atomic Energy Commission, and other agencies of Government which deal with patents and the complex problems surrounding the question in whom title to patents shall vest.

Article 1, section 8, of the Constitution establishes the right through which patents devolve themselves upon the inventor and assures him of the right to hold onto the product of his own skills, his own mind, his own imagination. This assurance given by our patent system to an inventor, that his invention shall be subject to his exclusive right to practice it, or cause it to be practiced during a limited period of time has furnished the incentive for creative inventiveness which has resulted in the highest standard of living in the world.

When I first looked into this I was of the belief of those who are supporting the pending amendment, but since I have investigated it and since I have listened to extensive expert testimony, I cannot come to any other conclusion but that the amendment should be strongly opposed. During the war the Alien Property Custodian took under his domain enemy-owned patents. He offered these for sale at $50 to people who could take the patents and who would then develop them. The fact remains that although some of those patents were purchased, very few of them were developed and very few benefits have resulted from those purchases because no one wanted to risk the capital to develop and market what was available to anyone else for exploitation.

I would like to make one further point in the short time available to me.

The relationship between Government and contractor is not comparable to the employer-employee relationship. With respect to acquisition of ownership of patents the relationship between the Government and its contractor is not analogous to that of an employer to his employee. An employee—whether of the Government or a corporation—is not in the business of selling goods, but rather of selling his services. He has no capital or facilities for manufacturing goods. A patent vesting in such an employee alone could not be exploited and, therefore, no economic benefits would be realized from it either by the employee or anyone else. The relationship between the Government and its contractor is more truly analogous to that between a contractor and his subcontractor in private business. In the latter relationship the contractor does not normally require patent rights from his subcontractor.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I ask unanimous consent to give my time to the gentleman from Michigan [Mr. FORD].

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I rise in opposition to the pending amendment. This matter was considered by two legislative committees and it should not be handled in this manner through an appropriation bill.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, in the very limited time, and it has been extremely limited, there has been some very wise and sound advice given to the Members on this most important and crucial issue. I compliment the gentleman from Utah [Mr. KING], the gentleman from Connecticut [Mr. DADDARIO], and the gentleman from New Hampshire [Mr. BASS]. Those three men in recent weeks have had the opportunity to go into all aspects of this matter, this serious matter, and have come to the conclusion that such an amendment as proposed would be harmful, detrimental, and seriously so, to our defense effort. I can concur in what they have recommended to us in reference to this proposed amendment, and I also concur in their observations, their comments and their ideas.

It is obvious that this is a matter that not only one committee but several committees feel should be investigated. The Committee on the Judiciary of the House through one of its wise subcommittees, that on patents, is holding hearings on matters relating to it. The National Aeronautics and Space Act of 1958 has a provision relating to inventions and patents. There has been some question that the provision we included in that act has been harmful to our space efforts. At least, NASA thinks it ought to be changed so it can do a better job.

NASA feels that if it gets more liberality or freedom in this regard, they could move ahead more rapidly. Here we are faced with a problem of imposing on the Defense Department the same kind of a provision, and if that is done, possibly we might be interfering and hampering our defense effort at a very crucial time. Let us not casually, in a half hour, put that road block on and impede our progress when we need speed. Back in 1957 a great Secretary of Defense, Mr. James Forrestal, said, in reference to a comparable proposal:

> This would create dangerous rigidity which would certainly impede and might altogether imperil the prosecution of a vigorous and effective research and development program. Actually, in my considered view, as I have already stated, we are dealing not with a bare possibility but with an extreme probability that serious harm would follow.

Those words of counsel and advice by a great Secretary of Defense in 1947 are even more pertinent today. If we accept this amendment, in the days ahead we could slow down and practically close up the research and development program of our country which is so essential to the security of our Nation not only for us today but mostly for us in the future.

Mr. Chairman, I hope this amendment is defeated.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The question is on the amendment offered by the gentleman from Delaware [Mr. MCDOWELL].

The question was taken; and on a division (demanded by Mr. MCDOWELL) there were—ayes 37, noes 104.

So the amendment was rejected.

The Clerk read as follows:

SEC. 509. No appropriation contained in this Act shall be available for expenses of operation of messes (other than organized

messes the operating expenses of which are financed principally from nonappropriated funds) at which meals are sold to officers or civilians except under regulations approved by the Secretary of Defense, which shall (except under unusual or extraordinary circumstances) establish rates for such meals sufficient to provide reimbursement of operating expenses and food costs to the appropriations concerned: *Provided*, That officers and civilians in a travel status receiving a per diem allowance in lieu of subsistence shall be charged at the rate of not less than $2.25 per day: *Provided further*, That for the purposes of this section payments for meals at the rates established hereunder may be made in cash or by deductions from the pay of civilian employees.

Mr. BARR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Iowa [Mr. GROSS] asked where in this bill he could find some entertainment allowances. I do not think my request is quite that simple. I looked in vain through this bill to find out the inventory fluctuations in the Defense Establishment. I would be very grateful if somebody would explain to me the inventory fluctuations. How much inventory does the Defense Establishment have today, could anybody answer that question?

Mr. FORD. Mr. Chairman, in response to the gentleman from Indiana, in the hearings we have for each service the inventory figures. I cannot point precisely to the pages in the hearings where that information is available but in the case of the Army it would be in the procurement portion and in each of the services there would be an indication of what the facts are.

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

Mr. BARR. I am delighted to yield.

Mr. MAHON. I believe the Assistant Secretary of Defense—Supply and Logistics—was before the committee and his figures are contained in that section of the hearings. The complete inventory of the Department of Defense runs into many billions of dollars. I had it once in my mind, but I do not have it now. Certainly it is in excess of $45 billion, but I do not have the exact figure.

Mr. BARR. If the gentleman will excuse me, this sort of accounting is extremely difficult for me to grasp. As I have said before, I have spent my life in accounting. Maybe I am stupid, but I am having great difficulty finding what you are doing here. I notice a footnote in the report on page 79 and it looks as though the Department of Defense is going to use up about $800 million of resources, as I understand it, to be derived by transfer from stock funds. I do not know how they would treat this transfer. Normally in any accounting system that I have ever encountered this would be an addition to the resources used. In other words, we just do not use dollars, we use resources. Perhaps the appropriation figure should be increased by approximately $800 million; is that correct, sir?

Mr. MAHON. With reference to the resources of the services there is on page 29 of the report, as I am sure the gentleman well knows, a summary of the major forces, which gives the number of ships, the number of airplanes, and so forth. With respect to the stock fund, as an accounting measure which is designed to promote better management, the services buy through the stock fund what they need and this supposedly enables the services to keep more careful track of what is expended and under what circumstances.

Mr. BARR. What I am trying to get at is simply this. You have unexpended balances in this bill of about $31 billion. We are appropriating today approximately $39 billion of new authority. If they could get their hands on the money I would presume that they could then go out and spend $70 billion. They could spend that much and also they could live off the fat, they could live off the inventory.

What I am trying to figure out is this: When I am home back in my district and somebody says, "What are they going to spend in the Department of Defense this year?" I would like to be able to give some reasonable answer.

Mr. MAHON. I believe if the gentleman will read statements by the fiscal officers of the Department in the hearings he will have a very ample and a very interesting answer. It is true that there will be about $30 billion in unexpended funds available at the end of the current fiscal year. But those funds generally speaking are obligated for the procurement of missiles and airplanes and submarines and ships. I think under the procurement section of the report we have a pretty good statement of the various items of procurement that are involved in this appropriation bill. Of course, it is not easy to explain $39 billion, the largest single portion of which goes for procurement.

Mr. BARR. May I say, sir, this is about 10 cents out of every dollar we are going to earn in the United States in the next year. I commend the gentleman from Texas and the gentleman from Michigan for a very scholarly presentation. Most of us can take this on trust. My only objection is that I have great difficulty understanding an accounting system which might have worked for General Grant, but I do not think it fits the missile age.

Andrew Carnegie developed this accrued accounting system, which is for exactly the type of era we are living in today. I could understand it much more easily if we were using that type rather than an obsolete type.

The Clerk read as follows:

SEC. 513. No appropriation contained in this Act shall be available in connection with the operation of commissary stores of the agencies of the Department of Defense for the cost of purchase (including commercial transportation in the United States to the place of sale but excluding all transportation outside the United States) and maintenance of operating equipment and supplies, and for the actual or estimated cost of utilities as may be furnished by the Government, and of shrinkage, spoilage, and pilferage of merchandise under the control of such commissary stores, except as authorized under regulations promulgated by the Secretaries of the military departments concerned, with the approval of the Secretary of Defense, which regulations shall provide for reimbursement therefor to the appropriations concerned and, notwithstanding any other provision of law, shall provide for the adjustment of the sales prices in such commissary stores to the extent necessary to furnish sufficient gross revenue from sales of commissary stores to make such reimbursement: *Provided*, That under such regulations as may be issued pursuant to this section all utilities may be furnished without cost to the commissary stores outside the continental United States and in Alaska: *Provided further*, That no appropriation contained in this Act shall be available in connection with the operation of commissary stores within the continental United States unless the Secretary of Defense has certified that items normally procured from commissary stores are not otherwise available at a reasonable distance and a reasonable price in satisfactory quality and quantity to the military and civilian employees of the Department of Defense.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask a couple of questions of the committee. This has to do with the operation of commissaries. Does section 513 mean costs of transportation will not be included in the cost of commissary items furnished in Alaska and Hawaii? May I ask that of the gentleman from Michigan?

Mr. FORD. That is what it means.

Mr. CURTIS of Missouri. The reason I ask is that if it did not mean that, how would private business ever be able to compete with the Government commissaries when the Department of Defense considers that commissaries are justified unless commercial sources are at least 20 percent cheaper than commissary prices?

I refer again to an article from the Wall Street Journal of May 2, 1960, which I placed in the RECORD, which indicates that the 250-and-over commissaries in the United States do a tremendous business, which I understand runs as much as $500 million a year. Is this substantially correct.

Mr. FORD. I think generally that is the correct figure.

Mr. CURTIS of Missouri. I also have an article from the April 23, 1960, Business Week which lists the 20 top retailing organizations in the United States. I want to call the attention of the Members of this body to the fact that the military commissary should be listed with the top 20 retailing organizations in the United States, and that means the entire world. I do not have the figures on the volume of business handled by the PX's, but I am willing to wager that they rank among the largest.

The second proviso of section 513 on page 36 reads as follows:

That no appropriation contained in this Act shall be available in connection with the operation of commissary stores within the continental United States unless the Secretary of Defense has certified that items normally procured from commissary stores are not otherwise available at a reasonable distance and a reasonable price in satisfactory quality and quantity to the military and civilian employees of the Department of Defense.

May I inquire of the chairman of this committee whether or not the committee and he consider the commissary at Fort Myer, Va., as falling within the scope of this proviso and is justified for

retention; also the one at Fort McNair and others in the Washington, New York, Chicago, Norfolk, and other metropolitan areas. In other words, has the committee investigated the legality of the retention of these commissaries?

Mr. MAHON. The committee has sought in every reasonable way to make more attractive the military career, and we have sought to give to people in the military departments, the servicemen and their families, special inducements and privileges which would make the military life more attractive because we need continuity of service.

It does seem to me that some of these commissaries can hardly be said to come within the purview of that proviso. But, of course, this is a decision for the Secretary of Defense himself to make. In some cases, it would seem to be a somewhat strained interpretation.

Mr. CURTIS of Missouri. I might say in fairness that this is more of an area for the Committee on Armed Services, I imagine, than the Committee on Appropriations.

Mr. MAHON. The gentleman is correct. We have made the same proviso, for example, in the following case. Even though we were requested not to consider transportation costs in Alaska and Hawaii in the commissary costs, we did not go along with that interpretation and we did provide that transportation costs would have to be considered.

Mr. CURTIS of Missouri. I compliment the committee. But, I did want to point this out because this is just another one of those areas where a great deal of additional work needs to be done.

This is the article from Business Week to which I referred:

Marketing—The 20 top retailers

Rank 1959	Company name	Rank 1958	1959 sales (in thousands)	Percent change from 1958	1959 earnings (in thousands)	Percent change from 1958	Profit margin (percent)	
							1959	1958
1	Atlantic & Pacific Tea	1	[1] $5,090,000	−0.1	[1] $53,008	−1.7	1.0	1.1
2	Sears, Roebuck	2	4,036,153	8.5	198,671	19.8	4.9	4.5
3	Safeway	3	2,383,011	7.1	35,701	6.9	1.5	1.5
4	Kroger	4	1,911,902	7.6	25,517	18.0	1.3	1.2
5	J. C. Penney	5	1,437,489	2.0	51,524	9.9	3.6	3.3
6	Montgomery Ward	6	1,223,000	12.0	30,657	9.4	2.5	2.6
7	F. W. Woolworth	8	916,837	6.0	39,061	20.6	4.3	3.7
8	American Stores	7	[1] 881,754	0.8	[1] 10,425	−8.7	1.2	1.3
9	National Tea	9	829,518	4.5	9,025	2.1	1.1	1.1
10	Food Fair	10	[2] 790,000	7.6	[2] 11,000	5.8	1.4	1.4
11	Federated Department Stores	11	702,749	7.6	30,215	7.6	4.3	4.3
12	Winn-Dixie	12	[3] 698,190	4.8	[13] 14,993	7.0	2.1	2.1
13	May Department Stores	14	[1] 682,000	26.1	[1] 23,200	25.2	3.4	3.4
14	Allied Stores	13	[1] 678,000	5.3	[14] 12,960	8.0	1.9	1.9
15	Grand Union	16	603,439	19.8	[15] 7,130	10.6	1.2	1.3
16	First National Stores	15	[1] 526,000	−1.0	[1] 8,400	−2.9	1.6	1.6
17	R. H. Macy	17	[3] 489,657	3.8	[3] 8,522	9.6	1.7	1.6
18	W. T. Grant	20	479,997	11.0	12,258	24.4	2.6	2.3
19	Jewel Tea	18	460,589	3.8	8,559	9.6	1.9	1.8
20	Colonial Stores	19	450,749	3.1	3,269	−32.6	.7	1.1

[1] Business Week estimate.
[2] Company estimate.
[3] Calendar year basis.
[4] Excluding nonrecurring tax credit.
[5] Excluding profit from sale of stores.

GENERAL CLIMB, FOOD STORES LAG

Most of the Nation's 20 biggest retailers (above) closed their cash registers on 1959 with a satisfied click. It was generally a year in which the big got bigger and the rich got richer. Sales climbed up quite satisfactorily in most cases, and profits improved too. Profit margins perked up for many occasions.

No new names made the select list of the 20 top store groups during the year. And the initiation fee went up. Last year it took sales of $432,241,000 to admit a company to the top 20. This year $450,749,000 was the qualifying figure.

The one blot in this generally bright picture shows up in the food stores. This reversal is more striking in comparison with the trends of the past few years, when the food chains formed the most dynamic component of the list of giant retailers.

In 1958, for instance, every one of the four companies that improved their spots in the standings was a food chain. But in the new listing, Grand Union was the only food company that continued to climb. * * * And estimates compiled by Business Week's reporters indicate that two of the food group were the only companies among the 20 that closed the year with an absolute—if slight—decrease in sales.

PINCH ON FOOD GROWTH

Several factors point to the likelihood that this may mark the end of the era of spectacular sales growth in the food store field. There was something of a fall-off in new store openings. Some companies blamed this slowdown on tight money, said their expansion plans would build up steam when interest rates eased and money became more available. One treasurer commented: "The difference of one point in interest rates kept us from opening a number of stores last year."

But it's probably not tight money that's putting the most pinch in the supermarkets' expansion plans. It looks as if the supers may be bumping into a saturation ceiling with future growth more dependent on population increases and Government approval of more mergers. * * *

The Federal Trade Commission has also cast a cloud over expansion by requisition. In 1959 it charged Kroger Co. and National Tea Co. with Clayton Act violations. The complaint against National Tea involves some 440 stores acquired over the past 7 years—almost half of the chain's total store line-up. The Kroger complaint covers 1,900 stores.

FOOD STORE ROUNDUP

Profits slipped for several of the food chains. So did profit margins. In many cases strikes were responsible.

A. & P., biggest of them all, seemed to slip slightly last year. However, it should be noted that this is a Business Week estimate, in the absence of final company figures for the year, and the difference between 1958 and 1959 will be slight in any event. Undoubtedly the chain suffered from a protracted strike that cut off supplies of its New York area stores, forcing them to close.

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

The pro forma amendments were withdrawn.

The Clerk read as follows:

SEC. 515. No part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of eleven thousand pounds net in any one shipment: *Provided*, That the limitations imposed herein shall not be applicable in the case of members transferred to or serving in stations outside the continental United States or in Alaska under orders relieving them from a duty station within the United States prior to July 10, 1952, and who are returned to the United States under orders relieving them from a duty station beyond the United States or in Alaska on or after July 1, 1953.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this has to do with household goods and this will be my last inquiry.

Recent hearings of the Special Subcommittee on Defense Procurement of the Joint Economic Committee brought to light that the Department of Defense spends from $200 million annually in the movement of household goods of military personnel. I understand that $130 million of this is in continental United States and that $40 million is expended for the transport of automobiles to and from the United States.

I note that section 515 provides that no one shipment of household goods shall exceed 11,000 pounds net.

Hearings of the Joint Economic Committee also brought to light that a maximum shipment of household goods for civilians in the Government—in the Department of Agriculture, Interior, and so forth—cannot exceed 7,000 pounds net. I am aware of the fact that a sliding scale is used whereby a top officer is shipped more than a lower grade officer. I should like to know, however, why military personnel being transferred between the same places as civilian personnel should be allowed more than 50 percent more allowance in the movement of household goods.

Is there any reason why the limitation in section 515 should not be reduced to 7,000 pounds to make it conform to the limitation for civilian personnel?

Mr. FORD. Of course, the gentleman knows that this 11,000-pound limitation is the result of an action by this committee, or rather by the Committees on Appropriations of the House and the other body. If we did not have that in the law, the situation would be even worse from the point of view of the gentleman from Missouri. It seems to me this is a matter which should be corrected by the legislative committee. It is not a question which falls within our fundamental jurisdiction. I have sympathy for the view expressed by the gentleman from Missouri, but I would hesitate at this time to invade further the jurisdiction of the House Committee on Armed Services.

Mr. CURTIS of Missouri. I thank the gentleman and I commend the committee on its action. Of course, I would not offer an amendment, but I do think that by taking the floor and discussing these things, we should be serving a warning—or, perhaps, I should not use the word "warning" but making the suggestion to the Committee on Armed Services that we are interested in having these areas looked into.

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

Mr. CURTIS of Missouri. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, earlier in the day I asked the majority leader as to the program for the balance of today and for next week. At that time it was indicated we might be able to conclude the consideration of the pending measure and of another bill to follow. We have had some conversations since, and I think it might be well for the information of all the Members if the majority leader could now tell us just what the prospects are for today and tomorrow.

Mr. McCORMACK. It is very evident we cannot complete this bill and the atomic energy bill today. The latter bill will come up tomorrow.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that the remaining portion of the bill be considered as read and be open to amendment at any point.

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

There was no objection.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

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

There was no objection.

Mr. BURKE of Massachusetts. Mr. Chairman, I wish to commend the Committee on Appropriations for the bill and report which they have presented to us for the Department of Defense appropriations in fiscal year 1961. One of the most critical problems facing this Nation at the present time is to combat the growing submarine threat of the Soviet Union. The committee has taken commendable action in further implementing the antisubmarine warfare effort by increasing the President's budget $321 million in this area. In doing so, they have added one additional nuclear attack submarine and refused to delete two such submarines from the original budget program. This deletion was proposed by the Secretary of Defense with the approval of the President. The committee has also provided two additional destroyer escort vessels at a cost of $50 million and financed high-priority efforts in research and development in this area to the extent of $100 million more than that requested in the budget.

Mr. Chairman, I repeat again that the committee is to be commended for their efforts in this field.

One of the most essential weapons in the arsenal of the free world is the fleet ballistic missile submarine. This weapons system which involves the launching of the Polaris fleet ballistic missile from submarines is without parallel in the arsenal of any nation in the world. The committee has increased the President's budget in this field by $241 million resulting in fully funding five submarines with supporting missiles and equipment and providing long leadtime items for seven submarines.

Mr. Chairman, I trust that future budget submissions and actions by this Congress will result in further implementation of these two essential programs.

Mr. DADDARIO. Mr. Chairman, I want to add my voice in support of the committee's recommendations in the 1961 defense appropriations bill. No single measure which comes before this House is of more importance to the country than the way in which Congress fulfills its constitutional function of providing for the Armed Forces. The diligent and thorough work accomplished by the subcommittee under the direction of the able gentleman from Texas and recorded in seven volumes of testimony, not counting the classified material, is an excellent example of congressional responsibility.

This week, at Fort Benning, Ga., the Army invited industrialists and civic leaders to witness a demonstration of man's advances in the technology of war. It was fortunate that President Eisenhower was able to attend for one day. He saw two spectacular demonstrations of new equipment which can be used on the battlefield. What most impressed one observer, however, were the words that closed one of these demonstrations, as spoken by the narrator.

He said that the weapons shown the President, when made available to the troops in the field, would greatly enhance the Army's capability of doing its job. I hope the President has had a chance to ponder these words. Some of the press reports of the visit, unfortunately, convey the impression that the President thought the demonstration proved that America was in an excellent defensive posture that should not be subject to criticism. The truth is, as the President should have heard, that many of these weapons are not yet in the hands of the troops and some are not even in production. Until this bill, and others like it, make it possible to buy better weapons and put them in the hands of troops, the Army as a whole would be unable to fight the battle it demonstrated this week at Fort Benning.

The Fort Benning demonstrations, which the press of congressional business kept Members from attending, were most encouraging, from all I can gather. They particularly demonstrated that man himself, when trained to the highest degree, as are the men of the Infantry Center, the 2d Division, the Rangers and the Airborne, is a force that cannot be slighted.

The bill we are considering will help strengthen and modernize the Army. It will do other things as well—bolster the strategic forces, reinforce the Navy, and meet the needs of the strategic mix of forces that the committee has approved. There are many serious questions about the defense program—whether it is really as efficient as it might be, whether it is wasteful, whether it could be improved. But the total picture is good, and this bill will make it better.

Mr. WILSON. Mr. Chairman, may I say I wholeheartedly endorse and support the recommendation of our Appropriations Committee that funds be earmarked for the purchase of at least two additional squadrons of F–106 interceptor aircraft. The Bomarc missile program reduction magnifies the immediate need for a superior weapons system to protect our shores from the threat of enemy bomber invasion. The committee in their exhaustive study of our defense posture has strongly recommended the purchase of this proven weapons system.

There is no question that the Soviets' primary offensive weapon is the manned nuclear bomber. We know that this enemy bomber is capable of supersonic speed and may set loose nuclear bombs or short-range missiles equipped with nuclear warheads.

The United States has available to counter any thrust by these enemy bombers, the fastest interceptor in the world, in the form of the F–106, which holds the world's speed record. This aircraft has the ultimate in flexibility and versatility incorporating three types of controls. It is a completely automatic vehicle capable of electronic control from the ground, by instruments which may be augmented by the pilot or by the pilot's manual control.

Recently the F–106 was programed on an intricate cross-country flight of several thousand miles accomplished without the pilot once setting his hands on the instruments.

This weapons systems has an unbelievable capability of seeking the enemy target, launching its missile, and escaping without the pilot ever having visual contact with the enemy. The F–106 aircraft competently meets the manned bomber threat by combining the capability of an unmanned aircraft with that of a piloted aircraft which means it possesses full capability of the breakthroughs in the electronics and guidance field, plus the wisdom of the pilot which supplies man's ability to reason and make a judgment on any given set of circumstances.

The F–106 as an interceptor does not lose its effectiveness after one pass at the enemy. This aircraft can regroup for mission after mission.

The Department of the Air Force and other experts in our defense structure have advised our Appropriations Committee of their immediate need for this aircraft. There is no question that additional F–106 interceptors are needed to accomplish this mission.

I respect the judgment of our colleagues on the Appropriations Committee and urge that favorable action be taken by the Congress in approving the funds required to assure the United States of the most effective protection available today.

Mr. CUNNINGHAM. Mr. Chairman, this bill contains a huge sum of money. I will vote for the bill and I expect almost all Members will do the same.

The people in my district and the people throughout the country want a strong defense and are willing to pay for it. They know that a strong defense is the best means to maintain the peace.

Due to the large sums of money involved however, there is bound to be a sizable amount of waste. This is what the people do not support. They do not want any waste in the spending of this money. I believe it is the continuing responsibility of the Committee on Appropriations to ride herd over the military to insure that each dollar is spent wisely and efficiently.

Mr. MONAGAN. Mr. Chairman, I am happy to support this bill for defense appropriations for fiscal year 1961.

Of course, this amount of $39 billion is a very high expenditure but we must remember that we, in this bill, are buying security for the United States of America and I am confident that the people of the country will support any expenditure that is necessary for adequate defense.

I am particularly pleased with the provision of an increased amount of $200 million for the modernization of weapons and the provision of $240 million for further expansion of the Polaris submarine program.

Our deficiencies in these fields have been the source of much criticism and these appropriations should go a long way toward putting us in the proper position in these areas.

I particularly welcomed the assurance the distinguished chairman of the subcommittee, the gentleman from Texas [Mr. MAHON], that our overall deterrent power was adequate to counterbalance the power of the Soviet Union. This, of course, is the most important question facing us today since it involves our survival and it is most satisfying to have the assurance of this authority that we are making an adequate provision in this bill.

Even though this bill is in effect $121 million over the original budget sent to the House, I believe that this is one field where such an appropriation increase is fully justified. In this area we must err if at all on the side of adequate strength rather than cheese paring.

Mr. HECHLER. Mr. Chairman, we are coming to the close of another great debate on the Defense Department appropriation bill. The position I take on this bill I do not wish to reflect on the able and patriotic Members who have labored hard in perfecting this bill. Nor will I take issue with the overwhelming number of my colleagues who will vote for this bill. I hope that the bill passes, but I shall vote against the bill for the reasons stated below.

In the age of technology in which we live, education has rapidly become the most important factor in the defense of our Nation. The Soviet Union has placed a massive emphasis on the education of scientists, engineers, and technicians which has already lifted the Soviet from her former role as a backward nation until today she has scored spectacular achievements in the race for outer space. I believe that brains are more important than bullets in the defense of this Nation, for our future security may well hinge on the speed with which our technology can be brought to bear in the development of new defensive and offensive weapons and measures.

Of what avail is it to spend money on military hardware today if we are not certain that we have the brains to improve it tomorrow? Of what avail is it to spend money on research today if we do not have the trained experts to carry research forward and exploit its results tomorrow?

In recent hearings before the House Committee on Science and Astronautics, witness after witness testified on the vital role of education in our expanding world and expanding universe. I would like to quote a few of these exchanges.

On January 26, 1960, I asked Dr. Herbert F. York, Director of Defense Research and Engineering, Department of Defense:

Do you think the status of the educational system in our country has any relation to our future progress in missile and space programs?

Dr. York's response was:

Yes, I do, because I would very much like to see right now more very good people in these and all of our other research and engineering programs. And the people we have are the product of our educational system.

On January 29, 1960, I asked Dr. T. Keith Glennan, Administrator of the National Aeronautics and Space Administration, the following question:

What is your assessment of the importance of and the adequacy of our educational system in relation to the progress we are making in the space program? How important is it that we have a good educational system in this country—both secondary and higher education?

Dr. Glennan's response was:

In a democracy I think the most important activity in which we can engage is that of education. Unless we have a really well educated electorate, we don't have a responsible government.

On February 2, 1960, I had the following exchange with Dr. Wernher von Braun:

Mr. HECHLER. Now, I was impressed with some of the things you said about education. Do you think that we are running low in our stockpile of basic research upon which we have to draw?

Dr. VON BRAUN. Yes, sir.

Mr. HECHLER. Do you believe that in order to replenish this stockpile, it is just as important to spend money on education as it is on hardware at the present time?

Dr. VON BRAUN. Yes, sir.

Mr. HECHLER. Could you point to any particular way in which we could improve our educational system in order to strengthen the work that you are doing and others who follow you in the future?

Dr. VON BRAUN. I think anything would help that would make scientific careers more attractive as compared with free enterprise careers. I think we should never lose sight of the fact that in Russia the opposite number to the American businessman doesn't exist. So the young fellow in Russia who wants to get ahead in life has only one chance, he must go through the Soviet educational system, which, as I pointed out, is a survival-of-the-fittest type screening system. To survive the many exams he has to work very hard, and if he washes out he just does not qualify for the higher strata of the Soviet society.

Now, here in America there is always the easy way out. When a young fellow says, "I had enough schooling, I will go across the street and take a job as a filling station attendant," chances are that 10 years later he will make a lot more money than his friend who stuck it out at school and got a Ph. D. becauses he may have the Standard Oil franchise in town.

I think this is the crux of the entire problem of scientific education in this country: The huge gap between the low relative incentive for a man who decides to become a scientist and the high incentive which the free economy can offer.

On February 4, 1960, the Chief of Staff of the Air Force, Gen. Thomas D. White, appeared before our committee and I asked him this question:

I wonder if you would comment on what you feel the importance of a strong educational system is, in relation to the strength and national defense of our country a decade hence.

General White responded:

I am out of my field, certainly out of my responsibilities, but I think that history shows that an educated populace is a better population as a whole. I think that there are many requirements in the educational field. I think we must, of course, keep up, advance, improve our technical education. We need to have youth encouraged to go into the more difficult disciplines, shall I say certainly in my own case, and I think in the popular view—mathematics, physics, chemistry, nucleonics, and so on—are among the difficult disciplines. We must encourage the young man to take that kind of an education. On the other hand, I think that the humanities have a very great value, because science alone does not make a good civilization. So there is a balance in which I am not qualified to predict or to recommend but we certainly must have both, and I would give emphasis in the present state of affairs to the scientific side.

I feel very strongly that the greatest national priority today is the strengthening of our educational system. I further believe that this can be achieved only through the passage of an aid-to-education bill which will relieve the classroom shortage and raise teachers' salaries. We can no longer afford the luxury of ignorance or failure to educate our people. I believe that we must press forward with the greatest urgency in this field, and it is for this reason that I am going to cast my vote against defense appropriations and will continue to vote against such appropriations until this Congress passes an aid-to-education bill.

Mr. SANTANGELO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SANTANGELO: On page 45, after line 6, add new section as follows:

"SEC. 535. None of the funds contained in this Title may be used to pay or reimburse any Defense Contractor which employs a retired commissioned officer within two years after his release from active duty for the purpose of selling or aiding or assisting in the selling of anything of value to the Department of Defense or an Armed Force of the United States, or, which within two years from the release from active duty of a retired commissioned officer knowingly permits any such retired commissioned offi-

cer to sell or aid in the selling of anything of value to the Department of Defense or an Armed Force of the United States."

Mr. FORD. Mr. Chairman, I reserve a point of order against the amendment, but withhold it to permit the gentleman from New York to make his statement.

The CHAIRMAN. The gentleman from Michigan reserves a point of order against the amendment.

The gentleman from New York is recognized for 5 minutes.

Mr. SANTANGELO. Mr. Chairman, the amendment I have offered limits payment of funds and bars defense contractors from hiring retired commissioned officers for the purpose of selling to the Defense Department for 2 years after their retirement or if the defense contractor employs the retired commissioned officer for a purpose other than for selling, and then knowingly permits the retired commissioned officer to sell anything of value to the Department of Defense, the funds under this provision would be denied to the defense contractor.

You may recall that last year I introduced an amendment which would bar funds to a defense contractor which hired a retired commissioned officer who had resigned or retired within 5 years from the date of hiring. As a result of that amendment an investigation was held by a subcommittee of the Armed Services Committee headed by the gentleman from Louisiana, ED HÉBERT. After an intense investigation and unexpected shifting of opinion in the full Armed Services Committee, H.R. 10959 was approved by the full committee with the man who knew most about the subject, the gentleman from Louisiana, Representative ED HÉBERT, opposed to the weak enforcement provisions of the bill.

As you may recall, during the consideration of H.R. 10959, my colleague, the gentleman from Louisiana [Mr. HÉBERT] sought without success to impose the responsibility upon the party who profits by the violation of law, but his attempt was frustrated by a point of order raised against his amendment. This House did not have the opportunity of passing upon an amendment imposing penalties or sanctions upon a defense contractor. The only opportunity this House had during the consideration of H.R. 10959 was the opportunity to vote upon sanctions upon the retired commissioned officers. H.R. 10959 made selling by a retired commissioned officer to the Defense Department unlawful if done within 2 years after release from active service. In my opinion, the sanctions provided for in H.R. 10959 were inadequate and my amendment would put teeth in the enforcement provisions. This amendment gives us the opportunity of deciding whether we want to put the burden where it rightfully belongs, that is, on the defense contractors—the companies that profiit by the use of influence of a retired commissioned officer.

Mr. Chairman, what does my amendment accomplish? My amendment supplements the enforcement provisions of the Kilday amendment which was approved by the House on April 7, 1960. It seeks to eliminate influence peddling by retired commissioned officers. It prohibits the hiring of retired commissioned officers for the purpose of selling to the Defense Department and prohibits them from selling if they were hired for another purpose. This amendment in my opinion will effectively eliminate the use of influence. Let me state to those who say that we are denying a man the right to work when he is forced to retire, that if you will read the report of the subcommittee, you will find that 893 out of 1,401 officers who retired voluntarily quit the Armed Forces for the purpose of obtaining a lucrative job with a defense contractor. We must try to stop this flight of the brains of our Defense Department and keep those brains and ability where we need them, in the service, and we do not want the defense contractor to lure them from the Government for the company's private gain through the use of the officers' influence. Someone may say that it is more important to have a retired commissioned officer with a defense contractor, rather than with the Government. If that be so, my amendment does not prohibit such hiring of a retired commissioned officer. My amendment prohibits the employment of the retired commissioned officer for the purpose of selling to the Defense Department and also prohibits the officer, if he were hired for the purpose of using his technical experience, his scientific knowledge or other skills, from using his influence in obtaining defense contracts from the Department of Defense notwithstanding the character of his employment. If the defense contractor knowingly permits such a retired commissioned officer to use his influence and sell to the Defense Department, then the funds of this appropriation bill shall not be used to pay the defense contractor.

It is as simple as that.

This amendment, in my opinion, has a bearing on our procurement programs and our declared surplus of military supplies and equipment. If you will read the report of the committee on page 24, you will find that certain programs were instituted and then abandoned at a cost of $4 billion. Why were they instituted in the first place? If you will read the report of your Committee on Appropriations for this year on the Department of Defense, you will find that in the fiscal year 1960, we had $10 billion worth of materials declared to be surplus. In other words, we have $10 billion of so-called surplus supplies and equipment. In 1959, there was $8,500 million worth of surplus supplies and equipment.

Why do we have such surpluses? Is it the result of miscalculation or is it because these supplies and equipment were bought as a result of some influence by some individual? It is time that we eliminated so far as possible waste and inefficiency in our Department of Defense. The committee report on pages 51 through 60 details instances of waste and inefficiency. It appears that the military has been overbuying and the defense contractors have been overselling. Time and time again congressional committees and the General Accounting Office have pointed out that the Department of Defense makes procedural errors and have made recommendations for improvements in procurement practices and supply management programs.

I cannot believe that if the procurement officers seriously intended to correct the situation that the situation could not be corrected. I cannot understand how intelligent military men in the Army, Navy, and Air Force can fail to follow instructions not to overbuy unless they have been directly or indirectly influenced by their former colleagues on the necessity of equipment and programs which create waste.

This year's defense appropriation bill discontinues the Bomarc B projects which have cost our Government over $1 billion without any material success. It is noteworthy that the company which produced this failure at a cost of over $1 billion to our Government has resisted the payment of the excess profits tax which our Federal Renegotiation Board determined was due as a result of their excessive profits. It is ironic that while the Government has had to borrow money to pay a defense contractor whose efforts were failures that this defense contractor resists the collection of taxes on its excess profits.

I commend the committee for its decision to eliminate the expenditure for the Bomarc B. I trust that my amendment will be approved.

The CHAIRMAN. Does the gentleman from Michigan [Mr. FORD] press his point of order?

Mr. FORD. Mr. Chairman, I do press my point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. FORD. Mr. Chairman, I make the point of order on the basis that this imposes additional duties on the executive branch of the Government. The words or the phrase "none of the funds contained in this title may be used to pay or reimburse any defense contractor which employs a retired commissioned officer within 2 years after his release" impose upon the executive branch of the Government an additional burden which I think would subject this overall proviso to a point of order.

The point may be made that last year the distinguished gentleman from New York offered a similar amendment to the act for fiscal year 1960. I offered a point of order at that time which was overruled by the Chair. In fact, the Chairman at that time is the Chairman now. However, the point of order last year was to entirely different language than the language submitted to us this afternoon.

Mr. Chairman, I renew my point of order, and urge that the Chair sustain the point of order.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. SANTANGELO. I do, Mr. Chairman. I have submitted this amendment to the gentleman from Michigan in order for him to raise the point of order.

Mr. Chairman, in my opinion this is not legislation on an appropriation bill. This is a limitation of expenditures and

restricts as to where these funds may be used. It is in no wise legislation.

Mr. Chairman, I submit this is not legislation upon an appropriation bill. This is a limitation of expenditures and restrictions as to the way these funds may be used and it is in no wise legislation. I respectfully submit it does not violate the parliamentary rules. I respectfully direct the attention of the Chair to the ruling which the Chair made in connection with a similar amendment introduced by me on June 3, 1959, which is found in volume 105, part 7, page 9742 of the CONGRESSIONAL RECORD. In that instance, the Chair, the gentleman from New York [Mr. KEOGH], the present occupant of the Chair, ruled that the amendment was not legislation but was a limitation and that its was obvious that the intent of the amendment offered was to impose a limitation on the expenditure of the funds here appropriated and while the point might be made that imposing limitations will impose additional burdens, it was the opinion of the Chair that the amendment was a limitation on expenditures and therefore overruled the point of order.

The CHAIRMAN (Mr. KEOGH). The Chair is ready to rule.

The gentleman from New York [Mr. SANTANGELO] offers an amendment, which amendment adds a new section to which the gentleman from Michigan [Mr. FORD] makes the point of order that it is legislation on an appropriation bill in that it imposes additional duties upon the executive branch. The Chair feels impelled to point out that the mere adding of additional burdens is not within the prohibitive rule. The test is whether the language is, in fact, a limitation upon the appropriations herein made, and the Chair is of the opinion that the language of the pending amendment is clearly a limitation of the funds herein appropriated, and therefore overrules the point of order.

Mr. HÉBERT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is a very simple and direct approach in answer to a question which was raised recently in this House when the so-called retired officers bill was before this body for consideration, and the House was denied the privilege of voting on the issue because of the point of order raised and sustained by the Chair at that time.

The situation in which we find ourselves today is one which can well be understood and one which focuses complete attention upon the issue at hand. As suggested by the gentleman from New York [Mr. SANTANGELO], this is in effect stopgap legislation. This body is on record as disapproving the hiring of retired military personnel for the purpose of selling or using influence within 2 years after they leave the Pentagon. The bill was passed with a few scattered dissents, but that bill is not the complete answer. The bill which now rests in the other body, to an undetermined fate, discriminates and stigmatizes the retired officer and allows to go scot free the contractor, who I submit is equally guilty of the unlawful, because he is the individual who dangles the coin in front of the retired officer in hiring him.

Now, we do not know exactly when the other body will consider this measure. I have a bill before the Committee on the Judiciary which I hope will be reported out, but that is indefinite. So, here we are placed in a position of being able to exercise our will and cut short this parliamentary legerdemain and say that at least for 1 year, until legislation of a permanent nature is reported out, a contractor shall be denied any funds from this appropriation bill if he participates in what this House has already determined to be an unlawful act. It is as simply as that. Now, I submit that it can be even more simple.

If you condone, if you want influence peddling in the military and have no objection to it and do not believe any steps should be taken to prohibit, to stop it, then you should vote against the amendment offered by the gentleman from New York [Mr. SANTANGELO]. However, if you believe that influence peddling or the creation of any suspicion of influence peddling should be halted, now is your opportunity to vote. If you believe that then you must of necessity vote for the amendment offered by the gentleman from New York. It is an even balance; either you want to stop influence peddling and do something about it effectively or you do not care to do anything about it.

I submit to the ladies and gentlemen of the House that the sentiment certainly not only of the House but of the American public is such that it demands action on the part of this Congress; not action next year, not action next month, but action as soon as we can take it and that time is at hand now. I urge you to do something about this situation and vote in favor of the amendment which the gentleman from New York has offered.

Mr. KILDAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, from the time that this question first arose there has been not one Member of this House who has ever even insinuated that he condoned any such conduct as the gentleman from Louisiana [Mr. HÉBERT] would have you believe has been condoned. Nor has there ever been any suggestion that voting on this amendment one way or the other is going to indicate that you condone any influence peddling.

It is only a few weeks since we had a bill on this subject here which was reported by the Committee on Armed Services. I believe in the consideration of that bill we proved one thing conclusively, and that is that this is not a simple matter, easy of solution; that it is a highly complicated matter and a very technical one.

Of course, the rules of this House provide under the Holman Rule that as a limitation on the purposes for which funds may be appropriated matters which constitute legislation are in order. I grant you that there are times when it is essential to proceed in that manner in order to get action. If the legislative committees refuse to take action, if the chairman of a committee refuses to schedule a bill for consideration, or you have a stalemate of that kind, certainly we have all resorted to this type of limitation in order to secure consideration. But in this instance the Committee on Armed Services did consider the bill; it did report the bill. The House has considered and passed it. It is pending in the other body. The gentleman from Louisiana [Mr. HÉBERT] spent all morning day before yesterday before the Committee on the Judiciary on the other phases of it. So this is not an instance in which there is any justification for resorting to limitation on an appropriation bill.

Before you take this action as a stopgap, as they say now, understand that this provision prohibits payment of any funds appropriated to any military contractor if any retired commissioned officer is employed in selling. With this much debate, with this much consideration, are you going to adopt here a provision which could very easily totally disrupt the procurement functions that are provided within this bill for the defense of the United States?

Unfortunately, as you know, as you experienced here the other day when we had the other bill here, feeling has arisen over this question. I understand the fighting heart, the desire to win the battle in which one is engaged, but I also understand the orderly parliamentary procedure of this body that when a decision is made, it is binding upon the majority and the minority who may not agree with it as well. It is binding on the minority which may feel somewhat hurt because their views did not prevail in the vote of the majority.

I sincerely trust that orderly procedure will be observed, that this amendment will be defeated, and that the defense program of the United States will not be complicated by hasty action on the floor.

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

Mr. KILDAY. I shall be glad to yield if I have time to answer a question; but I should prefer not to yield if I do not have sufficient time to answer the question.

Mr. HÉBERT. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 2 additional minutes.

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

There was no objection.

Mr. HÉBERT. Mr. Chairman, the gentleman, whom I respect very much, and particularly his resourcefulness in these matters, has referred to the rule of the majority.

I hope the gentleman does not suggest that I have failed to live up to the rule of the majority because the majority has never had an opportunity to vote on this question.

Mr. KILDAY. I would suggest to the gentleman that when 24 members of his Committee on Armed Services voted contrary to his position, and 9 voted with him, that is when the gentleman departed from the majority of the people who are charged by the rules of this House with the responsibility of consid-

ering this issue. Twenty-four members of that committee did vote in accordance with the provision that passed the House the other day. The gentleman and nine others voted against it. So the majority of the committee did vote, and we lived under the rules of the House.

Mr. HÉBERT. Was I not within my rights Did I violate any rule when I offered my amendment on the floor?

Mr. KILDAY. No. I made it clear to the gentleman when that bill was here that I would have done the same thing under the same circumstances.

As I said to the gentleman then, I would use any weapon available to me.

Mr. HÉBERT. And I am using any weapon available to me now in order to get this body to vote.

Mr. KILDAY. If that were not true the Chairman would have sustained the point of order and it would never have been debated. What I am trying to do is get this body to consider very reasonably and dispassionately and to act responsibly and to reject this amendment.

Mr. WHITTEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the gentlemen who have just spoken are both able men. I am not trying to settle their differences or get involved in the personal matter between friends. But let me tell you why I believe this amendment should be adopted.

One of the first things that I had any part in after I came to the Congress came during World War II when defense contractors were hiring people in Washington to get contracts and giving them a percentage of such contracts as they got. Millions of dollars were paid out that way. The armed services came in on the ground that was reprehensible and said those companies should not have to hire somebody to get a contract. We passed a bill to prohibit such practices. I believe it just as bad for contractors to avoid such statute by hiring retired military personnel and paying a salary instead of a commission.

As to the bill that passed the House the other day, we all never know what will happen in the other body or in conference, but if the bill becomes law its enforcement would depend on one military man initiating court-martial proceedings against another military man employed by a contractor and who sold to the Defense Department. It does provide for some penalty. But all of you know that criminal charges are not self-enforced. It does not make any difference what law you pass making something illegal, it is good only if somebody will complain and make charges and prosecute. In that act, if finally passed, you are asking one military man to prosecute another military man for selling to a third military man. It can be deadly serious when we get that principle mixed into defense spending, but it is doubly bad when you have the Defense Department trying to protect the public Treasury on the one hand and such a question arises. What if some military man sells this Government on buying a Bomarc which has failed, and I do not say it has, but if there were influence involved that would lead us in the wrong direction and leave us depending on the wrong weapon, if that bill becomes law, well and good, but it would depend on one military man bringing to justice another for dealing with a third. I believe we need this amendment to complement that act.

What does this do? This adds some enforcement because if you do it here by restricting the use of funds, in the first place, if these contractors do not do the act it will not touch anybody.

No harm is done. If they do hire retired military personnel to sell and influence to sell, this would prevent it. If this amendment is adopted it will put the contractor on guard not to do it. It puts the Comptroller General's Office on guard to prevent such practice and it will put the Defense Department on guard. If the bill of the gentleman from Texas becomes the law, so help me this amendment by Mr. SANTANGELO will do a great deal to strengthen it in my opinion. Why do we do this? This bill, in effect—this committee said, we have wasted 8 years and billions of dollars on a weapon that will not work. I was handed by one of the clerks of the committee a letter yesterday where the General Services Administration is trying to sell as surplus 9 million yards of duck cloth that cost $6 million. This year they testified, to the best of my recollection, that $10 billion of material is going to be declared surplus by the Department of Defense. They bought these things and they do not need them. We ought to correct such overbuying. This amendment will correct it to a great degree. Again if they are not doing this, it does not bother anybody. If they are doing it, I think you want to stop it. At least you would have the Comptroller General trying to help you and you would be having the contractors protecting against the practice and you might have buying on the part of the Government on a more sound basis. Now listen to this. These companies want to sell. Many of us like to see companies in our own areas sell. I do not happen to have any, but I can understand that. But when the Government overbuys, we are not only wasting money but it disrupts the local businesses and companies because once the surplus is dumped on the market, it upsets the market. Again if the bill of the gentleman from Texas will do everything that he thinks it will in the way of stopping that which is illegal and that which should not be and, yet, we are dependent upon the military for enforcing it through a court-martial, I say if it is thoroughly sound, you are not taking issue with that in adopting this amendment. You are not deciding as between two good friends. They are both devoted friends and they are both very able. You are just saying in addition to what they sponsor, let us let the Comptroller General and the defense corporations and contractors—let us put them all on guard and if they handle it right, this bill will not touch anybody. But if they are not handling it right—we should stop the practice. This amendment will do the job. Again this needs to be done. Now it is going to be said that this was quickly drawn up. This bill was prepared last year. This amendment itself had a year's study. If it goes to conference and if any change should be in order, we will have ample opportunity to do that. I hope the amendment will be adopted.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment conclude in 10 minutes.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. KASEM].

Mr. KASEM. Mr. Chairman, I have in my district two large defense plants. I am reversing the position I previously took on this bill. At the time this matter was up before, I voted against the gentleman from Louisiana [Mr. HÉBERT] and the gentleman from New York [Mr. SANTANGELO] because I was concerned that there might be an undue impediment to the letting of defense contracts and in the discharge of our defense responsibilities. Since that time I have had opportunity to reconsider my position. We realize now—and, of course, we always did realize it—but, it has become of increasing importance to me, to realize that so much of our national revenue is going into the defense budget and we have no way of knowing here in this House whether that money is being spent wisely or not. We are completely dependent upon those who have the technical background and the military background to make these decisions. We must rely completely on their advice. And because we are in that position, it is incumbent upon us to keep them as close to 100 percent pure as we can. There is no other way that is available for us to meet this responsibility to the American people that the money be spent in good conscience.

We must take away any possible incentive to corrupt the officers of the United States. We passed a bill that we all know is going to be ineffective in doing anything about this.

I do not want anybody to be prosecuted under this; I do not think anybody is likely to be prosecuted, but I do think that if this amendment is in the bill when it is enacted, within 3 months every company that is involved under the purview of this act will shed itself of any possibility of not being paid for the work that it will do or wants to do. In quick order, we will have accomplished our result, perhaps better than we could by any other method.

There is presently a bill before my committee, the Committee on the Judiciary, attacking this problem which we want an opportunity to work out.

This bill is described as a stopgap measure. I conceive that it may be so effective a stopgap measure that we may permanently adopt it. I think we ought to give it a try.

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

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, the Committee on Appropriations over the years

has been castigated because of the allegations that it has invaded the jurisdiction of the legislative committees. Of late we have sought to restrain ourselves and absolve ourselves of any legitimate criticism in that regard.

Here is a perfect example of where the Committee on Appropriations could be forced into the position of actively involving itself in a jurisdiction which rightfully belongs to at least one and perhaps two, legislative committees. We have the instance of the House Committee on the Armed Services not only recommending a bill but guiding it successfully through this body. That bill is now in the other body. The House as a whole has worked its will in an area involving the same subject matter as this amendment.

We would, I think, be wise at this point to defeat this amendment, the House having already made its decision on this matter several weeks ago. I am told that the enactment of this amendment could intrude upon the jurisdiction of the Committee on the Judiciary; and the gentleman from Louisiana has a bill on this subject matter now pending before the Committee on the Judiciary. The committee has held hearings. It is conceivable that the committee could report legislation on this subject matter. It just seems to me that we would be most unwise to inject the Appropriations Committee into legislative areas where at least one and probably two committees have legitimate, bona fide jurisdiction. Furthermore, the House has acted; a decision has been made. Let us not run counter to the action which was taken so recently.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON] to close the debate on the pending amendment.

Mr. MAHON. Mr. Chairman, we have been troubled with this issue of the employment of retired officers by defense contractors for a number of years. The question ought to be settled on more or less a permanent basis not just for the 1 year covered in this appropriation bill.

The Committee on Appropriations has held no extensive hearings on this issue because the issue is legislative, but we have had available to us hundreds of pages of hearings conducted by the Committee on the Armed Services.

I urge you to vote against the pending amendment. In my judgment, it should be defeated, and we ought to have something resembling final legislation at this session on this issue which has plagued us for years. If you pass this sort of stop-gap, quickie legislation, you will not have resolved the question and we will have it facing us in the next appropriation bill.

May I say that the bill which the House passed and which is being considered by the other body may result in some legislation of a permanent nature being put on the statute books so that we can get this issue behind us for a time, at least. If we take this step today we will discourage the imperative action which is called for in substantive permanent legislation being sponsored by the Committee on Armed Services of the House, and legislation being considered by the Committee on the Judiciary of the House.

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

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

Mr. ARENDS. May I say to the gentlemen that both have made fine statements as to the recent action by the Committee on Armed Services. I think the gentleman is absolutely right in his position, and I hope the amendment will be defeated.

Mr. MAHON. We want to discourage abuses, we want to discourage anything that might smack of impropriety, we want the people who have to deal with these procurement issues to shun the very appearance of evil. But we cannot appropriately handle the issue with this sort of a rider on an appropriation bill. Let the legislative process which is in motion proceed. Let these legislative committees work out the matters and let us send to the White House permanent legislation on the subject. Such legislation is definitely required.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SANTANGELO].

The question was taken; and on a division (demanded by Mr. MAHON) there were—ayes 53, noes 89.

So the amendment was rejected.

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN: On page 44 strike out section 531 beginning in line 6 and ending in line 16.

Mr. BALDWIN. Mr. Chairman, this amendment does not add a dime or take a dime away from the total appropriations in this bill, but the amendment does remove a restriction on the operation of the Military Air Transport Service.

Up until 2 years ago the appropriations available for airlift were made in a way in which the Military Air Transport Service could use their own best judgment in determining how the funds should be used as between their own planes and the employment of commercial airlines. Two years ago for the first time a limiting section was put in a defense appropriation bill for the fiscal year 1959 which said of the funds made available by this act for services of the Military Air Transport Service, $80 million shall be available only for procurement of commercial air transportation service.

The effect of the limitation of the $80 million in the fiscal 1959 act was that the Military Air Transportation Service found that it could only make proper utilization of slightly over $70 million of commercial airline service. The difference of almost $10 million was frozen, and under this provision the full $80 million could only be used for commercial air transportation service. Almost $10 million was frozen, so that MATS could not use it whatsoever. In fiscal 1960 the total limitation was $85 million that it could use for no other purpose except commercial airlines. Now, I have no objection to allowing MATS to use their own judgment as to when it would be advisable to employ commercial airlines, but to force them to do so whether it is a good idea or not in some instances is not good for the national defense. Let me give you some statistics. In the 6-month period from July 1, 1959, to December 31, 1959, the planes flying out of WESTAF, which is the western headquarters of the Military Air Transportation Service, the military planes were flying only 69.1 percent loaded. The commercial planes were flying 94.7 percent loaded. Well, now, the reason for that is because MATS was forced to employ a certain number of commercial airlines whether they needed that number or not. They had training flights flying back and forth on the identical routes at practically the same time. In some cases they could have loaded those flights except they were forced to employ commercial airlines whether they needed them or not. They were flying the same runs at practically the identical time. I do not think that is in the best interests of the armed services, and I do not think it is in the best interests of the defense of this country. The only purpose of my amendment is that MATS will have the same total funds available to it, but they will have the discretion to determine when it is advisable to employ commercial airlines and when they can place the load on a training flight flying back and forth in this area.

Mr. Chairman, I hope the amendment will be adopted.

Mr. SHEPPARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, 2 or possibly 3 years ago the issues became so dominant in the military that it was found necessary to try to assist the Defense Department in upgrading civil reserve air fleet operations. This was one of the basic reasons for the approval of this section some 2 or 3 years ago. At that time there was a great desire from all of our friends on the floor of the House who were interested—and there were quite a number of them—in trying to create a condition whereby small business could become a participant in the total program. Consequently, the language was put in the bill and has been kept there. It has been working very well. We have had no objections from anybody concerned—on the part of the small business aspect or on the part of the commercial airlines—on that which the committee has remedied by change in the section this year. If there has been objections by others, of course, I am not conversant with that.

Furthermore, let me call your attention to the fact that the gentleman's amendment will definitely take the control of this portion of appropriations away from the Congress and place the expenditure of these funds exclusively at the discretion of the military. What they will do for the benefit of small business is highly problematical.

I reach that conclusion based upon the fact that prior to this particular type of legislation going into the bill small business was a very minor participant in the total. Since that time small business itself and its organizations have agreed

that they have been treated quite well and have no specific complaints. Under the circumstances prevailing I strongly recommend that we quit relinquishing our appropriation rights to the administrative departments of the Government, particularly the military; not that they are any more violators, perhaps, than others. Congress as a whole has relinquished entirely too much of its control over the purse strings. I urge my colleagues to vote against this amendment.

Mr. LIPSCOMB. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Committee on Appropriations for several years has been trying to improve the operation of the Military Air Transport Service. We have put this provision in the act for 2 years now and it has worked satisfactorily. This year we have put the provision in again, at $80 million, but have added two things; one, that this money is to be spent with carriers, participating in the Civil Reserve Air Fleet, commonly known as CRAF; and two, a proviso which gives the Secretary of Defense flexibility in determining what kind of aircraft are acceptable in the CRAF program. This latter could mean swing-tail cargo planes, or convertible cargo planes, DC–7's, DC–8's, 707's, or whatever the aircraft is, as long as it is modern.

The important thing here is that we are building up a modern airlift capability for the use of the military services when necessary. It is important that MATS have this additional capability.

As you know, the Committee on Appropriations has approved $250 million above the budget for modernization of airlift capability. Besides that, there is over $100 million for airlift capability in this bill as requested in the budget. By putting this $80 million clause in here, section 531, we are assuring that Congress has something to say about the way the Military Air Transport Service uses the funds in the industrial fund. We are assuring that we not only build a strong MATS airlift capability, but a strong Civil Air Fleet capability.

I believe this particular section is necessary. I believe it goes a long way toward giving us the capability we all desire.

I ask that the Committee vote down the amendment.

Mr. MAHON. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BALDWIN].

The amendment was rejected.

Mr. SHEPPARD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been some discussion relative to the proviso reflected on page 44, line 14 and I think there should be some clarification as to the intent of the committee. Would the chairman of the committee please explain what in his opinion was the reasoning of the committee in incorporating that language in the bill.

Mr. MAHON. Mr. Chairman, I would like to say to my colleague who is likewise a member of the subcommittee that it was not the intent of the Committee on Appropriations to set any particular specific characteristics for aircraft to be used in performing the MATS commerical carriage. As set out in the report this proviso is merely strengthening the hand of the Secretary in upgrading the Civil Reserve Air Fleet. It is certainly true that there is no intent to preclude the use of any particular type of aircraft otherwise eligible for the CRAF program in the MATS commercial set-aside.

Mr. SHEPPARD. Mr. Chairman, I thank the gentleman. I believe that clarifies the issue.

Mr. RIVERS of South Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIVERS of South Carolina: On page 44, line 16, after the word "airfleet" insert a period and strike out the remainder of the paragraph.

Mr. RIVERS of South Carolina. Mr. Chairman, my amendment is to section 531, which was just retained in the bill. The last six words of this proviso are somewhat easy to understand, and the reason I have offered the amendment is because I do not think the words "for the type of carriage involved" really mean anything. I have discussed this with the chairman and other members of the committee. The reason for my amendment is to make it positive that convertible types of aircraft are not excluded so long as these aircraft in the CRAF program are modern in the sense of the word as we understand it.

We want to give some meaning to CRAF, if we want to set aside $80 million for civil aircraft procurement. I commend the committee on both sides in that regard. You want to buy some aircraft. This gives the military the modern airlift capability.

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

Mr. RIVERS of South Carolina. I yield to the gentleman from Texas.

Mr. MAHON. We have been rising all day to strike out the required number of words. I think in this instance we cannot quarrel with the validity of the amendment offered by the gentleman from South Carolina. As far as I am concerned, I believe the amendment should be accepted.

Mr. RIVERS of South Carolina. I do not want to talk myself out of court, but I want to make it plain that that is all we seek to do. We want to clarify this proviso.

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

Mr. RIVERS of South Carolina. I will be glad to yield if the gentleman wants to say the same thing the chairman said.

Mr. LIPSCOMB. I do agree.

Mr. RIVERS of South Carolina. I thank the gentleman.

Mr. LIPSCOMB. I want to clarify one point. Does this in any way affect the flexibility the Secretary of Defense has in determining the use of modern aircraft with the CRAF? Passenger, cargo, convertible, and 707 planes can be used?

Mr. RIVERS of South Carolina. The same thing will be fully reflected in the report the committee is to issue in the very near future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

Mr. FLOOD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I have waited until these closing minutes of this debate because I want to bring to your attention once again the situation in Korea.

I reported to you in January, when I returned from an extensive tour in Korea. I told you that I spent some time up in the militarized zone area and on the border with our First Cavalry and Seventh Infantry Divisions. I told you of my great shock when I discovered that 30 percent of these two great American combat divisions are not Americans at all. They are Koreans. When you tell the American public that you have two divisions of the U.S. Army in Korea, that is not the truth. I repeat, for purposes of emphasis, 30 percent of the rifle platoons, of the combat troops in the line, in the most delicate area in the world today, are not Americans at all. They are Koreans—Katusans. Now, I make no aspersions against the quality or the ability of the Korean soldier. He is just as good as yours—make no mistake about that. He can fight. He has proven that. He is well trained. But these are American divisions in Korea tonight, and the political instability that I told you, as if I had a second vision or a glass ball—as I told you in January that before the snow would fly Syngman Rhee would be out of there and you might have a civil war. Today the students demonstrated again. There are many who think South Korea might go Red. You do not know any more about it than I do, but the fact remains that you had two divisions there—two American divisions. I submit that under the table of organization of the U.S. Army, in view of the acute political instability in Korea, unless you are more concerned about balancing your budget than you are with the safety of your own troops in such a politically unstable area—or unless the manpower distribution and management of the Army is bad—or any combination of those two—I would say the situation makes it mandatory, and by the hour it is becoming increasingly more dangerous, and you have the responsibility here of thinking about it. It is half past 5 now, and the lid may go off there in the next 10 minutes. What these Katusa will do you do not know and I do not know. But it is 30 percent—30 percent of two combat divisions in the line. No division can take 30-percent defection or casualty. No division in the line can do that. You cannot do it. Now, either these two American divisions, the great First Cavalry and the great Seventh Infantry, must be 100 percent American officers and American soldiers, or those two divisions should be pulled out of there. There can be no halfway about this now—no halfway. This is a delicate, dangerous area on the Communist border. If there is going to be limited warfare, it can break out there any

minute. The situation in Korea itself is chaos—political chaos.

Mr. Chairman, I include the following memorandum in further explanation of funds for modernization of the Army:

An explanation of the $207.6 million for modernization of the Army shows the following breakdown:

Estimated from sale of equipment under the military assistance program (the Army would get this money anyway), to be used for modernization of the Army	$120,000,000
3 percent across-the-board cut in procurement equipment Missiles Army for modernization	42,498,000
Appropriations Committee cut in the President's budget request for jeeps, due to estimated slippage in the program, from $18 million to $10 million, but the cut amount given back to the Army for modernization	8,000,000
New money added by the Appropriations Committee for Army modernization	37,102,000
Total	207,600,000

Thus the only new money added by the Appropriations Committee for Army modernization, above the President's budget request is $37.102 million.

Mr. Chairman, the following is an editorial from the New York Times of Thursday, May 5, 1960:

THE NATIONAL DEFENSE—III

The doctrine of massive retaliation—"at a time and place of our choosing"—is, of course, an essential component, indeed a primary component of our strategic concept, but it provides no total answer to our defense needs. In considering the national defense budget, Congress must determine whether or not the Nation has made sufficient provision for limited war forces. For limited war, as current history has clearly demonstrated, is by far the most likely kind of military emergency we face.

Congressional committees have already highlighted some of our principal weaknesses in deterring and fighting limited wars. In general, our first and greatest weakness is the increasing obsolescence of much of the Army, Navy, Air Force, and Marine Corps equipment and weapons useful for so-called conventional war. Put quite simply, the great stockpiles of weapons and equipment accumulated during World War II and Korea are being worn out, or are reaching technological senility more rapidly than we are replacing them. The numerical size of our forces also has been shrinking steadily—not only in number of men in uniform but in number of modern and effective arms in use and in stockpile. This shrinkage does not necessarily imply a proportionate decrease in the Nation's combat effectiveness. For new weapons, with greater speeds, ranges, firepower, and soon, can obviously accomplish the same combat tasks as a larger number of older weapons.

There is, however, a clear-cut limitation to the shrinkage process—and in ships, planes, and men (in particular) the services are reaching the point of no return. Admiral Burke, in recent testimony, pointed out that since 1955—the year he took office—the fleet's strength has declined from 1,030 ships to about 817, and from 9,761 aircraft to about 6,800. The construction and modernization program is by no means keeping pace with the increase of obsolescence.

The reduction in numbers is of particular importance in air strength in any situation limited to the use of conventional weapons only. For no missile has yet been developed—or is soon likely to be developed—that can replace the flexibility and effectiveness of piloted aircraft in attacks on tactical targets. Congress should hoist a warning signal against further reductions in numerical strength—particularly in air strength in the fighter, fighter-bomber, attack, and light bomber categories.

THE OBSOLESCENCE FACTOR

The obsolescence factor affects all our services. The Army has a particularly good case to make for modernization and replacement. The Army and Marines have many effective new weapons either on the drawing board, in advanced stages of development or in small-scale production. But testimony already given to Congress indicates that the Army is actually barely holding its own. The funds which the administration has provided are not ample to fully replace broken-down, old or worn-out equipment.

The same observations can be made about the Military Air Transport Service, and the Navy's amphibious fleet. These are the two elements of conventional strength which must provide mobility. MATS is now operating only one really modern cargo plane; there is no doubt that modernization of its fleet is badly needed. Similarly, the Navy's amphibious groups require faster and larger ships.

There are also weaknesses in antisubmarine warfare and in other fields. Most important is the fighting man himself. Many steps to improve his morale and strengthen the incentives for service careers have been taken in recent years; others are still needed. Above all, Congress must avoid the overload factor; the manpower strength of the Armed Forces should be maintained at a level sufficient to avoid overloading those in uniform with constant exercises, alerts and oversea obligations. At the same time the manpower level must be high enough to maintain operational units—particularly those in forward positions—at top manning levels. It is disgraceful, for instance, that the U.S. Army apparently finds it necessary to flesh out its two skeletonized divisions in Korea—divisions closer to the common enemy than any other combat units—with Koreans. Congress should ascertain whether this is a result of budget parsimony or Army misuse of manpower.

There is still another problem Congress should consider—the entire broad problem of the procurement of military manpower, and especially the status and utility of the Reserve Officers Training Corps. The size of the Reserves, particularly of the ground forces of the National Guard and the Reserves, would appear, too, to be growing while the Regular Army is shrinking, a fact that will inevitably result in time in a lopsided ground force.

Thus it is clear there are many problems and many weaknesses in our capability for deterring or fighting limited war. Not all of these problems or weaknesses are as yet really dangerous. It is not necessary, perhaps, to point out to the more extremist critics that we still have, as Lebanon and other incidents have shown, a very considerable capability to react with strength to limited threats. Nevertheless, unless the weaknesses discussed are soon eliminated, our conventional forces will become in future years a wasting asset.

THE NEED FOR ALLIES

It is clear that the defense budget requires some major carpentry. But the structure of our security, no matter how strengthened by Congress, can never be firm without additional support.

These editorials have focused upon the contemporary needs of our armed services and our standing in the space race. But the formula for security in the atomic age is far more complex than this; the Atomic Energy Commission, for instance, and the political, economic, and psychological elements of national power are major factors.

Above all, it should be reemphasized, particularly at a time when some are urging a go-it-alone policy, that the United States is not now—and can never be again—an island entire of itself. The days of self-sufficiency and isolation are over; the technological revolution in warfare has doomed forever the "fortress America" concept. We need bases, outpost lines, friends, and allies overseas; we need the world and the world needs us and our military and economic aid.

Modern security means mutual security—NATO, SEATO, and other ties. It means a global view, not a maginot line complex. We cannot stand alone.

Mr. MEYER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, last year I voted against the defense appropriation bill, after raising quite a few questions about waste and many other things in it which I thought were wrong. This year I believe I may vote in favor of it. I have asked the question about preventive war and about preemptive war, and have received what I felt were satisfactory answers to the effect that there is no intent to move in such a direction. I still believe, however, that there is great waste in this budget and that we are not truly defending our country by permitting it to remain. I feel also that the committee staff should be enlarged to make an independent investigation much more thoroughly than it can now, even though it is doing a fine job. I think this will be in the interest of our country. In saying that I am going to accept their judgment at this time and vote with them. I so so with many misgivings.

I believe there is still enough wrong with the bill to justify further protest votes, even though we logically cannot cut off all defense funds. I also realize that in a certain sense my political future is, oddly enough, being put on the line in voting for the bill, and I will explain to you why. The first thing that will be said is that in an election year I chose to vote for the defense appropriation, but that is not my real reason for so doing. My reason is that it has been said that I am a pacifist—and I am not a pacifist. If I were, I would be very proud of it. I feel it is my duty to become as effective as I can here. I must show that I am not against the defense of our country. I can then be more effective next year in eliminating this waste which I believe is a danger to our country and in eliminating some of the other things which are a danger to our country. I can use my job as Congressman here to do this if I show that I am willing to try the present approach for 1 year, while hoping that it will not be too bad and that better methods will be installed next year.

So I am going to take this step, not for the reason that might be commonly assumed, but for the sole reason that I may become more effective in doing the things that I believe not only the Congress should do, but that it must do if we are going to achieve objectives which are sound. I am going to do my best to

make great changes. I will work for worldwide disarmament and I will not support this bill next year unless drastic changes are made in it.

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

(By unanimous consent the pro forma amendments were withdrawn.)

Mr. O'HARA of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Michigan: On page 45, after line 6, insert the following:

"SEC. 535. No funds appropriated in this Act shall be used to pay any amount under a contract, made after the date of enactment of this Act, which exceeds the amount of a lower bid if such contract would have been awarded to the lower bidder but for the application of any policy which favors the award of such a contract to a person proposing to perform it in a facility not owned by the United States."

And renumber the following section.

Mr. FORD. Mr. Chairman, I am constrained to make a point of order against the amendment offered by the gentleman from Michigan [Mr. O'HARA]. It seems to me this language is clearly subject to a point of order in that it imposes additional duties on the Secretary of Defense.

The CHAIRMAN. Does the gentleman from Michigan [Mr. O'HARA] desire to be heard on the point of order?

Mr. O'HARA of Michigan. Mr. Chairman, I would ask my colleague from the State of Michigan if he would withhold and reserve his point of order for a few minutes that I may explain my amendment.

Mr. FORD. Mr. Chairman, I acquiesce in the suggestion of the gentleman from Michigan.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] reserves a point of order against the amendment offered by the gentleman from Michigan [Mr. O'HARA].

The gentleman from Michigan [Mr. O'HARA] is recognized for 5 minutes.

Mr. O'HARA of Michigan. Mr. Chairman, during general debate on this bill I brought to the attention of the Members of the House this amendment. That discussion can be found at page 9283 of the RECORD for last Tuesday.

Very briefly, Mr. Chairman, the purpose of this amendment is to restore the historic policy of the United States that the taxpayers' funds when devoted to defense purposes should be used in such manner as to get the most defense for the least money.

My amendment is aimed at the directive issued last September by the Bureau of the Budget, allegedly in furtherance of administration policy against Government competition with business. By this directive, which I believe goes far beyond any legitimate expression of that policy, the Bureau of the Budget, in effect, has said that in most foreseeable circumstances, contracts for military procurement and other types of procurement should be awarded to the bidder who proposes to perform the work in his own private plant, even if there is a private contractor offering to perform the contract in a Government facility, such as an arsenal or ordnance plant, at a lower price.

Now, Mr. Chairman, we are not discussing the idea of building new arsenals or ordnance plants. Perhaps we should not do so. Perhaps we should have private industry build the industrial capacity we need on their own. What we are talking about is the utilization of existing plants the taxpayer has bought and paid for.

The question is whether they should be utilized and operated by private contractors to get the most defense for the least money, or whether they should stand idle at great expense to the taxpayer and economic loss to the Nation. In a number of instances I know of the expense is as high as three-quarters of a million dollars per year to maintain such a facility in idleness. Our obligation is to adopt this amendment and see to it that the taxpayers of the United States get an even break.

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

Mr. O'HARA of Michigan. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I want to take this opportunity to support the amendment offered by the gentleman from Michigan [Mr. O'HARA]. He has offered a splendid amendment which should be adopted.

The administrative regulation of the Bureau of the Budget Regulation 60–2 has the effect of preferring privately owned plants for defense production over Government-owned facilities.

In my community, we have a Government-owned plant, 28 acres under roof—which was bought and paid for by the taxpayers of America. This plant now remains completely idle at the same time we are spending over three-quarters of a million dollars annually just to maintain the facility.

If defense production is permitted to be undertaken at the lowest possible cost to the taxpayers of this country, the use of these plants could not be avoided. Why should the Department of Defense pay for the use of privately owned plants when it has splendid facilities in its own inventory which could be practicably used?

Defense production should be for the benefit of the Nation at the lowest and best price. It was never intended to be carried on for the benefit of the defense industries. Defense production was never intended as a WPA for defense industries.

The amendment has the effect of vetoing regulations of the Bureau of the Budget for the benefit of defense industries and contrary to the best interests of the Nation. The adoption of this amendment would save the taxpayers at least $25 million each year.

The CHAIRMAN. Does the gentleman from Michigan [Mr. O'HARA] desire to be heard on the point of order?

Mr. O'HARA of Michigan. Mr. Chairman, I would like to suggest in connection with the point of order that this is a limitation on an appropriation. It does not attempt to impose any additional duties on the executive branch nor does it attempt to legislate in an appropriation bill.

The CHAIRMAN (Mr. KEOGH). The Chair is ready to rule.

The gentleman from Michigan [Mr. O'HARA] offers an amendment adding a new section to the pending bill providing that "no funds appropriated in this act shall be used to pay any amount under a contract which exceeds the amount of a lower bid if such contract would have been awarded to the lower bidder but for the application of any policy which favors the award of such a contract to a person proposing to perform it in a facility not owned by the United States."

The gentleman from Michigan [Mr. FORD] makes the point of order against the amendment that it is legislation on an appropriation bill, imposing additional duties on the executive branch of the Government.

The Chair calls the attention of the committee to previous rulings made on similar points of order and would like in addition to call to the attention of the Committee the ruling that appears in 4, Hinds' Precedents, page 660, in which it is clearly indicated that a limitation is permitted on a general appropriation bill that in effect provides a negative prohibition on the use of the money, and no affirmative direction on the executive branch.

In the opinion of the Chair, the language here offered is a negative prohibition and the Chair, therefore, overrules the point of order.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 3 minutes.

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

There was no objection.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan.

Mr. Chairman, under existing law we have the following in the Army Organization Act of 1950:

Except as otherwise prescribed by law, the Secretary of the Army shall cause to be manufactured or produced at the Government arsenals or Government-owned factories of the United States all those supplies needed by the Army which can be manufactured or produced upon an economical basis at such arsenals or factories.

It seems to me that that is as far as the law should go. In view of the very dramatic change in military requirements as a result of the missile age it is true that we just have too many Government-owned facilities and too many civilian-owned facilities in certain types of production. It seems to me it would be very unwise to go further than we go now. I do agree that wherever economical use can be found for Government-owned plants they should be utilized and we should not just cast aside in a wasteful manner the Government-owned plants for the purpose of saying that we are getting the Government out of business. We all believe in getting the Government out of business wherever reasonably possible.

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

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

Mr. FORD. Mr. Chairman, this policy we now have in effect does give to the executive branch of the Government flexibility to utilize these Government-owned facilities under circumstances which are for the best interests of our defense procurement. It seems to me that the amendment offered by the gentleman from Michigan would create an administrative handicap and an impediment which would be unbearable under certain circumstances. I hope the amendment is defeated, because existing policy does take care of the circumstances which I think the gentleman is concerned with at the present time.

Mr. MAHON. The gentleman from Michigan [Mr. O'HARA] made a very excellent presentation before the Committee on Appropriations. And, there is much virtue in the objectives he seeks. However, I think the bill would be better without the amendment, and I hope the amendment will be voted down.

Mrs. GRIFFITHS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentlewoman from Michigan.

Mrs. GRIFFITHS. Is it not true, as a matter of fact, that it has only been in the last few months that they have discriminated against Government-owned facilities on the basis of bids and that new features have been brought in to determine whether or not the contract would be placed in a plant other than a Government-owned facility?

Mr. MAHON. I am afraid the Department of Defense has gone a little too far in its interpretation of Budget Bureau Bulletin No. 60–2, and we have warned the Department that this policy must not be used in such a way as to increase costs and promote illogical actions.

Mrs. GRIFFITHS. For that reason, Mr. Chairman, I think that the amendment is a good one and that this House should support it and save the taxpayers money.

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

The question is on the amendment offered by the gentleman from Michigan [Mr. O'HARA].

The amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

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

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I only asked for this time because of queries which have been addressed to me in regard to the atomic energy authorization legislation which comes up as the first order of business tomorrow. I find that there is a controversial item of $107 million sought to be placed in the authorization bill and that there is a likelihood that there may be two rollcalls.

Mr. BERRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it was my intention to offer an amendment to section 523, on page 41 of the bill, to provide that in the purchase of foods made from wheat flour for use of the armed services stationed overseas that not less than 75 percent of such flour shall be made from wheat grown or produced in the United States.

I have talked with the subcommittee chairman, the gentleman from Texas [Mr. MAHON], and the gentleman from Michigan [Mr. FORD]. Both have advised against such amendment, and both have stated that while they were reluctant to do so they would be required to make a point of order against such amendment as being legislation upon an appropriation bill.

I must concede that, as necessary as the amendment is and as much good as it would do, it is subject to a point of order.

I want to point out, however, that one of the surprising discoveries made by representatives of the Great Plains Wheat Development Association, who have been studying the possibilities of increasing wheat sales abroad, has been the fact that American flour and American wheat is not being fed to American forces stationed overseas.

They have discovered that, for the most part, our Armed Forces purchase their baked goods from bakeries in the countries in which they are stationed. This certainly is not objectionable, Mr. Chairman. This is commendable. However, the flour used by these bakeries is, generally speaking, locally milled flour, and in most instances none of it is milled from American wheat.

Most of the European countries do a better job of protecting their industries and agriculture than we do in this country. Most of them have regulations providing that a certain percent of the wheat used in the milling of flour shall be wheat grown in that country.

This still would not be bad, but, since most of this wheat is soft wheat and does not make good flour, it must be bolstered up with imported hard wheat, and in many of these countries the wheat used to bolster up the grade of their flour comes from Russia.

To me, Mr. Chairman, this is the height of stupidity, and yet it is what the representatives of the Wheat Development Association found in several of the European countries where the United States maintains oversea bases.

Our people were told by the millers in Austria for instance, that they would prefer American wheat to mix with that of their own, but that it was easier and less trouble to use the Russian wheat. The same condition was reported in several of the other countries.

If an amendment were added to this defense appropriation bill requiring that a certain percent of American wheat must be used in all flour processed for American oversea installations it would in no way upset the regulations of the local countries, but it would materially increase the sale of American wheat and it would stop the indirect purchase of Russian wheat for American armed services.

I appreciate, Mr. Chairman, that legislation is not necessary to produce this result. It could and it should be accomplished administratively. The thing is, it is not being accomplished administratively, and will not be accomplished administratively unless Congress forces the Defense Department to take this or similar action.

Actually, I believe section 523 of this bill and previous defense appropriation bills are sufficiently strong to require the use of American grown wheat in the food used by our Armed Forces abroad. The present law provides:

> No part of any appropriation contained in this act shall be available for the procurement of any article of food * * * not grown * * * or produced in the United States * * * except to the extent that the Secretary of the Department concerned shall determine that a satisfactory quality and sufficient quantity of any article of food * * * cannot be procured as and when needed at U.S. market prices * * * by establishments located outside the United States for the personnel attached thereto.

It sems to me, Mr. Chairman, that the wheatgrowers of the Nation who are interested in an outlet for their product, and the taxpayers of the Nation who have a stake in some of the wheat surpluses should join with some of us who believe in protecting domestic industries to force the Defense Department into providing regulations in their food procurement which will at least stop the use of Russian wheat to feed American Armed Forces stationed abroad.

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

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

There was no objection.

Mr. FORD. Mr. Chairman, on behalf of the distinguished gentleman from Nebraska [Mr. WEAVER], who unfortunately could not be here today, I should like to take a moment of the Committee's time to call attention to one of the gentleman's more significant contributions to our labors this year.

As a part of his duties with the Committee on Appropriations, the gentleman from Nebraska learned—and appropriately disclosed—the extent of losses suffered by our armed services from pilferage at our bases overseas. Particularly, the serious conditions then existing in the Philippines were pointed out firmly by the gentleman.

I am gratified that these revelations have resulted in prompt corrective actions, and the gentleman is to be commended for his perseverance and diligence.

For the benefit of the Members and others interested, the colloquies of the gentleman from Nebraska [Mr. WEAVER] and the various Defense Department witnesses appear in the hearings on Department of Defense Appropriations, 1961, part 1, page 155; part 2, pages 165, 358, 535, and the following; and part 3, page 263.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommenda-

tion that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. MAHON. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

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

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 377, nays 3, not voting 52, as follows:

[Roll No. 81]

YEAS—377

Abbitt	Brown, Ohio	Dwyer
Abernethy	Broyhill	Edmondson
Adair	Budge	Elliott, Ala.
Addonizio	Burdick	Elliott, Pa.
Albert	Burke, Ky.	Everett
Alford	Burke, Mass.	Evins
Alger	Byrne, Pa.	Fallon
Allen	Byrnes, Wis.	Farbstein
Andersen, Minn.	Cahill	Fascell
	Canfield	Feighan
Anderson, Mont.	Cannon	Fenton
	Casey	Fino
Anfuso	Cederberg	Fisher
Arends	Chamberlain	Flood
Ashley	Chenoweth	Flynn
Ashmore	Chiperfield	Flynt
Aspinall	Church	Fogarty
Auchincloss	Clark	Foley
Avery	Coad	Ford
Bailey	Coffin	Forrester
Baker	Cohelan	Fountain
Baldwin	Collier	Frazier
Baring	Conte	Frelinghuysen
Barr	Cook	Friedel
Barrett	Cooley	Fulton
Barry	Corbett	Gallagher
Bass, N.H.	Cramer	Garmatz
Bass, Tenn.	Cunningham	Gary
Bates	Curtin	Gathings
Baumhart	Curtis, Mass.	Gavin
Becker	Curtis, Mo.	George
Beckworth	Daddario	Giaimo
Belcher	Dague	Glenn
Bennett, Fla.	Daniels	Goodell
Bennett, Mich.	Davis, Ga.	Granahan
Bentley	Davis, Tenn.	Gray
Berry	Dawson	Green, Oreg.
Betts	Delaney	Green, Pa.
Blatnik	Dent	Griffin
Blitch	Denton	Griffiths
Boland	Derounian	Gross
Bolton	Derwinski	Gubser
Bosch	Devine	Hagen
Bow	Diggs	Haley
Brademas	Dingell	Halleck
Bray	Dixon	Halpern
Breeding	Donohue	Hardy
Brewster	Dooley	Hargis
Brock	Dorn, N.Y.	Harris
Brooks, La.	Dorn, S.C.	Harrison
Brooks, Tex.	Downing	Hays
Broomfield	Doyle	Healey
Brown, Ga.	Dulski	Hemphill
Brown, Mo.	Durham	Henderson
Hess	May	Roosevelt
Hiestand	Meader	Rostenkowski
Hoeven	Metcalf	Roush
Hoffman, Ill.	Meyer	Rutherford
Hoffman, Mich.	Miller, Clem	St. George
Hogan	Miller, George P.	Santangelo
Holifield		Saund
Holland	Miller, N.Y.	Saylor
Holt	Milliken	Schenck
Holtzman	Mills	Scherer
Horan	Minshall	Schneebeli
Hosmer	Mitchell	Schwengel
Huddleston	Moeller	Scott
Hull	Monagan	Selden
Ikard	Moore	Shelley
Inouye	Moorhead	Sheppard
Irwin	Morgan	Shipley
Jarman	Morris, Okla.	Short
Jennings	Morrrison	Sikes
Jensen	Moss	Siler
Johansen	Moulder	Simpson
Johnson, Calif.	Multer	Sisk
Johnson, Md.	Mumma	Slack
Johnson, Wis.	Murphy	Smith, Calif.
Jonas	Murray	Smith, Iowa
Jones, Ala.	Natcher	Smith, Kans.
Jones, Mo.	Nelsen	Smith, Miss.
Judd	Nix	Smith, Va.
Karsten	Norblad	Spence
Karth	Norrell	Springer
Kasem	O'Brien, Ill.	Staggers
Kastenmeier	O'Brien, N.Y.	Steed
Kearns	O'Hara, Ill.	Stratton
Keith	O'Hara, Mich.	Stubblefield
Kelly	O'Konski	Sullivan
Keogh	O'Neill	Taber
Kilday	Oliver	Teague, Calif.
Kilgore	Osmers	Thomas
King, Calif.	Ostertag	Thompson, La.
King, Utah	Passman	Thompson, N.J.
Kirwan	Patman	Thompson, Tex.
Kitchin	Pelly	Thomson, Wyo.
Kluczynski	Perkins	Thornberry
Knox	Pfost	Toll
Kowalski	Philbin	Tollefson
Kyl	Pilcher	Trimble
Laird	Pillion	Tuck
Landrum	Pirnie	Udall
Lane	Poage	Ullman
Langen	Poff	Utt
Lankford	Porter	Vanik
Latta	Preston	Van Zandt
Lennon	Price	Vinson
Lesinski	Prokop	Wallhauser
Levering	Pucinski	Wampler
Libonati	Quie	Watts
Lindsay	Quigley	Weis
Lipscomb	Rabaut	Westland
McCormack	Randall	Wharton
McCulloch	Ray	Whitener
McDonough	Reece, Tenn.	Whitten
McFall	Rees, Kans.	Widnall
McGinley	Reuss	Wier
McGovern	Rhodes, Ariz.	Williams
McIntire	Rhodes, Pa.	Willis
McMillan	Riehlman	Wilson
Machrowicz	Riley	Winstead
Mack	Rivers, Alaska	Wolf
Madden	Rivers, S.C.	Wright
Magnuson	Robison	Yates
Mahon	Rodino	Younger
Mailliard	Rogers, Fla.	Zablocki
Matthews	Rogers, Mass.	

NAYS—3

Harmon	Hechler	Johnson, Colo.

NOT VOTING—52

Alexander	Grant	Powell
Andrews	Hébert	Rains
Ayres	Herlong	Roberts
Barden	Jackson	Rogers, Colo.
Boggs	Kee	Rogers, Tex.
Bolling	Kilburn	Rooney
Bonner	Lafore	Taylor
Bowles	Loser	Teague, Tex.
Boykin	McDowell	Teller
Buckley	McSween	Van Pelt
Burleson	Macdonald	Wainwright
Carnahan	Marshall	Walter
Celler	Martin	Weaver
Chelf	Mason	Withrow
Colmer	Merrow	Young
Dowdy	Michel	Zelenko
Forand	Montoya	
Gilbert	Morris, N. Mex.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Van Pelt.
Mr. Rains with Mr. Wainwright.
Mr. Roberts with Mr. Weaver.
Mr. Montoya with Mr. Ayres.
Mr. Morris of New Mexico with Mr. Martin.
Mr. Herlong with Mr. Mason.
Mr. Rogers of Colorado with Mr. Lafore.
Mr. Walter with Mr. Kilburn.
Mr. Alexander with Mr. Jackson.
Mr. Bonner with Mr. Taylor.
Mr. Bowles with Mr. Withrow.
Mr. Carnahan with Mr. Merrow.
Mr. Loser with Mr. Michel.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill today may have permission to revise and extend their remarks and include excerpts and related matters, and that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1961

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a report on the Department of Agriculture appropriation bill for the fiscal year 1961.

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

There was no objection.

Mr. ANDERSEN of Minnesota reserved all points of order on the bill.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1961

Mr. KASTENMEIER. 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 Wisconsin?

There was no objection.

Mr. KASTENMEIER. Mr. Speaker, the defense appropriations bill just passed by this body illustrates some of the difficulties we face as we strive to keep our defenses adequate while we explore the sole hope of our future, the possibility of a universal disarmament agreement.

In keeping our Defense Establishment large, we have frequently neglected to keep it efficient. How adequate is a defense that wastes huge sums of money and huge amounts of time, in interservice rivalry that leads to unnecessary secrecy, to duplication of research and contradictory planning, and to waste in manpower, procurement, and surplus disposal? Under such conditions we surely cannot measure adequacy by the amount of money spent. We can only measure it by our calculation of the results, always keeping in mind that

any real results of real use of our modern weapons could not be adequate defense in any reasonable sense, since their use would have ended our civilization.

The bill just passed does, by calling for manpower cuts in administrative areas of the Defense Department, insist on elimination of at least some of the waste now existing. As Parkinson's law would have it, "work expands to fill the time available for its completion," and obviously expands to keep busy the people available for its accomplishment. Let us hope that by reducing the people available we will force the Defense Department to restrict its work to the truly essential work of an effective defense.

These cuts in manpower have been protested on the ground of the hardship they would bring to individual civilians. Mr. Speaker, I am very sensible of this hardship. It shows in miniature the great difficulties we will face if we can arrive at a disarmament agreement, since if that day comes we will have many more persons to redirect from their present jobs to others not tied to the cold war. It is precisely because of the great dislocations that would result that I firmly believe that a National Peace Agency, having among other tasks that of research in the economics of disarmament and planning for the return to a peaceful economy, should be created.

Such planning, if the Government had already embarked on it, might be of great help to the people whom we are now intending to remove from the Defense payrolls. Similarly, overall manpower planning might well have assessed whether in the long run it would be wiser to leave civilian employees at their present number by decreasing the number of uniformed personnel and transferring quasi-civilian jobs they are now doing to the civilian employees. But we are now confronted with a situation in which long-range planning in these areas has not yet been done, and we must act nevertheless.

Only in this way can we make our defense more adequate while guarding against a further diversion of our national product, thought, and energy to what, in the light of the long-range need for disarmament, is only useful in the short run. I therefore voted for the committee bill. If it had been changed by the indiscriminate addition of more billions, I would have voted "No" on final passage, since even its short-run benefits of reducing some waste would then be lost.

But, Mr. Speaker, the fact that today we must choose what seems good only in the short run simply underlines the need for long-range planning. I call again, as I have in the past, for a full study of the defense manpower situation and the possibility of eliminating conscription; for a full study of Defense Department organization and the possibility of true unification of the services; and for that study most overwhelmingly essential to the future of humanity, the study of the means and techniques and implications of disarmament.

That the hope of a universal disarmament agreement is our only hope is made even more clear than it has been before by language in the report of the House Appropriations Committee on this bill. I should like to quote again for the House:

> In the final analysis, to effectively deter a would-be aggressor, we should maintain our Armed Forces in such a way and with such an understanding that should it ever become obvious that an attack upon us or our allies is imminent, we can launch an attack before the aggressor has hit either us or our allies. This is an element of deterrence which the United States should not deny itself. No other form of deterrence can be fully relied upon.

The suggestion here made, from which I absolutely disassociate myself, is the suggestion that we must contemplate striking first. It is dangerous in the extreme since it would lead to the situation most frighteningly conducive to accidental war, the situation when each side has the safetycatch off and is fingering a hair trigger. That trigger as we all know will set off dozens of thermonuclear missiles not merely an old-fashioned rifle. The deterrent has always before been considered to be the ability to strike second with power so frightening that it would deter anyone from striking first. Some of us now seem to have moved so far on this deterrent road that the "deterrent" is seen as the first strike. This shift is clear evidence that the road is the wrong road. A form of defense that would result in universal annihilation is clearly no defense, and from this point on it must be clear to us all that the pursuit of universal disarmament is the only real defense.

EXTENSION OF REMARKS

Mr. OSTERTAG. Mr. Speaker, on behalf of the gentleman from Michigan [Mr. FORD] I ask unanimous consent that he be allowed to insert in the RECORD at the beginning of the debate on the defense appropriation bill today several summaries of action of the committee, prepared by the Department, which will be very helpful.

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

There was no objection.

POSTHUMOUS CONGRESSIONAL MEDAL OF HONOR PROPOSED FOR CIVIL WAR NAVAL HERO, COMDR. WILLIAM B. CUSHING

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

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

There was no objection.

Mr. BRADEMAS. Mr. Speaker, I have today introduced in the House of Representatives a bill to authorize the posthumous award of the Congressional Medal of Honor to the late Comdr. William B. Cushing of the U.S. Navy. U.S. Navy officers were not eligible to receive our Nation's highest military award at the time of Cushing's heroic and gallant deed during the Civil War, though all of the men under his command did receive the medal.

On the basis of authenticated eyewitness accounts and the high praise rendered to Cushing by his superiors, the President and the Congress at the time of his valorous act, I proudly urge that this Congress and the President pay Commander Cushing the recognition and gratitude of a Nation appreciative of her outstanding heroes with the posthumous award of the Congressional Medal of Honor.

Mr. Speaker, the sinking of the Confederate ram, *Albemarle*, on the night of October 27, 1864, was described in these words by James R. Soley, naval historian and later Assistant Secretary of the Navy:

> It is safe to say that the naval history of the world affords no other example of such marvelous coolness and professional skill as was shown by Cushing in the destruction of the *Albemarle*.

The Cushing referred to—one of a famous family whose names have adorned the honor scrolls of American military history—was William B. Cushing, at that time a 21-year-old Navy lieutenant.

Promotion came quickly for the young Cushing who had left his Wisconsin home in the early days of the Civil War to enlist in the U.S. Navy. As acting master's mate and later as acting midshipman, he proved his worth in positions of danger and responsibility. He was commissioned a lieutenant on July 16, 1862, at the age of 19 and earned high praise for his command of the *Ellis*, *Commodore Barney*, *Shokokon*, and *Monticello*.

By the fall of 1864 the Confederate ram, *Albemarle*, had established a bold reputation by destroying several Federal vessels and aiding in the recapture of Plymouth, N.C., 8 miles up the Roanoke River. The *Albemarle* lay off the coast of Plymouth, bristling with 8-inch guns and presenting a serious obstacle to the Union fleet.

Lieutenant Cushing proposed to his superiors a daring plan for destroying the Confederate ship with torpedo boats. Entertaining little hope for the success of such a mission, his officers granted him permission to attempt the scheme.

In an open, 30-foot launch manned by a crew of 15 volunteers, Cushing gave orders to steam slowly up river. Following the launch, prepared to aid the attack, came a small cutter with 13 men. The two boats successfully eluded the enemy's lookouts until they lay near the Confederate ram.

Cushing decided to risk boarding the *Albemarle* if his launch could be maneuvered close enough. But a sentinel on board the enemy ship spied the approaching launch and sounded the alarm. Instantly, a bonfire was lighted on the bank, revealing a boom of logs—a ring of connected floating timbers set out around a ship to block such attacks—protecting the *Albemarle*. Cushing then gave the command to circle the Confederate ram in order to gain momentum. Sailing at full steam, the launch aimed directly at the boom.

The bow of the launch struck the boom with such force that the logs were forced down in the water and the bow was lifted several feet in the air. With headway nearly gone the launch slowly moved up under the enemy's quarter port.

The torpedo was instantly lowered into the water as crewmen of the *Albemarle* fired small arms at their attackers. Amid the murderous fire Cushing's men launched the torpedo. As it exploded against the *Albemarle*, a final blast from an 8-inch gun on the ram was aimed point-blank at the Yankee launch.

Both the *Albemarle* and the launch sank immediately, spilling their crews into the dark waters. Cushing's clothes were pierced by five bullets and the sole of one shoe was ripped away by the cannon blast. After hours of swimming and wading through swamps, he was able to make his way back to the Federal picket vessel, *Valley City*. Two of his companions in the launch were drowned, one managed to escape and the rest were taken prisoners.

In recognition of his valiant deed, Cushing was promoted to the rank of lieutenant commander at the age of 21. Tendering the young hero the thanks of the Navy Department on November 9, 1864, Secretary Gideon Welles wrote:

To you and your brave comrades, therefore, belongs the exclusive credit which attaches to this daring achievement. The destruction of so formidable a vessel, which had resisted the continued attack of a number of our steamers, is an important event touching our future naval and military operations. The judgment as well as the daring courage displayed would do honor to any officer, and redounds to the credit of one 21 years of age.

Capt. A. F. Warley, of the *Albemarle*, was unstinting in his praise of the way in which the task was performed. After describing the engagement, Warley concluded:

That is the way the *Albemarle* was destroyed, and a more gallant thing was not done during the war.

Adm. David D. Porter, in General Orders No. 34 dated November 5, 1864, said:

Lt. William B. Cushing * * * has displayed a heroic enterprise seldom equaled and never excelled. * * * To say nothing of the moral effect of this gallant affair, the loss of this vessel to the rebels cannot be estimated. It leaves open to us all the Albemarle Sound and tributaries, and gives us a number of vessels for employment elsewhere.

On December 8, 1864, President Lincoln wrote:

I most cordially recommend that Lt. William B. Cushing receive a vote of thanks from Congress for his important, gallant, and perilous achievement in destroying the rebel ironclad steamer *Albemarle* on the night of the 27th of October 1864, at Plymouth, N.C.

The action extending the thanks of Congress was approved on December 20, 1864.

Mr. Speaker, as I have said, all of the enlisted men under Cushing were awarded the Congressional Medal of Honor for their heroic action. Only because of the fact that officers of the U.S. Navy were not eligible for this highest award until 1915 was Cushing not so honored.

Mr. Speaker, I strongly suggest that appropriate and fitting recognition of Cushing's heroic act, so highly praised by military and Government officials at that time, is long overdue. Therefore, I take pride in urging that a posthumous award of the Congressional Medal of Honor be made to Cmdr. William B. Cushing, U.S. Navy.

I further urge that such medal be presented to Commander Cushing's great-great-grandson, Cushing Lord, of South Bend, Ind.

Mr. Speaker, under unanimous consent, I include an article which appeared in the South Bend Tribune of August 2, 1959, pertaining to Commander Cushing and to Cushing Lord at this point in the RECORD.

BOUGHT WITH BLOOD

(By Sarah Lockerbie)

Cushing Lord, of 3509 Brookhurst Place, belongs to a fighting family—militarily speaking, that is. Since the Revolution, some member of the clan with the rank of general has always been on active duty, and in lower brackets the family has contributed considerable numerical strength. Not all have been combatants. Several surgeons have taken their skill into the field—notably Dr. Harvey Cushing, of Boston—and the Army precedent was broken by the Navy enlistments of Lord, a forebear named Laban Cushing, and the most distinguished ancestor of all, Comdr. William B. Cushing.

It was a combination of this strong tradition plus a dramatic incident early in his naval training which created a unique hobby for Cushing Lord. He has become a collector of military decorations and insignia. He now owns 200 American and British medals and orders, some 60 examples of military headgear, and what is probably the most complete assortment of Canadian regimental badges in the country. Additionally, whether in tracing the original ownership of the emblems he has, or in exploring data about the items he might like to buy or trade, he has embarked on a fascinating study which he couldn't possibly exhaust by the end of his days.

Lord spent 2 years in service during World War II, 2 more in the Korean war, emerging as a lieutenant, and he is now in the Naval Reserve. Thereby he earned the right to wear 11 medals, but he might never have started collecting them had it not been for a conversation with Rear Adm. C. L. Austin.

Delivery of a short address before fellow trainees is a feature of the processing of civilians into proper officers. When Lord's turn approached, in the same breath of inquiry as to his subject, Admiral Austin asked if the "Cushing" in his name had any connection with the Commander Cushing of Civil War fame. Learning that the officer in question was Lord's great-great-grandfather, Admiral Austin said, "No matter what you had in mind, there is the subject of your talk."

It developed that the Navy is paying renewed homage to Cushing, a recipient of formal thanks in Congress, a citation from President Lincoln, and designation by the then Secretary of the Navy, Gideon Welles, as the war's greatest hero. Nearly a century later, from the deck of a destroyer in Korean waters, Lord would look across at a similar vessel and see that its name was the *William B. Cushing*.

In 1957 Ralph J. Roske and TV whiz Charles Van Doren wrote a highly readable biography of Cushing called "Lincoln's Commando." It contains a vivid account of the exploit regarded by many as the greatest individual exhibition of bravery and professional skill in U.S. Navy annals. This was the sinking of the Confederate man-of-war *Albemarle*, an iron-clad ram which had done immense damage to Union ships maintaining the blockade which gradually strangled the South's access to supplies.

On the night of October 27, 1864, in a 30-foot open launch and with a crew of 14, Cushing—just 21—slipped into the inlet where the *Albemarle* was moored, and in the face of murderous fire, aimed a makeshift torpedo with such precision that the hitherto invincible armored craft sank like a rock. The explosion submerged the launch and it was every man for himself. Several of the crew drowned, more were captured, but Cushing managed to escape by swimming for hours in the darkness. He lived to add further brilliant feats to his record, but his health was so impaired that he died at 32. As an officer, he was denied the Nation's highest award—a Medal of Honor—which went to the 11 surviving crew members of the *Albemarle* episode. It wasn't until 1915 that eligibility was extended to include all ranks.

This is just one of many intriguing facts which research has brought to Lord's attention. He has joined the Orders and Medals Society of America, finding trades between the 600 members and information in their publications the best means of enlarging his collection. He now has examples of every medal issued by the U.S. Government save one. In 1782 Washington had struck the Badge of Military Merit—but issued only three, one of which is owned by the State of Michigan. However, when the Order of the Purple Heart was established in 1932 for victims of wounds resulting from enemy action, it was a copy of Washington's medal.

Although the War of 1812 and campaigns against Indians and Mexicans intervened, after 1792 no other than table-types for sea captains were given until 1861. When the custom was resumed in that year with the Congressional Medal of Honor, a design for Navy personnel preceded by 3 months that prepared for the Army. "As the most cherished decoration this country bestows, its wearers belong to one of the most select military fraternities in the world," says Lord.

A bare handful of men have repeated on this award. One two-time winner from the Army was Tom Custer, later to perish with his famous brother, Gen. George A. Custer, at Little Big Horn.

Indiana has furnished 55 Army wearers of the Medal of Honor and 9 in the Navy. Among the former was Maj. Samuel Woodfill, of whom Pershing said, "He was the greatest soldier of World War I." He died a pauper in 1951, but in 1958 his remains were removed from a Madison, Ind., cemetery and reburied at Arlington, just 50 feet from General Pershing's tomb.

A worldwide argument exists as to the government most rigid in limitation of awards, with a resulting enhancement of their value. Since 1861, the United States has periodically created new orders ranging in importance from those denoting extreme valor to mere presence in a combat area. A number of other countries have more varieties of awards, but our lesser ones are issued in fairly generous quantities.

Foreign decorations often lead in elaboration, as exemplified by Lord's acquisition of the British Order of the Bath. To be worn on the chest is its star, an arresting piece of jewelry by itself. But with it goes the cravat—an ornate medal suspended on a neck ribbon. Rivaling them in beauty is a sequence of Queen Victoria's awards. Bearing her portrait in profile, they start with the delicate features of a young woman, becoming stronger as they represent her maturity and finally witness her aspect in old age, no longer charming, but still regal.

In other countries it is customary to wear orders on all important occasions—a tradition scarcely observed here—and more's the pity, says Lord. In the years following our break from England, we went all out to do away with the trappings related to nobility, but not without some sacrifice of incentive and esprit de corps. We have used numerals to designate military units, whereas such regimental names elsewhere as the Black Watch, Coldstream Guards and Grenadier Guards inspire awe the world over. Since early in World War I, however, there has been a visible effort to restore the prestige which attaches to names, often that of a whole division.

Recognizing the effort inherent in earning a medal, one wonders at the circumstances which allow them to fall into a collector's hands. Some are pawned or sold in financial crises, but more are set adrift in the breaking up of old homes, says Lord. Such items found in a drawer or old trunk may mean nothing to relatives a generation or so removed. In odd lots of castoffs, they may bring as little as a quarter in secondhand shops. But when they are rare and their worth is known, they may be tagged at three or four figures.

To aid in preserving such relics, a wing being added to Washington's Smithsonian Institution has a special section allotted to the Orders and Medals Society of America. It will provide a permanent repository where awards can be donated or willed by recipients or heirs willing to part with them. In Russia, losing or selling a medal is punishable by a jail sentence.

Needless to say, Lord's attachment to his hobby precludes any carelessness. Besides its beauty and value, it is a shrine of sentiment. Flanking his own medals are those of his father from World War I, and six won by his brother, serving through World War II with Canada's 48th Highlanders. One museum piece—again from a Cushing—is the Massachusetts Minute Men of 1861 medal. It was given by the State to men who answered Lincoln's first call for volunteers within 48 hours.

Lord's fondest wish for his hobby is still in the future. It has become a custom to make posthumous awards to fallen heroes, bestowing them on the next of kin. Since an officer's rank is no longer a bar to the Medal of Honor, Lord has begun correspondence aimed at securing for his great-great-grandsire the recognition so long ago given to those under his command. The prospect seems brightened by the renewed luster surrounding the name of William B. Cushing. Should he gain this objective, Lord will never be at a loss in pointing out the crown jewel of his collection.

THE SIXTIES: AN EXHIBITION-CONSCIOUS ERA

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

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

There was no objection.

Mr. KASEM. Mr. Speaker, in February, I introduced House Concurrent Resolution 595, a resolution that would express the desire of Congress that the Secretary of State should enter into negotiations to bring the United States into the membership of the Bureau International des Expositions.

A recent move by the Soviet Union in recognizing the advantages of membership in the Bureau is reminiscent of the sputnik "scoop"—although somewhat less spectacular. The results could be along the same line, however, giving the Communist nations another boost in international prestige through the effective use of trade fairs for propaganda purposes.

The following article from the New York Herald Tribune, Thursday, April 28, 1960, is self-explanatory:

MOSCOW ACTS TO SNARE 1967 WORLD'S FAIR—SEVEN RED NATIONS JOIN BODY THAT DECIDES

(By B. J. Cutler)

PARIS, April 27.—The Soviet Union is making a determined bid to get the 1967 World's Fair for Moscow and, to improve its chances, has suddenly brought seven Communist members into the international body that will decide the contest.

The International Bureau of Expositions, which has its headquarters here, is to decide in a vote May 5 whether to award the fair to Vienna, Montreal, or Moscow.

New York will be the scene of the 1964 World's Fair. The exposition, planned to run 2 years, will be held at Flushing Meadow Park, Queens.

After years of indifference to the work of the Bureau, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, and the Ukrainian and Byelorussian Soviet Republics joined the organization this week. Their motive, according to informed sources, was to support the Soviet Union's bid for the 1967 fair.

The Communist voting strength in the Bureau has now increased from one voice to a bloc of eight. There is a total of 30 members.

At its last meeting March 8, the Bureau was unable to choose between the candidacies of Moscow, Vienna, and Montreal. In the interval, the Soviet Union found seven new votes. If most of the non-Communist members split their support between Vienna and Montreal, Moscow's maneuver may gain it the fair.

Mr. Speaker, on March 17, 1960, the President sent a message to the Congress outlining a proposed program for expanded exports—House Document No. 359. I would just like to quote one portion of that message which includes several steps the administration feels would stimulate exports. The excerpt is as follows:

> To help our exporters in the development of their foreign sales, we should improve the numerous Government services now available to business firms and especially useful to our smaller producers. These services have been available all along, but we must infuse them with a new purpose and strengthen them with additional resources. Accordingly, I have directed comprehensive steps to * * * make fuller use of international trade fairs, trade missions, and other promotional means to stimulate the interest of foreign buyers in U.S. products while continuing to emphasize the basic objectives of the special program for international understanding.

Global cooperation in fairs and exhibitions can most be expressed by the United States in becoming a member of the Bureau International des Expositions. Cost of membership in this international agency of 35 major countries is small compared to countless advantages. Cost of joining is $1,200 and the annual dues are less than $1,500. The benefits are the most far reaching imaginable in this fair-conscious era.

If we consider ourselves a nation of gentle and peaceful ways we should seriously consider all-out participation in a medium which can most convey our ideologies and creativity—exhibitions.

Many of our exhibits in past fairs are still talked about today. At the Futurama during the New York Fair of 1939–40 spectators were carried along on a moving platform around the edges of a huge model of the city of the future, looking down as though from an airplane at a height of 2,000 feet. The vision of the future embraced elevated trafficways, pedestrian esplanades and other radical departures from the horse-and-buggy era in which most of the cities are still held. City and regional planning experts looked somewhat askance at these ideas 20 years ago; yet, popular thinking has gone markedly in this direction since the Futurama was first unveiled.

The Chicago Exposition was noteworthy for its scientific displays; careful study of the exhibits in the Hall of Science could give you at least a smattering of the fundamentals of physics, chemistry, and biology. The single attraction that caused the most excitement was a group of human embryos preserved in alcohol, arranged in order from the age of a few weeks up almost to parturition. This was only 26 years ago, and yet the exhibit was considered daring nearly to the point of indecency.

It has shown how strongly an exhibition can influence and educate.

EXHIBITIONS—THE MOST INFLUENTIAL SHOWCASE KNOWN

President Eisenhower's recent new export drive proposes a program of vigorous salesmanship to stimulate the flow of U.S. products abroad. This strengthening of trade promotion covers many phases, and one in particular is making full use of international trade fairs. Those of us who advocate U.S. participation in international trade fairs and exhibitions sincerely feel that the only genuine manifestation of this feeling is to belong to such vitally important organizations like the Bureau International des Expositions.

REGULATION OF FAIRS EXPLAINED BY BUREAU'S FOUNDER, MAURICE ISAAC

In the 20th century the frequency of international exhibitions increased, but it was mainly after World War I that the number of expositions became alarming. Alongside of large and beautiful expositions which were a credit to civilization, countless large and small expositions cropped up, the timeliness of which were doubtful and the organization of which merits severe criticism.

Generally speaking, there were three main objections to such a disorderly approach by governments, groups, and individuals:

1. Too often the expositions were organized by unqualified personnel mainly concerned with personal gain, who would set up exhibits on a mediocre program, and still obtain their government's support; consequently, either through lack of information or because of outside pressure, the government would invite foreign nations to very costly exhibits lacking in interest.

2. The expositions were exceedingly frequent.

3. The regulations for participation varied from one exposition to the other at the whim

of the organizer who too often was not sufficiently supervised and whose fees rendered were exorbitant.

As a result, as early as 1912, the various governments had convened in Berlin, at the instigation of the German Government, in order to sign an agreement intended to clean up the organization of these exhibits which had become such a drain both on private and public funds; however, the Berlin Convention was not put into practice because of the war of 1914, which prevented the ratification by the nations involved.

The French Government took over the German Government's initiative and the convention was elaborated at a diplomatic conference which took place in Paris from 12 to 22 November 1928. (Maurice Isaac, September 1942.)

Thus the Bureau International des Expositions was formed as an ethical agency, not representing any single country, to act in the name of all the participating countries within the scope of its authority. The BIE operates on a budget composed solely of funds donated by these countries based on the size of the member nations.

TRAFFIC JAM IN FAIRS

The role played by the Bureau International is more important than ever to prevent jamming schedules and a resultant diminishing value of fair efforts. Every country enjoying prosperity, growth, and increasing trade with other nations has ambitions to stage an international exhibition now or sometime in the future. The enormous attention a country receives, the tourist influx and the impact on its economy makes exhibitions highly desirable vehicles. The Brussels World's Fair, the first major postwar exposition showed that these blockbuster shows can even make a profit despite the fact that the record shows most major expositions invariably have wound up with substantial operational losses.

HOUSE CONCURRENT RESOLUTION 595

House Concurrent Resolution 595, introduced concurrently February 23, 1960, and referred to the Committee on Foreign Affairs, states:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the Secretary of State should enter into negotiations to bring the United States into the membership of the Bureau International des Expositions; and be it further

Resolved, That such negotiations shall be entered into by the Secretary of State only in the event that certain changes in the articles of the 1928 convention under which said Bureau International des Expositions now operates be made which would make membership acceptable to the United States, and that such determination of acceptability be made by the Secretary of State.

Our Government has never joined the BIE because of the belief that no foreign body should influence the United States in when it could or could not have an international exhibition. Also, according to the BIE rules, exhibitions are subsidized by the government of the organizing country. In preparing House Concurrent Resolution 595, these two objections were submitted to the covenants committee of the BIE—in London—so that, if acceptable, modifications will be made in the rules and regulations of the BIE making adoption of the resolution possible.

THE BIE

Facts should be made clear about the 1928 Convention of Nations which was organized to regulate its members' official participation in international exhibitions. The BIE—as it is abbreviated—in its origin of exhibitions says that—

Exhibitions are the logical consequence of the need which nations have always felt for bringing before the public the results of the ideas of inventors, of the ingenuity of technicians and the work of industry. They are, above all, demonstrations of prestige calculated to maintain and to develop a people's confidence in the excellence of national products.

Its rules and regulations specify that—

First of all the bureau must prevent publicity about a proposed international exposition if it does not comply with the conditions necessary for its approval by the bureau, or to use an expression from the convention proper, if it does not comply with the conditions necessary for its registration. This would be the case, for example, if the proposed exposition were planned for a date which did not correspond to the determined time lapse between expositions. In such a case, the Secretary would notify the organizers and the governments that such an exposition would have no chance for success, and would thus relieve the various nations from unnecessary communications and from efforts without practical purposes.

The situation would be the same if an exposition were proposed by a nonmember nation, for article 7 of the convention stipulates that member nations (participating nations) will consult the BIE before accepting such an invitation, and would decline unless the proposed exposition provided the same guarantees required by the convention or at least equivalent guarantees.

Furthermore, organizers themselves may not approach the bureau with applications for registration. Such application must be made by the country where the exposition is to be held. But application is acceptable only under the following conditions. (1) It must be made within the required time limits. (2) The exposition must be of an official nature or officially approved; and (3) It must be planned for a date which agrees with the calendar of expositions.

The original signatory nations of the 1928 convention were: Albania, Austria, Belgium, Brazil, Canada, Colombia, Cuba, Denmark, Dominican Republic, Finland, France, Germany, Great Britain, Greece, Guatemala, Haiti, Hungary, Israel, Italy, Japan, Lebanon, Morocco, Netherlands, New Zealand, Norway, Peru, Portugal, Poland, Rumania, Spain, Sweden, Switzerland, Tunisia, U.S.S.R., Yugoslavia.

PURPOSE OF THE BIE

The Bureau International des Expositions was organized for the purposes of furthering increasingly efficient cooperation between international exhibitions and expositions, safeguarding their interests and extending their sphere of operation throughout the world, thus contributing to the exchange of ideas between nations and to the development of international trade. Its activities are based on the support of its members and on a discipline freely accepted by them.

THE CONVENTION DEALS WITH SIX FUNDAMENTAL POINTS

The decisions taken at the 1928 convention of the BIE deal with the following questions:

First question: "To which exhibitions do the adopted regulations apply?"

An officially recognized, or an official international, exhibition is considered to be any manifestation, whatever its denomination, to which foreign countries are invited through diplomatic channels, which has, generally speaking, no regular frequency; whose principal aim is to exhibit the progress made by the different countries in one or more branches of production, and in which as a rule no difference is made between buyers and visitors for entry to the exhibition site.

By limiting its jurisdiction to exhibitions which comply with certain requirements, the convention has excluded from its authority certain events of a special kind. These are: Exhibitions lasting less than 3 weeks; certain scientific exhibitions; exhibitions of fine arts; exhibitions organized by one country in that of another on the invitation of the other country.

CLASSIFICATION OF EXHIBITIONS

The exhibitions dealt with by the regulations may be of vastly different kinds. It is therefore necessary to distinguish between them. The convention agreed first of all on two main subdivisions:

GENERAL EXHIBITIONS AND SPECIAL EXHIBITIONS

An exhibition is termed general when it deals with the progress achieved in a particular field applying to several branches of human activity.

Examples: Health exhibitions, modern comforts exhibitions, town planning exhibitions.

Special exhibitions are those which deal with only one particular technique, raw material, or basic need.

Examples: Textiles exhibitions, aluminum exhibitions, food exhibitions.

General exhibitions have two subdivisions:

General exhibitions of the first category in which the invited countries are responsible for the erection of their own pavilions.

General exhibitions of the second category in which no country has the option to construct or build a pavilion.

The classification also takes into account the geographical position of the organizing country. For this purpose the world is divided into three zones: European zone, pan-American zone, the rest of the world.

Second question: "Who is responsible for the application of the agreement?"

The Bureau International des Expositions (BIE) in Paris is responsible with its board of directors, classification committee, and management.

Third question: "What is the duration of an international exhibition and how often may an international exhibition be held?"

The convention fixed the frequency of exhibitions as summarized in this table.

Kind of exhibition	Interval between 2 exhibitions		
	Organized in same country	Organized in different countries of same zone	Organized in different countries of different zones
General exhibitions of 1st category	15 years	6 years	2 years.
General exhibitions of 2d category of different kinds.	10 years	2 years	1 year.
General exhibitions of 2d category of same kind.	do	4 years	2 years.
Special exhibition of different kinds	3 months	No limit	No limit.
Special exhibition of same kind	5 years (reduced to 3 years if the BIE agrees that this is justified by growth of a branch of production).	No limit (but not simultaneously).	No limit (but not simultaneously).

Fourth question: "What are the fundamental principles of organization?"

The signatories to the convention were cautious in their approach to this question. Few definite principles were laid down because the delegates were dealing in effect with a field which was in the process of evolution. They preferred to adopt a formula which provided standard or basic regulations which constitute recommendations for organizers and which are therefore subject to amendments.

Fifth question: "What are the obligations of countries organizing international exhibitions?"

The first duty is to request registration from the BIE, stating the kind of exhibition proposed and its duration. It should also state the general theme and include classifications, safety precautions, insurance and customs regulations, and so forth.

Sixth question: "What are the obligations of countries participating in international exhibitions?"

Countries invited to participate in an international exhibition must first ascertain if the invitation comes from a country participating in the convention. If such is not the case, the advice of the BIE should be sought. In any event, no country may accept an invitation unless the proposed exhibition offers the guarantees required by the convention and has been duly registered.

Governments of countries accepting invitations to participate in an international exhibition must appoint a commissioner general or special deputy as an official representative and to see that the regulations are respected.

U.S. membership in the Bureau International des Expositions would eliminate the unfortunate duplication of two large fairs being held simultaneously in the United States such as was experienced in 1939 with New York and San Francisco. This duplication resulted in a disadvantage to both expositions which is reflected by the losses to both fair organizations. Many of the foreign countries, wishing to participate, had to make a choice as to whether to exhibit at New York or San Francisco. The result was that no member nation of the BIE participated officially and those foreign pavilions at San Francisco were actually supported by industries and exporters of those countries, not the countries themselves.

The next international exposition in the United States will provide millions of people with the opportunity to better evaluate the educational attainments of the people of the world, awaken many millions to the serious need for better understanding of foreign nations. In President Eisenhower's new exports drive, he proposes:

> Stepping up promotion of tourist travel to the United States: If we are to do this, we must belong and conform to the policies of those nations who for many years have endeavored to improve exposition activities throughout the world by adopting the rules and regulations for such activities and to which they are bound by agreement and treaty. Then we shall see international tourists coming to America in numbers comparable to our tourist movement to oversea countries.

Expositions in the United States should be designed to provide permanent facilities to follow the exposition itself; a permanent trade fair by the individual plants of the Nation to annually display the products of their skills and know-how. The great trade fairs of Europe have demonstrated the economic value of such a facility.

The policy of the past of demolishing the buildings and ground improvements involving many millions of dollars' worth of physical properties at the conclusion of an exposition, and the resulting waste of such improvements should never again prevail. In the development of the Brussels World's Fair, the foreign nations—other than Belgium—and the industrial groups, private firms and organizations, spent approximately $195 million for structural costs—more than $100,000 each. Under a plan for permanent trade fair centers, operation succeeding the exposition itself, foreign nations and others would be spared the cost of demolition of their buildings and land restoration which has heretofore been involved in expositions, including the Brussels World's Fair.

BENEFITS OF U.S. MEMBERSHIP IN THE BIE

Chiefly, the benefits to the United States of membership in the Bureau International des Expositions include:

Giving the United States an active voice in the regulatory procedures which properly govern international fairs and exhibitions.

Prevent major exhibitions from being held on the continent of the United States simultaneously.

Develop more interest within American industry to participate in expositions and trade fairs both here and abroad, thus helping to expand international trade.

Membership of the United States in the BIE would induce other nonmember countries to join the bureau, thus increasing the sphere of effectiveness of the convention.

The United States would have, for the first time in history, an officially sanctioned world's fair guaranteeing participation of all or most of the member nations. This can assure a fair of equal or perhaps greater success than of Brussels.

TO SUM UP

No nation wants to be overlooked in comparison with the efforts of other nations, thus the importance of fairs and exhibitions as showcases for national prestige have never been so important. The sixties are making us more fair conscious. The future will see dramatic acceleration of trade fairs, international expositions, and trade marts.

Times have changed enormously since the last big fair was held on our soil. In the old, carefree days, a city or a State could undertake an international exposition and fall on its face, and aside from damage to local pride it did not matter much. In this deadly serious era, our prestige in the eyes of the world is involved in everything we do, and with mass communication going full blast the slightest slip is promptly, gleefully, and exaggeratedly reported all over the world by those hostile to us and our way of life.

We must take a position for global cooperation in fairs and exhibitions through membership in the Bureau International des Expositions.

DAMAGES AWARDED FOR UNJUST CONVICTION AND IMPRISONMENT

Mr. LANE. 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 Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I have today introduced a bill to amend section 2513(e) of title 28 of the United States Code so as to increase the amount of damages awarded for unjust conviction and imprisonment from the present $5,000 maximum limit to a $10,000 maximum limit.

This highly commendable provision of the law was first enacted May 24, 1938. The compelling moral factors that underlie the enactment is well and fully set forth in the decision in the case of United States against Keegan, 71 Federal Supplement 623, where the court stated:

> It has always been recognized that the safeguarding of society by the prosecution of crimes against it, is a sovereign attribute inherent in all governments, one of the jura majestatis, and for mistakes in exercising this sovereign right, there can be no liability against the government without its consent. * * * Nevertheless, it cannot be gainsaid that, where a sovereign government has punished a person for a crime of which the person was entirely innocent, in fairness and justice the injured person should be compensated. He cannot be made whole. The wrong cannot be wholly righted, but in such instances, at the very least, the injured person can be compensated by the sovereign. Of course, it is distasteful to the public generally, and lawyers and judges particularly, to think that an entirely innocent person is ever punished for a crime. There are, however, certain glaring instances of this tragedy.

The law limits relief to $5,000. In no event could one entitled to redress under the law recover more than $5,000. However adequate that may have been when it was enacted in 1938, its inadequacy under the prevailing conditions of these times is obvious. Costs and expenses incurred in establishing an unjust conviction, without any regard to compensation for damage to reputation and the shock and shame of an unjust conviction, can easily exceed even the $10,000 which I propose in my bill.

However, I prefer that as the original enactment was modest as to the maximum amount recoverable, so should this change be modest and, as to any unusual matters, distinct and distinguishable, redress may still be had to the conscience of Congress.

THE COMMITTEE ON UN-AMERICAN ACTIVITIES

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. SCHERER] is recognized for 90 minutes.

Mr. SCHERER. 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 Ohio?

There was no objection.

Mr. SCHERER. Mr. Speaker, in January last year, the gentleman from California introduced a resolution to abolish the House Committee on Un-American Activities and add to the jurisdiction of the Committee on Judiciary the two words "seditious activity." He stated at the time that the purpose of his resolution was to strengthen congressional investigations of communism and that "it is not my intention to have the House cease its activity in investigating subversion."

THE CAT IS OUT OF THE BAG

In opposing the resolution, I said that the gentleman's proposal, if adopted, would sound the death knell of investigations of the Communist conspiratorial apparatus in the United States. I charged that the gentleman's proposal to turn the work of the Committee on Un-American Activities over to the Judiciary Committee would result in the abolition of congressional investigations of subversive activities in this country, since the chairman of the present Judiciary Committee is just as violently opposed to the work of the Committee on Un-American Activities as is the gentleman from California. It would be like assigning the sheep to watch the wolf.

Mr. Speaker, the gentleman from California last year vigorously denied that complete abolition was his objective and took me to task rather severely for questioning his motives.

But now the cat is out of the bag. A week ago Monday, on the floor of the House, he changed his tune. He called for absolute and complete abolition.

VILIFICATION OR REASON?

His remarks on the floor at that time comprised the most shocking and unjustified attack on Members of this body I have heard in the 8 years I have been a Member of the Congress.

The committee is composed of individual members. Its various activities, statements, legislative recommendations—all its work—is the work of individual Members of this House. You cannot attack a committee, call it names and accuse it of misdeeds without attacking and accusing each and every member of it.

Here are some of the choice epithets the gentleman from California hurled at nine Members of this Congress on the floor of this House a week ago. He called the committee and its work "bumptious," "plain silly," "incredible," "harmful," "useless," "bad," "evil," "abortive," "cruel," "appalling," "perverse," and "destructive." He charged the committee and its work with being "vicious," "a cancer," "sanctimoniously cruel," a "thoroughly bad institution," "a national problem," and a "degrading spectacle."

Mr. Speaker, this was by no means all of the venom in the speech. According to the gentleman from California:

> The major activity of the committee * * * is the abridgement of the citizens' freedoms.
>
> The essence of the committee's work is name calling.
>
> The committee is "an agency for the destruction of human dignity and constitutional rights."
>
> It displays "contempt for the legal rights of its citizens."
>
> It makes false claims of protecting the internal security of the Nation.
>
> It passes "moral judgments on matters of immense intricacy and great shadings."
>
> It defies "both due process and common decency."
>
> It is guilty of "misuse" of its authority.
>
> It abuses "the rights and feelings of our citizens," and "disregards the limits which our rules impose on its operations."
>
> It is on an "endless quest for attention" and "just does not know or will not recognize the limits of its jurisdiction."
>
> The committee's activity is "little better than insulting to the intelligence of this House and this country."
>
> It is a "continuing discredit to the country and, more immediately, to this House."
>
> The committee "indicts itself * * * and the indictment is an unavoidably grave one."

These, gentlemen, are the words of the gentleman from California who demands that we argue only the issues concerning the House Committee on Un-American Activities and that we not resort to vilification and name calling. I will leave to your judgment the validity of his demand and the question of whether or not in his speech last week he violated the rules of the House of Representatives.

Before leaving this phase of the remarks of the gentleman from California, I would like to comment briefly on one more charge he made against the committee and its members. He stated:

> The committee is closer to being dangerous to America in its conception than most of what it investigates.

This is a paraphrase of a remark I have heard time and time again since serving on the committee. It has come repeatedly from sullen, defiant, and contemptuous members of the Communist Party who have been subpenaed to testify before our committee as witnesses. I have read this remark many times before in Communist and pro-Communist publications, but I never dreamed I would see the day when a Member of this House would repeat it on the floor. It is the use of this phrase and some other phrases and appellations in the speech of the gentleman from California that makes me wonder if he actually wrote these particular remarks.

Mr. Speaker, since the charges against the committee made by the gentleman from California cover the committee's activities in the past few years, they are largely and principally an indictment of the chairman, the gentleman from Pennsylvania, FRANCIS WALTER, and the Democratic majority which controls and directs the policy of the committee. In fact, for 16 of the last 20 years, the Committee on Un-American Activities has been chairmanned and controlled by a Democratic majority.

As a Republican and a minority member of this committee, I resent this disparagement of the Democratic members of this committee and our great chairman. I and, as far as I know, every Republican in this House, together with a great majority on the Democratic side, like most Americans, hold the gentleman from Pennsylvania, the Honorable FRANCIS E. WALTER, in the highest esteem. He is an excellent and capable legislator, one of the outstanding Members of the Congress and, above all, a great and uncompromising American patriot.

I regret that this vicious attack upon him, his policies, and his committee, was made when he was away from Washington and on his way to attend the meeting in Naples of the International Committee on European Migration, where he so ably represents this country and serves with great distinction. If he were here, I am sure that his defense of the Committee on Un-American Activities would be far more effective than my feeble efforts.

Last year, following the introduction of Mr. ROOSEVELT'S abolition resolution, as indicated, I immediately spoke against it on the floor. When he spoke a few days later, he did not reply to the issues I raised. Instead he stated specifically that he was not going to reply to the gentleman from Ohio because he preferred to be guided by the Biblical injunction: "Answer not a fool according to his folly lest thou also be like unto him." In the press release of that speech the gentleman from California, without qualification, characterized me as a fool. Since in the intervening time neither I nor Webster's dictionary has changed, I assume that he will choose to follow the same Biblical injunction he cited and will not answer me this year.

Mr. Speaker, Webster defines a fool as follows:

> A simpleton; dolt; natural mean one who is a mental defective; idiot, imbecile, and moron now designate three grades of fools.

Since the gentleman from California did not indicate which grade applies to me, I assume—because he is a gentleman and a Roosevelt—that he did not mean to imply that I am a complete idiot or

imbecile but only a moron, which is the lesser of the three grades of fools defined by Webster.

STRANGE BEDFELLOWS

In that same speech, in an effort to discredit this "fool" further, he quotes what I. F. Stone had to say about the gentleman from Ohio, as a member of the House Committee on Un-American Activities. Here it is right from the text of Mr. ROOSEVELT'S speech:

> The anxious strategy of the witch hunters was indicated in the reply to Mr. ROOSEVELT by GORDON H. SCHERER, the Ohio Republican who is probably the wildest member of the House committee. Mr. SCHERER talked hysterically about 2,000 potential saboteurs in defense plants today.

Now, Mr. Speaker, I may be a fool but I am not so much of a fool as to use I. F. Stone to tar a colleague of mine in this House. I may be a fool, Mr. Speaker, but I am not so much of a fool as to fail to disclose to the Members of this House the unbelievably long record of service to the Communist cause of a man whose writings I had used to smear a colleague of mine.

Mr. Speaker, I would feel compelled by a sense of fairness to tell the Members of this House that this man, I. F. Stone, over the years, has regularly, consistently, yes, continuously, served the Communist cause by attacking and vilifying all those who have been in the forefront of the fight against the Communist conspiratorial apparatus. I would in all honesty tell you that of the Federal Bureau of Investigation he said:

> The FBI has become one of those evils many recognize but few talk about; it is too dangerous to fight, but it grows like a cancer within our free society.

Yes, Mr. Speaker, I would feel compelled by a sense of fairness to tell the Members of this House that I. F. Stone, to whom the Communist Party has referred as "our good friend," has one of the longest records of service to the Communist apparatus that has ever been compiled. In fact, I would make it a part of the RECORD, as I do now:

INFORMATION FROM THE FILES OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES, U.S. HOUSE OF REPRESENTATIVES, APRIL 27, 1959

(This committee makes no evaluation in this report. The following is only a compilation of recorded public material contained in our files and should not be construed as representing the results of any investigation or finding by the committee. The fact that the committee has information as set forth below on the subject of this report is not per se an indication that this individual, organization, or publication is subversive, unless specifically stated. Symbols in parentheses after the name of any organization or publication mentioned herein indicate that the organization or publication has been cited as being subversive by one or more Federal authorities. The name of each agency is denoted by a capital letter, as follows: A—Attorney General of the United States; C—Committee on Un-American Activities; I—Internal Security Subcommittee of the Senate Judiciary Committee; J—Senate Judiciary Committee; and, S—Subversive Activities Control Board. The numerals after each letter represent the year in which that agency first cited the organization or publication. For more complete information on citations, see this committee's "Guide to Subversive Organizations and Publications.")

The Communist Daily Worker of March 30, 1956, pages 1 and 8, reported "widespread criticism of the Government's seizure of the Daily Worker and Communist Party offices." Among the comments published was the following attributed to I. F. Stone, publisher of a weekly newsletter from Washington:

"To the objective observer in the uncommitted lands of the earth it must seem that the U.S.A. and the U.S.S.R. are beginning to exchange political systems. While the Russians move to rehabilitate free political opposition we stage nationwide raids on the Communists and try to shut down the Daily Worker. When the Russians come to the point of evicting Stalin's mummy from the Kremlin, perhaps they will send it here to the more congenial atmosphere of Brownell-era Washington. We might in turn send them the Jefferson Memorial—it might inspire them. But at the moment when we are busy padlocking a radical paper the mention of Jefferson only embarrasses us."

The following is quoted from the Daily Worker of March 19, 1940, pages 1 and 4:

"Dr. Robert Morss Lovett, Governor General of the Virgin Islands, yesterday headed a group of 17 prominent liberals signing an open letter 'to defend civil liberties in the Civil Liberties Union.'

"The communication urges the American Civil Liberties Union to rescind the anti-Red purge resolution passed by its national committee and board of directors. * * *

"The communication obviously opposed the expulsion of Elizabeth Gurley Flynn, Communist leader, from the ruling committee of the Civil Liberties Union."

Mr. Stone was listed among the signers of the letter. Dr. Lovett appeared before a subcommittee of the Special Committee to Investigate Un-American Activities in executive session on April 16, 1943. He was asked whether he had signed the letter protesting the position of the ACLU, and responded as follows (pp. 3520 and 3521 of the printed testimony, later made public):

"Mr. LOVETT. Yes, sir; but I did not sign it with the intention of having it made public. * * * It was, in my understanding, not a public document, but a document addressed to the executive committee or the board of directors of the union.

"Mr. MATTHEWS. Who solicited your signature to this particular communication?

"Mr. LOVETT. I think that Mr. I. F. Stone wrote me.

"Mr. MATTHEWS. Is that your recollection that Stone is the man who solicited your signature?

"Mr. LOVETT. Yes."

Dr. Lovett identified Mr. Stone as the Washington representative of PM and the Nation.

As a columnist for the Daily Compass, Mr. Stone wrote a number of articles concerning the trial in New York of 11 Communist leaders (see issues of October 18, 1949, p. 3; October 20, 1949, p. 3; and a series of articles beginning August 7, 1950).

Joseph Starobin's column in the Daily Worker of January 20, 1949, page 8, reported the following:

"A long-distance telephone call from I. F. Stone, columnist for the New York Star, resulted in the information that my comments last Friday were in error on at least one point. I had said * * * that (President Truman) had done nothing to stop the trial of the American Communist leaders, and added that neither had I. F. Stone. The latter points out that in the New York Star for August 6 last, he commented on the Smith Act and the implications of the indictment of the 12. * * * Stone's position on civil liberties is so well known that I should have checked back into the record before including this point in the general broadside."

An article in the Washington Post, June 12, 1949, page 3M, concerning a meeting held June 11 in the Press Building auditorium, quoted a spokesman as saying that "the Communist Party of Washington 'cooperated' with the following groups in sponsoring the meeting: The Washington Book Shop (A–1942; C–1944), UNAVA (United Negro and Allied Veterans of America, cited by A–1947; I–1956), Civil Rights Congress C–1947; A–1947; I–1956), a fur and leather workers union local (International Fur and Leather Workers Union cited by C–1940; expelled by CIO on grounds of Communist domination in 1950), a united office and professional workers local (union cited by C–1940; expelled by CIO on grounds of Communist domination in 1950), Young Progressives, and three lodges of the International Workers Order (C–1939; A–1942; I–1956)." The article quoted the following from a letter attributed to I. F. Stone, which was read at the meeting:

"People who have the courage to come out for a meeting of this kind at a time like this when the atmosphere of our beautiful Capital stinks with czarist-style informers and police agents deserve to be saluted with respect."

Mr. Stone's column in the Sunday Compass, June 19, 1949, page 5, commented on the work of the Federal Bureau of Investigation in Communist cases, and made the following observation:

"The FBI, from all the information available, seems to do a good job in the normal course of law enforcement and crime detection. It is only where it is assigned or takes upon itself work in the field of politics, where it acts to some degree as a secret police, that it makes a bad record.

"There can be no such thing as a 'good' political spy system. The cure invariably proves worse than the disease."

Comments by Mr. Stone in behalf of attorneys for the Communist leaders appear in the following issues of the Daily Worker: January 20, 1950, page 5; January 26, 1950, page 4; and February 1, 1950, page 3. An article by him in this connection appeared in the Daily Compass, February 6, 1950, page 5.

The following appeared in the Daily People's World (official organ of the Communist Party on the west coast) May 12, 1950, page 12:

"LAKE SUCCESS, N.Y., May 11.—A group of prominent Americans today asked the United Nations to investigate contempt citations by the House Un-American Committee against 25 U.S. citizens including Eugene Dennis and the Hollywood Ten.

"Dennis, general secretary of the Communist Party, was convicted and is slated to go to jail Monday.

"A nine-man delegation presented an 18 page petition * * * [which] declared that the most urgent aspect of the terrorism in the United States was the fact that it was directed at those who 'seek world peace and conciliation.'

"Among signatories of the petition are * * * I. F. Stone."

The Daily People's World of October 29, 1953, page 7, reported that Harvey O'Connor, who "was on his way to Washington to be arraigned on charges of contempt of the Senate," had spoken at a meeting in New York which was organized by the Emergency Civil Liberties Committee (I–1956). I. F. Stone was also named as a speaker, and was quoted as follows:

"Stone, a leading columnist and publisher, made a strong plea for a stand in favor of the civil liberties of all. 'You can't get away from the fact that the Communists are the main victims of attack today, and you can't defend civil liberties if you try to make a special case of the Communists,' Stone said.

" 'Back in 1940 I told Communists I knew that they ought to defend the rights of the Trotskyites (first to be prosecuted under the Smith Act). Today I tell Socialists they ought to defend Communists.'

"Stone speaking as an official of the ECLC, praised O'Connor as 'a hero of our times' for challenging the structure of the Senate committee by standing on the first amendment, but he hotly defended other victims of congressional committees who have used the fifth amendment, thereby refusing to answer questions on the basis of possible self-incrimination.

" 'They were right to use the fifth amendment,' Stone said. 'But somebody had to take on the committee directly, by relying on the first amendment. We still can stop fascism in this country. You have to have leaders to rally the people, and that is what Harvey O'Connor has done.' "

In addition to his general observations concerning Communist cases, our files reflect various statements and activities in support of individual Communists.

Following the death of Joseph Brodsky, a charter member of the Communist Party, U.S.A., the Daily Worker of August 2, 1947, page 7, published this letter to the editor, attributed to I. F. Stone, editorial writer for PM:

"May I take my hat off in the pages of the Daily Worker to Joseph Brodsky? I didn't know him well, but I liked him immensely. He fought a battle his whole life long on the toughest fronts in America, and seved [sic] justice and the working class faithfully in accordance with his lights.

"I should like to add my own humble salute to his gallantry and devotion."

A pamphlet entitled "The Case of Carl Marzani," concerning the trial of Mr. Marzani for defrauding the Government by concealing Communist Party membership from Government investigators, contains a summary of the trial by I. F. Stone, which had appeared in the Nation, July 12, 1947. The booklet closes with the following statement attributed to Mr. Stone:

"There were moments during the trial of Carl Aldo Marzani when one imagined oneself back in prerevolutionary Russia. In the prisoner's dock was a young man of poor family. He had made a brilliant scholastic career, won a scholarship abroad, settled on his return in a working-class neighborhood, and been drawn into the radical movements. The testimony of a police spy and agent provocateur was now sending him to jail. The old czarist files must contain many such cases. The files of the American Government will contain many more if Marzani's conviction is upheld on appeal."

Concerning the case of alien Communist Gerhart Eisler, who had fled the United States and was being detained in England pending a hearing on extradition, Mr. Stone wrote an open letter to the editor of the Manchester Guardian (printed in the Daily Compass, May 22, 1949, p. 5), which said:

"An examination of the record will show the British courts that this has been a case of political persecution from first to last.

"The Daily Compass believes that Britain will perform a service to the cause of free government and fair trial in the United States if it refuses to extradite Eisler.

"A refusal of extradition, after a hearing in the British courts * * * would shame repressive forces within the Departments of Justice and State and an Attorney General who does not understand civil liberties."

An advertisement in the New York Times of February 19, 1948, page 13, named Mr. Stone as a supporter of the Citizens Committee to Defend Representative Government, which was working to seat Simon Gerson, a Communist, as a member of the New York City Council.

The Daily Worker of July 4, 1951, page 2, reported that Mr. Stone protested the jailing of John Gates, editor of the Daily Worker.

Mr. Stone was named in the Daily Worker of January 21, 1953, page 7, among those who urged clemency for Julius and Ethel Rosenberg (who were convicted of conspiracy to transmit secrets of the atomic bomb to Russia).

The Daily Worker of October 28, 1954, page 3, quotes Mr. Stone "in his Weekly of October 25" as favoring "a protest vote for McManus on the ALP ticket" (American Labor Party cited by C–1944; I–1956) and a vote for "Elizabeth Gurley Flynn, just as a way of voting against the Smith Act." As noted previously, Miss Flynn is a well-known Communist leader.

Mr. Stone was named as one of 180 signers of a letter addressed to the U.S. Attorney General urging that the case against Marion Bachrach be dropped for reasons of health (Daily Worker, Sept. 19, 1955, p. 3). Mrs. Bachrach was a defendant under the Smith Act.

Mr. Stone's opposition to the Smith Act is reported in the following issues of the Daily Worker: August 9, 1951, page 3; October 31, 1951, page 8; November 16, 1951, page 3; March 6, 1952, page 3.

The Call to a Bill of Rights Conference, New York City, July 16 and 17, 1949, named Mr. Stone as a sponsor. Elizabeth Gurley Flynn reported on the conference in her Daily Worker column, July 25, 1949, page 8. She stated that one of the highlights of the conference was the fight for the 12 defendants in the current Communist cases, and said that 7 of the defendants were present and participated actively. The New York Times (July 18, 1949, p. 13) reported that "the 20 resolutions adopted unanimously by the 2-day conference registered opposition to the conspiracy trial of the 11 Communist leaders, the presidential loyalty order * * * deportation for political belief * * * among others. The conference also called for an end to investigations by the Federal Bureau of Investigation into political, rather than criminal, activities."

Mr. Stone is author of a book entitled "The Hidden History of the Korean War." A review in New Times (C–1948), No. 37, pages 28–31, said:

"Despite the many serious defects that detract from the value of Stone's new book, it is of interest as being the work of a man who has become convinced of the falsity of official American propaganda, which is trying to conceal the fact that the war in Korea was started by Washington, and with aggressive aims. * * *"

Other reviews of the book may be found in the Daily Worker, June 29, 1952, page 7; Masses and Mainstream (C–1949), September 1952, page 60; For a Lasting Peace, for a People's Democracy (C–1948), January 23, 1953, page 4. The Daily Worker of December 21, 1952, page 7, named "Stone's Valuable Study of Korea," published by Monthly Review Press, on the list of best book buys for 1952. The 1948 catalog of Workers Book Shop (C–1947), headquarters for a chain of Communist bookshops, listed "This Is Israel," by Mr. Stone.

A leaflet entitled "That Justice Shall Be Done," dated February 1958, names Mr. Stone as a signer of an appeal to the President sponsored by the National Committee to Secure Justice for Morton Sobell (C–1956).

The Washington Post of May 11, 1942, page 9, carried the name of Mr. Stone as a sponsor of the Washington Citizens' Committee to Free Earl Browder (A–1942; C–1944).

Letterheads dated in 1941, 1943, and 1944, listed Mr. Stone as a sponsor of the Citizens Committee for Harry Bridges (C–1944; A–1949) and the Citizens Victory Committee for Harry Bridges (C–1944). The program of a meeting in honor of Harry Bridges, sponsored by the Bridges-Robertson-Schmidt Defense Committee (I–1956), December 10, 1952, named Mr. Stone as a participant in the meeting.

The Daily Worker of October 17, 1952, page 8, named Mr. Stone as chairman of the Independent Voters for Corliss Lamont Committee. Mr. Lamont, who was an American Labor Party (C–1944; I–1956) candidate for U.S. Senator, has been identified as a Communist; however, he has denied membership in the party.

An advertisement "paid for by contributions of signers," which appeared in the Washington Evening Star, October 30, 1951, page A–7, listed Mr. Stone as one of the signers of an open letter to J. Howard McGrath on behalf of the four jailed trustees of the bail fund of the Civil Rights Congress (A–1947; C–1947; I–1956) of New York.

The following issues of the Daily Worker name Mr. Stone as a speaker for the Progressive Party (I–1956; C–1957): May 19, 1950, page 8; October 15, 1951, page 8; March 9, 1954, page 8.

An undated letterhead announcing the formation of the Emergency Civil Liberties Committee (I–1956) bore a facsimile of Mr. Stone's signature, and named him as one of the initiators of the organization. The Daily Worker of October 8, 1951, page 6, named him as a sponsor of ECLC. Letterheads dated in 1954, 1955, 1957, and 1958 list him as a member of the organization's national council.

A letterhead of the Conference on Peaceful Alternatives to the Atlantic Pact (C–1951), dated August 21, 1949, names Mr. Stone as a signer of an open letter to Senators and Congressmen urging defeat of President Truman's arms program. He is listed as a signer of a statement calling for international agreement to ban the use of atomic weapons, which accompanied a press release of the Committee for Peaceful Alternatives to the Atlantic Pact (C–1951; I–1956) dated December 14, 1949.

The following sources name Mr. Stone as a sponsor of the National Committee To Defeat the Mundt Bill (C–1950): a release dated June 15, 1949, page 2; pamphlet, "Hey, Brother * * * there's a law against you." Page 2; letterhead dated May 5, 1950.

"Speaking of Peace," edited report of the Cultural and Scientific Conference for World Peace, March 25–27, 1949, which was arranged by the National Council of the Arts, Sciences, and Professions (C–1949, I–1956), named Mr. Stone as a speaker at the conference. Other sources naming him as a speaker for the National Council are: Daily Worker, May 9, 1949, page 11; Daily Worker, April 28, 1950, page 11; advertisment in the Daily Compass, July 30, 1950, page 7; Daily Worker, March 12, 1952, page 3. The Daily Worker of October 19, 1948, page 7, listed him as a signer of a statement sponsored by the National Council in support of Henry A. Wallace, who was the Progressive Party candidate for President of the United States. The program of a dinner in honor of Mr. Wallace on October 28, 1948, under auspices of the National Council, listed Mr. Stone as a participant.

An advertisement of the Veterans of the Abraham Lincoln Brigade, entitled "For America's Sake: Break With Franco Spain," appearing in the New York Times, March 3, 1945, page 8, named Mr. Stone as a sponsor and supporter of the organization's statement calling for severance of all relations with the Franco government (VALB cited by C–1944, A–1947, S–1955).

The Call to the Conference on Constitutional Liberties in America (A–1942, C–1944), which resulted in the establishment of the National Federation for Constitutional Liberties (A–1942, C–1942), named Mr. Stone as a sponsor of the conference held June 7, 1940.

The Daily Worker of October 7, 1942, page 7, named Mr. Stone as a sponsor of the Artists' Front To Win the War (C–1944).

A leaflet announcing a rally on April 13, 1940, under auspices of the American Committee for Democracy and Intellectual Freedom (C–1942), named Mr. Stone as a sponsor.

Mr. Stone was listed as a signer of a letter directed to the President by New Masses, a Communist periodical (see issue of Apr. 2, 1940, p. 21).

A letterhead of the Committee to Uphold the Bill of Rights (designated by the Attorney General pursuant to Executive Order No. 10450, in 1953), Maryland, named Mr. Stone as a speaker at a meeting protesting the Smith Act, December 12, 1951.

The Daily Worker of February 25, 1952, page 1, reported that Mr. Stone was a sponsor of the Citizens Emergency Defense Conference (designated by the Attorney General in 1954, pursuant to Executive Order No. 10450), which had been called for the purpose of organizing "a movement dedicated to the defense of the men and women now being prosecuted under the Smith Act, and the consideration [sic] of the problems created by a new alien and sedition period."

It was reported in the Daily Worker of December 18, 1953, page 2, that Mr. Stone was a speaker at a conference held under auspices of the American Committee for Protection of Foreign Born (C–1942, A–1948, I–1956), which was held December 12 and 13, 1953.

Mr. Stone was named as a sponsor of a campaign to raise funds for disabled veterans of the Spanish Loyalist cause (Daily Worker, Mar. 22, 1939, p. 5). The campaign was being conducted by Friends of the Abraham Lincoln Brigade (C–1940).

Now the gentleman from California, in his speech, referred to and placed in the RECORD a number of articles calling for the abolition of the Committee on Un-American Activities. I am curious as to why he was strangely silent about the organization which, above all others, wants to destroy the House Committee on Un-American Activities—the organization that was specifically created, and is today leading the fight, to abolish this committee, to discredit J. Edgar Hoover, to weaken the Federal Bureau of Investigation, and to bring about the repeal of the Smith Act, the Internal Security Act, and the Communist Control Act.

This organization, the Emergency Civil Liberties Committee, is the most active, the most dangerous Communist-dominated and controlled organization in the country today. Its president is Harvey O'Connor, an identified Communist who is presently under indictment for contempt of Congress.

The Senate Internal Security Subcommittee had this to say about the Emergency Civil Liberties Committee:

> To defend the cases of Communist lawbreakers, fronts have been devised making special appeals in behalf of civil liberties and reaching out far beyond the confines of the Communist Party itself. Among these organizations is * * * the Emergency Civil Liberties Committee. When the Communist Party itself is under fire, these fronts offer a bulwark of protection.

In his book, "Masters of Deceit," J. Edgar Hoover says:

> The role these individuals can play for the Communists is clearly illustrated in front organizations, where they serve as sponsors or officials. Behind the scenes is a Communist manipulator. Consider, for example, one such organization. In October 1951, the Daily Worker announced the formation of the Emergency Civil Liberties Committee with 150 founders (from 39 States), including 50 who were educators, clergymen, and professionals.
>
> One of the committee's first official moves was to petition the New York State Commissioner of Education to "forbid the New York City Board of Education from enforcing its newly enacted ban on suspected Communist teachers. * * *" Gradually, as the old Civil Rights Congress, a well-known front, became discredited, the Emergency Civil Liberties Committee took over its work.

The House Committee on Un-American Activities in its annual report of 1958 says this:

> The committee finds that the Emergency Civil Liberties Committee, established in 1951, although representing itself as a non-Communist group, actually operates as a front for the Communist Party.

In its publication "Operation Abolition," the House Committee on Un-American Activities lists the Communist Party and Communist service records of 35 leaders and officers of the Emergency Civil Liberties Committee.

To accomplish its objective of destroying the Committee on Un-American Activities, this Communist-controlled group has sent its cohorts into cities throughout the United States in advance of committee hearings. Its paid agents have done everything possible in advance of, and even during, such hearings to stir up animosity, contempt, and hatred for the committee. Its agents have circulated petitions; appeared on radio programs; arranged meetings, rallies, and picket lines; issued press releases; and placed ads in newspapers. In all these instances the Committee on Un-American Activities has been viciously attacked, ridiculed, and denounced. Its purposes and procedures have been distorted and misrepresented. I venture to say that in the entire history of this great Nation, no committee of the Congress has faced such bitter, determined, deceitful, insulting and underhanded harassment.

Why, may I ask, did the gentleman from California, while he was naming those who support his position, not mention the leading advocate of abolition in the United States—the organization that is a front for the Communist Party? While the Emergency Civil Liberties Committee was not mentioned, it was present in two respects: First, its director, Clark Foreman, was here from New York. He was one of the most avid listeners in the gallery. He was one of the few to warmly congratulate the gentleman from California following his tirade against the committee.

Second, in the speech of the gentleman from California, time after time, we find the very same derogatory phrases used by the Emergency Civil Liberties Committee in its attacks upon the House committee and its Members. We find the same arguments for abolition used in much the same way as the Emergency Civil Liberties Committee has used them in every corner of the United States.

Furthermore, it is passing strange that the only announcement that was brought to my attention about this speech of the gentleman from California was issued by the Emergency Civil Liberties Committee. The country was covered with this announcement from coast to coast. Let me read it to you:

> APRIL 8, 1960.
>
> ROOSEVELT TO SPEAK MONDAY, APRIL 25
>
> Representative JAMES ROOSEVELT, Democrat, of California, has announced that he will make his long-heralded talk on the House Un-American Activities Committee on Monday, April 25.
>
> It is expected that ROOSEVELT will speak for an hour or more. Because of the importance of the material he has to present, he probably will not permit interruptions or questions.
>
> Several Congressmen have indicated that they will discuss on April 20 the part played by the Un-American Activities Committee in the recently repudiated Air Force manual.
>
> This debate will prepare the way for the all-out attack by Representative ROOSEVELT on the 25th.
>
> The speeches by ROOSEVELT and others will be the first congressional attack on the Un-American Activities Committee since the revelations concerning the committee's operation against the National Council of Churches, and the anti-Negro and anti-Semitic activities of the committee staff.
>
> ROOSEVELT's bill (H. Res. 53) to abolish the HUAC is still before Congress. It has, however, not been reported out of committee.
>
> During the Easter recess, from April 14 to April 19, many Congressmen will be in their hometowns. This will give people a chance to talk with them personally about the recent revelations concerning the HUAC.
>
> We urge you to make every effort to communicate with your Congressman. Perhaps he can be persuaded to follow ROOSEVELT's speech with remarks of his own.
>
> This is the time to bring out all the facts.

It was difficult for me to understand how this Emergency Civil Liberties Committee, as early as April 8, knew so much about the speech of the gentleman from California; how these people knew that the gentleman was not even going to yield for questions. Now I believe I have a clue.

From one of its reliable sources, the committee has recently learned that certain persons in the Communist-controlled United Electrical Workers Union have been given a new assignment by the Communist Party, an assignment that has nothing to do with the rights of labor or the functions of a trade union. These people are now working on that assignment, which is the preparation of dossiers on each member of the House Committee on Un-American Activities and key members of the staff. The Communist plan is to compile as much information as possible about committee personnel, with the hope of being able to discredit it by twisting and distorting the facts.

The Communists have been working on such dossiers for years. They have compiled information not only on the congressional activities of the committee members, but also information concerning their families, their business relationships and the most intimate details of their personal lives and activities of all kinds. They have already filled numerous notebooks with such information. They are now correlating and digesting this material for distribution to certain key people in the United States. The committee does not yet know just when this information will be released,

but, unless present Communist plans are changed for some reason, it should not be too far off.

This much I do know now. This is dirty business. It is Communist war against the Committee on Un-American Activities with the aim of destroying it at the behest of Moscow. If the Communists should succeed in this endeavor, there is no telling which committee will be their next victim. The one thing we can be certain of is that it will be that committee which the party considers most dangerous and the greatest obstacle to a Red takeover of the United States.

There is an even more interesting angle to this Communist-U.E. operation. The committee has also learned that representatives of this Communist union, the United Electrical Workers, have met with the gentleman from California on the matter of his April 25 attack on the Committee on Un-American Activities.

This, perhaps, is the clue to the source of some of the information in the April 8 release of the Emergency Civil Liberties Committee.

Russ Nixon, an identified member of the Communist Party and the official lobbyist for the United Electrical Workers Union in Washington, is a member of the executive committee of the Emergency Civil Liberties Committee.

Could it be that the chain of information concerning the remarks of the gentleman from California has been: from the U.E. representatives who have met with him, to their Washington representative, Mr. NIXON, and from him, to his friend, Clark Foreman, the director of the Emergency Civil Liberties Committee, who, by the way, is also its lobbyist in Washington?

Mr. Speaker, I think the time has come for the Members of this House and the people of this country to appreciate the fact that in this fight with the Communists we are not playing games at a Sunday school picnic, that this is a war, a war for keeps, and that the enemy is the most diabolical force on the face of the earth. When I say that, I want to emphasize the fact that it is true of the Communists in this country as well as of those abroad—in the Soviet Union, Hungary, Red China, or any other Red-ruled nation. The Communists here are the same breed of men and women, and it is time we stopped thinking of them as mere "dissidents" or "extremists."

Over and over again in the past, the members of the Committee on Un-American Activities—and they are not crying—have been charged by the Communists and their agents with being character assassins, witch hunters, and destroyers of civil liberties. They have been harassed by litigation, smeared, vilified, and insulted from coast to coast by the Communists and their apologists—in public, in private, in the press, and over the air. It becomes rather discouraging when we find that the same mean and vicious epithets that have been hurled at us by the Communists are also hurled at us on the floor of this House by one of our colleagues.

We expect the abuse from the Communists. It is part of our job to take it. But I hope I will never again see the day when I and my colleagues on the committee will have to sit and listen to a Member of this House make the same charges against us that we have read over and over again in the Communist and pro-Communist press and heard repeatedly from the lips of the Communist traitors subpenaed to appear before us when we are engaged in carrying out the duties assigned us by the Congress of the United States.

COMMUNIST REACTION TO THE ATTACK

Of course, the Emergency Civil Liberties Committee was pleased with the remarks of the gentleman from California. On April 25, the very day he made them on the floor, it came out with another release about them. I quote from that release:

ROOSEVELT SPEAKS FOR AMERICA

More and more Congressmen are reaching the conclusion that if the House Un-American Activities Committee "ever did have any usefulness, it has now completely outlived it."

"I speak for that viewpoint," said Representative JAMES ROOSEVELT, Democrat, of California, on the floor of the House, Monday, April 25.

At last someone has spoken boldly what many have felt. Discarding all the compromises of his last year's approach, ROOSEVELT challenged the advocates of the committee to debate the issues rather than resort to personal abuse.

We urge you to write to Congressman ROOSEVELT congratulating him on his speech and asking for a copy. It is full of important material which should be used to urge your representatives in the House and Senate to see that the national political platforms this year rule out this vicious defamation by Congress.

Follow up with a letter to Representative CHESTER BOWLES, House Office Building, Washington, D.C. Congressman BOWLES is the chairman of the Democratic Party platform committee. He should know what you think about the menace of the House Un-American Activities Committee and the Senate Committee on Internal Security, of which Senator EASTLAND, of Mississippi, is chairman.

The Communist Party was pleased, too. The official west coast Communist Party newspaper, the People's World, gave the remarks big play in its issue of April 30. The National Guardian, which claims to be "the progressive newsweekly," but is actually the most blatantly pro-Communist of any newspaper in the United States—other than the party's official publication—gave page 1 headlines and coverage to the remarks. The article was written by none other than Russ Nixon, who is a staff correspondent for this Communist mouthpiece, in addition to being a Communist labor official and lobbyist in Washington. Russ Nixon urged all National Guardian readers to write to their Congressman in support of the remarks of the gentleman from California. He also wrote of the need of the gentleman from California for support from back home.

CHAIRMAN WALTER'S POSITION

In order to support his position for abolition, the gentleman from California made grave and serious charges. He claimed, and cleverly tried to lead you to believe, that none other than the chairman of the House Committee on Un-American Activities, the Honorable FRANCIS E. WALTER, favors abolishing the work of the committee.

Mr. Speaker, I cannot pretend to speak for the distinguished gentleman from Pennsylvania, but, likewise, I refuse to stand by while any Member of this House is misrepresented.

The gentleman from Pennsylvania has served devotedly on the Committee on Un-American Activities since 1949. He has led the committee actively, as its chairman, since 1955. He has won the support and respect of not only all of his colleagues on the committee and other Members of this House, but of millions of American citizens throughout this Nation.

Any statement or implication to the effect that the gentleman from Pennsylvania is in favor of the curtailment or abolishment of the work of the House Committee on Un-American Activities is preposterous, erroneous, and unfounded. How can there be any question as to the position of the committee's chairman when, only last year on January 15, 1959, in response to the proposal by the gentleman from California to abolish the committee, Mr. WALTER made the following statement on the floor of this House:

I waited in vain, Mr. Speaker—

said Mr. WALTER—

to hear the gentleman from California describe how his resolution would strengthen the investigation of communism by abolishing the Committee on Un-American Activities.

Let us make no mistake about it, Mr. Speaker, the resolution of the gentleman from California is not designed to strengthen the investigation of subversion. It is designed to strangle the investigation of subversion.

Mr. WALTER continued:

I am not irrevocably wedded to any particular structural organization of a unit of the House charged with the investigation of subversion. As this House knows, I myself have recently made certain suggestions for jurisdictional changes in the present committee and from time to time I have given considerable study to possible new language relating to powers and duties of the present committee.

Mr. WALTER concluded:

I am, however, Mr. Speaker, irrevocably committed to do all in my power as a Member of this Congress and as a citizen of this Republic to resist and fight communism and to fight it with all my might.

Mr. Speaker, I may be a fool, but never could I be so foolish as to interpret this uncompromising, straightforward, unequivocal language as a proposal to curtail or eliminate the investigation of subversion, or to abolish the work of the House Committee on Un-American Activities.

Quite obviously, the intent of the gentleman from Pennsylvania is to enlarge and strengthen the investigation of subversion, and not to abolish it. If the gentleman from Pennsylvania favors

abolition of the work of the Un-American Activities Committee, as the gentleman from California claims, why has he just challenged the proposal to abolish the committee's work, as reported in the Allentown Morning Call of April 26, 1960?

According to this newspaper, Mr. WALTER, when questioned by reporters as he was about to leave for Europe, said that he had not had a chance to read the speech of the gentleman from California, but that he would reply to it as soon as he had. He also said:

> It is significant that ROOSEVELT's attack on the committee should be made just before the committee reports out a bill having to do with the employment of subversives on our ships and in the Government.

Do these sound like the words of a man who favors abolition of the committee's work?

For a number of years, I, personally, along with Chairman WALTER, have been a strong proponent of action to increase the scope of the Committee on Un-American Activities so that it might include within its jurisdiction espionage, immigration, sabotage, migratory work operations, passports, and other aspects of our Nation's life which are the targets of the insidious Communist campaign.

Like the committee's distinguished chairman, I am not wedded to any particular structural organization, nor to any special name or phraseology to describe the unit of this House charged with the investigation of subversion. Under normal circumstances, I, myself, would be very much in favor of having the House investigation of subversion fall under the domain of the Judiciary Committee, as it does in the Senate under the Subcommittee on Internal Security, provided such a move would be the basis for more effective and efficient investigation and surveillance of subversive operations.

I cannot, however, in all conscience, and would not, under a sense of realism, propose such a change in jurisdiction at this time for, as I have indicated, it is well known that the chairman of the Committee on the Judiciary of this House of Representatives is one of the loudest proponents of the efforts to curtail and eliminate the work of the present Committee on Un-American Activities and is also one of the strongest supporters of the gentleman from California.

If the gentleman from California is sincerely interested in the preservation of our constitutional liberties and if he is, as he claims to be, concerned over the fact that "we are living in a hostile world in which communism poses a threat," then I suggest that he come forward with a realistic proposal in support of the gentleman from Pennsylvania—a proposal which will increase the scope of investigation of subversion—a proposal which will combat subversion on every battlefield—a proposal devoid of pussyfooting, sterility, and compromise, which will enable this House to inform itself completely on every aspect of Communist subversion and thus lay a basis for more effective legislation to control and eliminate espionage, infiltration, treason, and other aspects of Communist operations which are plaguing this Nation at this very instant.

A SPENDER ADVOCATES ECONOMY

Mr. Speaker, the gentleman from California criticizes and bemoans the fact that this year and last year the Congress appropriated $327,000 for the work of the House Committee on Un-American Activities. He says that he cannot find "any rational correlation" between the fact that it should receive this amount of money at the present time when Communist Party membership, he states, is "fewer than 10,000," and the fact that the committee received an appropriation of only $50,000 in 1945 when the party had approximately 64,000 members.

With what he obviously believes to be my very limited mental ability, I will try to demonstrate some rational correlation between these figures.

First, in recent years, the Federal Bureau of Investigation has received larger and larger appropriations for its work in combating the operations of the Communist conspiracy in spite of the fact that party membership has declined considerably below the 1945 level. The reason for this is very simple. As J. Edgar Hoover has testified repeatedly before the Appropriations Committee of this House, the FBI's task of keeping track of Communist Party agents and activities has become increasingly difficult as the party has gone deeper underground and adopted more elusive tactics. Basically, the task of the House committee is the same. Every member of our committee—and everyone who knows anything about communism—is cognizant of the fact that it is much more difficult today for the committee to develop information, for legislative purposes, about the Communists and their operations. It is more difficult, more time consuming, and more costly than it was in 1945, not because of the ineffectiveness of the Communist Party but, rather, because of its willingness and ability to operate effectively despite greater obstacles.

A second reason is that the Congress and the American people today, largely because of the work of the Committee on Un-American Activities, are much more cognizant of the need for continuing investigation and surveillance of Moscow's treasonous fifth column. Because of this, there are larger appropriations for the committee and the FBI, with the obvious approval of the people and the Congress. They see the need for more money being spent on this problem, even though the gentleman from California cannot comprehend this.

Third, as the chairman pointed out in the foreword of the committee's annual report for 1959 and in a recent nationwide radio broadcast on the Dean Manion Forum, the United States is now spending over $40 billion annually for military defense alone, to protect this country against the external threat of communism. The cost of individual weapons has reached fantastic heights. A nuclear submarine costs $49 million, an attack carrier $280 million, a single Titan missile $2 million, and each now outmoded F-104 Starfighter interceptor cost almost $1½ million.

I have previously pointed out on this floor that it is today the consensus of opinion of many outstanding authorities that although we must be completely prepared at all times to fight a major war, it is also true that something in the nature of a military stalemate exists between this country and the Soviet Union. This stalemate has forced the Kremlin to change its tactics, placing greater emphasis on nonmilitary conquest, devoting much more of its time, energy, and money to internal wrecking and subversion in order to seize control of as yet unconquered lands. J. Edgar Hoover said in a speech in Chicago just a few weeks ago:

> The war between communism and the free world is not fought with bombs or other tangible weapons. It is being fought now by subversion.

Every recent defector from the Soviet secret police has stated that the United States is the no. 1 target of Moscow.

The significance of these facts is obvious. Communist efforts to destroy this country from within by nonmilitary means have been increased, and will continue to increase steadily, and adequate countermeasures must be taken to defeat them. Why, I ask, does the gentleman from California object to the House appropriating $327,000 a year—a tiny fraction of the cost of any single major weapon in our military arsenal—to the one and only effort this Congress makes directly to prevent Communist conquest of this Nation from within? Does he know that in the last 3 years the Emergency Civil Liberties Committee—just one Communist front—has spent over $100,000 and has used a large part of this sum to destroy the Committee on Un-American Activities?

Does he know that, as this committee has revealed, some 10 million pieces of Communist propaganda are flooding into this country from abroad every year? Does he object to spending relatively small sums of money to meet these and many other internal security problems and find an answer to them? Why does he want to abolish the only committee established by this House to investigate and recommend legislation to cope with them?

I have no intention of belittling in the least the work of any other committee of this House, but I must question the claim of the gentleman from California that the work of some of the other committees which have received smaller appropriations is "by any objective standards more important than the work of the House Committee on Un-American Activities." I, for one, cannot think of anything that is more important than preserving this Nation from the fate that has befallen some others which have been brought into the Soviet orbit by internal subversion and nonmilitary means. Cuba, at our very doorstep, is only the latest of a long list of nations which have suffered this fate.

HOUSE COMMITTEE'S FRIENDS ARE LEGION

Mr. Speaker, the gentleman from California claims that he could "recite the huge list of impeccable leaders and or-

ganizations" that agree with his view of the committee. He said that among them were "a great number of the country's leading newspapers." Let me say that we all have our own view of what are the leading newspapers in the country and that my views on this subject vary considerably from those of the gentleman from California. It is obvious to every Member of this House, I believe, that no matter what position you take on any subject, you can find some editorial writers for some newspapers who share your views.

I, too, could name many newspapers which, over the years, have strongly endorsed the committee and its work. I do not intend to take the time to insert editorial after editorial in the record here. This much, however, I do want to say:

During the past 4 years alone the following distinguished Americans have shown their wholehearted support of the committee and its work by appearing voluntarily as witnesses before the committee, by serving as consultants for the committee, and by contributing written material for committee publications. There is one thing that distinguishes each and every one of these people from the critics the gentleman from California quoted in his remarks last week. Each and every one of these persons is recognized as an authority on one phase or another of communism and the Soviet Union.

Among the clergymen who have so assisted the committee there are Dr. Daniel A. Poling, editor of the Christian Herald, which has the largest circulation of any nondenominational Protestant publication in the country; the well-known Roman Catholic Bishop Fulton J. Sheen; Rabbi S. Andhil Fineberg, community-relations consultant of the American Jewish Committee; Dr. Charles W. Lowry, director of the Foundation for Religious Action in the Social and Civil Order and author of "Communism and Christ"; and the Rev. John F. Cronin of the National Catholic Welfare Conference.

Labor leaders who have given their active cooperation to the committee include George Meany, president of the AFL–CIO; Albert J. Hayes, president of the International Association of Machinists; the late Harry Lundeberg, president of the Seafarers' International Union; Matthew Woll, vice president of the AFL–CIO; Richard L. G. Deverall of the International Confederation of Free Trade Unions; and Serafino Romualdi, Latin-American representative of the AFL–CIO.

A few of the many prominent educators who have contributed to the committee's work in the last 4 years alone are Robert Strausz-Hupe, director of the Foreign Policy Research Institute at the University of Pennsylvania; Dr. Gerhart Niemeyer, professor of political science at the University of Notre Dame; William C. McGovern of Northwestern University; Dr. Stefan T. Possony, Georgetown University; Dr. Richard L. Walker of the University of South Carolina, and Dr. Karl A. Wittfogel of the University of Washington.

Among the top military leaders of this country have been Gens. Maxwell D. Taylor, Nathan F. Twining, Alfred M. Gruenther, Matthew B. Ridgway, Mark Clark, Albert C. Wedemeyer, Curtis E. LeMay, Charles A. Willoughby, James H. Doolittle, and the late Gen. Claire Lee Chennault. Among the admirals are Arleigh A. Burke, Louis E. Denfield, Robert B. Carney, Charles Turner Joy, and Charles M. Cooke.

More than 20 well-known authors of books on communism have similarly cooperated with the committee, among them David Dallin, Max Eastman, Henry A. Kissinger, John C. Caldwell, Whittaker Chambers, and James Burnham.

Among the dozen or more journalists have been William Randolph Hearst, Jr., William Philip Simms, Eugene Lyons, Constantine Brown, Ludwell Denny, Willard Edwards, and Ralph de Toledano.

Not only Americans, but top-ranking leaders and former leaders of other nations, many of which, I regret to say, are now under Communist slavery, have also demonstrated their feelings about the committee by active cooperation with it. Among these are August Rei, former President and prime minister of the Estonian Republic; Stanislaw Mikolajczyk, former prime minister of the Polish Government in Exile; Ferenc Nagy, former Foreign Minister of Hungary; Carlos P. Romulo, Philippine Ambassador to the U.N. and former President of the Philippine Republic; Msgr. Bela Varga, president of the Hungarian National Council; Joseph Lipski, former Polish Ambassador to Germany; and Dr. Chiu-Yuan Hu, advisor to the Chinese Mission to the U.N. General Assembly.

The Committee on Un-American Activities has also won the support of a large number of organizations which are truly representative of all phases of American life. Among them are the American Bar Association's Committee to Study Communist Tactics, Strategy and Objectives; the All-American Conference to Combat Communism, which represents over 50 nationwide civic, fraternal, religious, veterans', women's, and nationality groups and organizations; the American Legion, Veterans of Foreign Wars, Catholic War Veterans, U.S. Chamber of Commerce, Motion Picture Alliance, Daughters of the American Revolution, American Coalition of Patriotic Societies, and numerous other organizations, including church groups and union locals.

Just about a month and a half ago, Francis Cardinal Spellman, in a telegram to Representative JACKSON of the committee, made the following statement:

I respect the fact that Congressman WALTER, you and other members of your committee have rendered outstanding service in exposing Communist activities.

In August 1955, Bernard Baruch, distinguished elder statesman and advisor to Presidents, said to the committee chairman, Mr. WALTER:

You have a tough task to do and are doing it well. I have great respect for this committee.

In November 1957, FBI Director J. Edgar Hoover, who certainly knows more about Communist activities within this Nation than any other American and is in the best position to judge the effectiveness of individuals and organizations fighting communism, made the following statement to the chairman of the Committee on Un-American Activities:

Your committee's role in safeguarding our freedoms is well known to every patriotic citizen, and real Americans are not going to be fooled or misled by efforts to discredit your vital task.

I submit that no matter how hard he tried and how much time he devoted to the task, the gentleman from California could never come up with so distinguished a list of persons who share his view of the committee, a view he has expressed in such defamatory language. I do concede, however, that he could, as I have pointed out, list many Communist and pro-Communist organizations which have hurled similar epithets at the committee.

The gentleman from California conceded in his remarks that there was a view of the committee other than his, "namely its own"—an implication that the committee stood alone in defense of its work. The facts and names I have just cited prove how entirely wrong this implication was.

Before going on to the next topic, I want to make just one more comment about these famous Americans and foreign fighters for freedom whose names I have mentioned. These are the people the gentleman from California mockingly referred to in his speech as "professional dragon slayers" or reformed "dragons" used by the committee.

WHAT THE COMMITTEE HAS REALLY DONE

Mr. Speaker, the gentleman from California claimed that he would demonstrate in his remarks that when the House Committee on Un-American Activities was not being "harmful" or "bumptious," it was "just plain silly." This could be proved, he added, merely by a consideration of its operations last year. But let us see how much consideration he gave to last year's committee operations.

One, he gave a distorted summary of the first chapter of the committee's annual report for 1959 and then made the following statement:

Frankly, this sort of work reflects a monumental silliness. If it were the entire story, we should end the committee's existence on the grounds of uselessness alone. It is little better than insulting to the intelligence of this House and this country to maintain a committee for the purpose of investigating and reporting what everyone already knows.

Two, he dismissed the committee's investigation of Communist infiltration in the meatpacking industry in the following words:

Now, personally, I am willing to eat meat even though packed by political heretics.

Three, he made some references to the hearing in which Secretary Sharp appeared before the committee. Beyond that, he did not mention another thing done by the committee in all of last year, except its preparatory work for hearings

on the subject of Communist infiltration in the schools of California. This subject I will deal with at a later point in my remarks.

I would like to bring to your attention some of the committee's operations last year which the gentleman from California did not even mention, apparently because he had classified it as "monumental silliness."

There was the committee report, "Patterns of Communist Espionage," which received widespread favorable reception and is now being used by the U.S. State Department in the training of its overseas personnel, by the Military Assistance Institute which trains our country's military attachés who are to be stationed in our embassies and diplomatic establishments abroad, and which has also been purchased in quantity from the Government Printing Office by the British and West German Governments.

There was not a word in his remarks about the testimony of Petr Deriabin, a former member of the Soviet secret police, on the size and operations of Soviet intelligence agencies.

He did not say a word about the hearings the committee held in his own State which revealed that the Communist Party there has undergone a complete reorganization and has undertaken a new, aggressive plan of operation.

Why did he not say a word about the committee's hearings in Pittsburgh which revealed Communist infiltration in our basic defense industries, and the fact that Communist-controlled unions represent the workers in a number of key plants which have contracts with the Department of Defense?

I do not want to go into detail, but will mention some of the other activities of the committee during the year 1959 which the gentleman from California says were "harmful," "bumptious," or "just plain silly."

Its revelation of the shocking number of artists with extensive Communist affiliations who were represented in the American National Exhibition in Moscow—a revelation which brought at least partial corrective action by the President of the United States.

The committee hearings which showed extensive use and abuse of U.S. passports by identified Communists who have traveled abroad to help the Kremlin undermine the United States and destroy the freedom of additional nations.

Mr. Speaker, the gentleman from California said nothing about the committee's hearings on the training operations of the U.S. Communist Party, about its reports on Communist infiltration of the legal profession, on Communist lobbying operations in the Nation's Capital, and the Communist parcel operation which adds millions of dollars each year, taken from the pockets of American taxpayers, to the treasuries of the Soviet Union and its satellites.

He overlooked completely the first volume of "Facts on Communism," a work dealing with the Communist ideology which has been hailed by many scholars.

Not only did the gentleman from California fail to mention any of these activities, but he did not give a true picture of the four activities he did mention.

I have already referred to the manner in which he lightly dismissed the committee's hearings on the meatpacking industry and, by implication, in any basic industry. In discussing the hearing on the Air Force manual with Secretary Sharp, the gentleman from California made two charges against the committee which he said were "basic."

First, he charged that the committee had no jurisdiction to question Secretary Sharp on the withdrawal of the manual. This is not so. When the manual was withdrawn, it was done in such a manner that the public and the press throughout the country were given the impression that it was withdrawn because the information contained in it was not true. The manual quoted a publication of the committee and many people were led to believe that the validity of the statements made in this publication was open to question. I want to emphasize the point that this publication contained the testimony of five Protestant church leaders from China and Korea on Communist persecution of religion in North Korea and Red China. The committee was certainly justified in questioning Secretary Sharp on the matter of whether or not the Air Force had found this testimony questionable. When Secretary Sharp appeared before the committee, he admitted that in withdrawing the manual the Air Force had not made it clear that it was not questioning the validity of this testimony and that this was "unfortunate."

Secondly, the gentleman from California charged that the committee tried to get the Secretary of the Air Force to reconsider his withdrawal of the manual. I challenge the gentleman from California to read the record of the hearing and find a single word that will give any credence at all to this charge. No member of the committee made any such attempt.

Chapter 1 of the committee's 1959 annual report was an analysis of the status of the U.S. Communist Party as of the year's end. It gave factual information on party tactics and strategy, on its 17th convention, and also dissected the major propaganda slogans now being used by Communists, both here and abroad. He described this chapter as justification for ending the committee's existence on the grounds of "uselessness."

It is difficult for me to comprehend how any Member of this House would describe such information as useless. Every person of intelligence knows that the Communist subversive drive can be frustrated only if the Congress and the people know the strategy and tactics the party is using at any given period and if they are informed about the truths the Communists try to conceal by deceptive propaganda techniques.

The gentleman from California also claimed that it was insulting to the intelligence of this House to maintain a committee for the purpose of investigating and reporting "what everyone already knows." I challenge the statement that the information contained in this report is merely what everyone already knows. I also suggest that if it is and we are to follow my colleague's logic, there is also justification for abolishing the Federal Bureau of Investigation and the Central Intelligence Agency.

I urge the Members of this House to compare the first chapters of this committee's 1958 and 1959 annual reports with the testimony of J. Edgar Hoover before the appropriations subcommittees in those years and also with some of the public addresses and statements made by CIA Director Allen Dulles and other top officials of that organization during the same period. They will discover that if the statement of the gentleman from California that the committee merely reports what everyone already knows is true, then it is also true of what Mr. Hoover and Mr. Dulles report. According to the claims of the gentleman from California, these two agencies should also have their existence ended on the grounds of uselessness insofar as any information they give the public is concerned.

THE THREAT FROM WITHIN

The gentleman from California conceded that "we are living in a hostile world in which communism poses a threat," but at the same time went on to minimize that threat. He stated that the Communist Party "has gone down to its lowest point in history." Actually, that information is not correct. The party reached its low point a few years ago and has since been gaining in strength. In various parts of his remarks, he airily referred to the Communists as mere "heretics," "so-called un-American persons," "what the committee calls malevolent conspirators," and humorously as "dragons."

He described the Communist Party as being merely the "ranks of bitterness and extremism." He said that he was not, and that we should not, be afraid of Communists in the meatpacking industry, among the clergy, or in the automotive manufacturing field. At no place in his speech did he concede that Communist operations in this country were a real or dangerous threat. By the light and mocking manner in which he spoke of the committee and its work, he distorted and seriously underrated the true nature of the problem with which we are dealing. He bled for the so-called "victims" of the committee who might lose jobs in a basic industry after being exposed as Communists. At no place in his remarks did he admit the possibility that these people might be malevolent and treasonous conspirators against their own country.

Just a short while before the gentleman from California made his speech, FBI Director J. Edgar Hoover testified before the House Appropriations Committee. On February 8 of this year, in his testimony before that group, he issued a strong, clear-cut warning against judging the danger of the Communist Party merely by its numbers or of underrating the internal Communist threat. He said:

> To minimize the menace of communism in the United States as the activity of a small dissident group develops lethargy and can only lead to disaster.

Mr. Hoover mentioned the fact that at the present time the FBI has 160 organizations in the United States under investigation as suspected or known Communist-front or Communist-infiltrated groups.

To demonstrate one aspect of the danger of communism, he cited certain facts about recent Communist success in the home State of the gentleman who now urges that the Committee on Un-American Activities be abolished. Again I quote the Director of the FBI:

Those who doubt that Communists could be placed in responsible Government positions under our democratic system of government in this country, thus greatly extending their influence and power, should ponder some election results. Holland DeWitt Roberts, in 1953, was described by the California Senate fact-finding committee on un-American activities as one of the most highly placed, active, and devoted servants of the Communist cause in northern California. In December 1956, before the House Committee on Un-American Activities he invoked the fifth amendment to questions regarding his Communist Party membership. In spite of this background he received over 400,000 votes in the California primary election in June of 1958 as a candidate on an independent ticket for State superintendent of public instruction.

A more recent example concerns Archie Brown, a longtime Communist leader, who has been identified with the Communist movement in the San Francisco, California, area for more than a quarter of a century. He was a candidate for the San Francisco Board of Supervisors during the municipal election in San Francisco last November.

In spite of the fact that Brown's association with the Communist Party was widely publicized during the campaign, he received some 33,000 votes, slightly more than 13 percent of the votes cast, finishing 10th in a field of 14 candidates running for six seats on the board of supervisors.

It seems strange to me that, after Mr. Hoover's warning on these matters had been given to Members of this House, the gentleman from California should urge the abolition of the only committee charged with the duty of combating Communist subversion, referring to its members with amusement as "dragon slayers," and stating that if he had an opportunity to do so he would have voted against any appropriation for the committee.

In view of the obvious gains the Communist conspiracy is making in the State of California, I cannot help thinking that our colleague from that State would do well to devote time and energy to alerting his constitutents to its evils instead of trying to eliminate its opponents.

KEEP THE RECORD STRAIGHT

Mr. Speaker, when our colleague from California asked that we debate the worth of the committee, I thought that the material he would present against it would at least be factual and therefore debatable. As I have previously shown, our colleague dealt with vilification, not facts. This can be further documented by examining many of the charges contained in his speech of April 25. I shall take two of these statements to show that facts do not seem to be too important to our colleague.

The gentleman from California centered his attack on the members of the committee around the hearings they had scheduled last year on Communist infiltration in California schools. He described the committee's conduct in connection with these scheduled hearings as the "most shameful episode in the history of this House." To support this characterization, our colleague advised the Members of this House, and I quote:

The committee had subpenaed 110 public school teachers in early June 1959. Most of the subpenas were served on the teachers at school at 9 o'clock in the morning on June 5.

Mr. ROOSEVELT continued:

No good reason has been advanced as to why the teachers could not have been served at home. Naturally, school administrators and fellow-teachers, as well as the children in their own classes, were at once put on notice that the teachers were, in some fashion, suspect.

Mr. Speaker, I have had the files of these subpenaed teachers examined. These files contain not only the general instructions which were given to the many agencies which assisted the committee in serving the subpenas, but also contain a copy of each subpena and the return executed by the individual serving the subpena. This examination revealed that the agencies serving the subpenas were instructed by the committee to serve them at 7:30 a.m., at the residence of each teacher.

An examination of 101 files shows that, contrary to the charge of the gentleman from California, 97 teachers were actually served at their homes. Only four were served at their schools—and this was done only because of the inability of the serving officers to locate them at their residence.

The gentleman from California also charged that the names of the teachers were leaked to the press, adding that, in his opinion, it was not important whether the names were "deliberately" leaked.

I wish to advise this House that, if this charge had been true, it would have been a very important and serious matter to the Committee on Un-American Activities. It has been the rule of the committee, under the chairmanship of our distinguished colleague from Pennsylvania, not to make the names of witnesses public prior to their appearance.

I also wish to advise this House that a thorough investigation, conducted by the committee, reveals that this charge is not true. The names of the teachers were not leaked by anyone associated with the committee—deliberately, through error, or in any other way.

I was really surprised to find that the gentleman from California devoted so much of his speech last week to attacking the committee for the information it uncovered, after careful research and investigation, on persons with Communist affiliations who were teaching in the schools of the State which he represents. I was surprised because of the fact that as most Members of this House know, the Association of American Universities has found that members of the Communist Party are unfit to teach in our institutions of higher learning, and that, across the length and breadth of this land, community after community has made the same finding and has done everything it could to uncover and discharge any Communists who have infiltrated their educational systems. I have also found the gentleman from California's attack on the committee, because of the information it has turned over to communities in his home State, surprising in view of a statement Mr. J. Edgar Hoover made before the House Appropriations Committee in February 1953. He stated at that time:

The Congress especially has performed a magnificent job of spotlighting Communist treachery which makes employment of such individuals as teachers abhorrent.

THE RESPONSIBILITY OF CONGRESS

The gentleman from California asks that we stick to the issue relative to his urging the House Committee on Un-American Activities be abolished. This, I will gladly do—because it is a basic issue, a simple issue, and an issue of vital importance to our country. This briefly is the issue:

Is the House of Representatives going to do absolutely nothing to frustrate and hinder the activities of the Communist fifth column and of Soviet agents in the United States, who are trying to destroy our free Government and bring about Soviet terrorization and domination of the American people, or is this House, in conformity with the oath taken by each and every one of its Members, determined to do everything it can legitimately do to defend this country against its enemies and to fight the evil forces of communism at every turn? That, gentlemen, is the issue—the only issue.

Governments and their agencies are established to protect and promote the rights and interests of the people. There is a Department of Labor in the executive branch of the Government for the simple reason that many American citizens are workers. Because these working people have their rights and interests, there is also a Labor Committee in this House. Both of these agencies—the Department and the committee—work separately, but cooperatively, to protect the interest and welfare, and to help solve the problems of the working people and of the people as a whole, insofar as they are related to labor. The one recommends such legislation as is necessary to meet these problems and the other administers that legislation. There will be a Department of Labor and a Labor Committee as long as there are working men and women in this country.

It is now a tradition of this country that for every agency created in the executive branch of the Government to deal with an important problem, a corresponding committee is created in the House to legislate on the problem and oversee the operations of the executive agency.

We have a Department of Defense and an Armed Services Committee because history teaches us that, so far at least, every nation, if it is to survive, must be prepared to face and do battle with its enemies, that the most any nation can expect in this world in which

we live is periods of peace between wars and between periods of grave danger of war.

Is there any Member of this House, and I include the gentleman from California in this question, who will deny that this Nation faces an internal Communist problem that is a threat to our security? Just a few weeks ago in his Chicago speech, FBI Director J. Edgar Hoover stated:

> The danger of communism continues to grow. * * * Misguided and ill-informed persons, posing as alleged experts on Communist subversion, would have it believed that the party is a shattered, broken and threadbare group of harmless misfits. Nothing could be further from the truth.

Is there any Member of this House who believes he knows so much more about the operations of the Communist conspiracy in this country that he would contradict the words of Mr. Hoover? And, in view of Mr. Hoover's long and impeccable record of service to the country, to the cause of law and order, would anyone impugn his integrity when he speaks so forthrightly on this matter?

Testifying before the House Appropriations Committee in February of this year, Mr. Hoover made the following statement about the U.S. Communist Party:

> As long as this Soviet-dominated apparatus exists in the United States, there will remain among us an aggressive force of dedicated fanatics, constantly at work to destroy the American way of life. It is a beachhead of subversion within our Nation.
>
> The Communist Party of the United States held its 17th national convention in New York City December 10–13, 1959. The party emerged from that convention as an aggressive, hard-working organization which will faithfully follow the concepts of Marxism-Leninism in its day-to-day operations. It eliminated all factionalism and solidified party groups. The program calls for expanding its membership and extending its influence into every field of activity in this country. Without question, the most signal achievement of the convention was the welding of the party into this unified agressive force behind the militant, devious, and ruthless leadership of Gus Hall, ex-convict and avowed arch enemy of the American way of life who has openly boasted that he was willing to take up arms and fight to overthrow our form of government.

I would remind the Members of this House that the U.S. Communist Party does not stand alone, isolated from and unaided by anyone but its own members. Within this country, it has the help of tens of thousands of fellow travelers and, to cite just one example of the assistance it received from Communists abroad, I mention the fact that each year many millions of pieces of Communist propaganda pour into this country from the Soviet Union and its satellites, from Red China, from international Communist fronts and even from the Communist parties of some of our allies.

Can we ignore this problem? What are we going to do about it?

The least we can do, if we live up to our oaths to defend this Nation, is to retain a committee to investigate all aspects of Communist activity and recommend such legislation as is needed to cope with it. This is what our predecessors have done for over 20 years and I, for one, cannot see how we can possibly do less.

I will go further than that and say that in view of the fact that Soviet power has grown so tremendously in the last 20 years, in view of the fact that world Communist leaders and their U.S. agents have had 20 more years to develop elusive infiltration and wrecking tactics, in evading security measures, in penetrating all phases of human activity—in view of these facts, I say that, if any change at all is to be made in the role of this House in combating communism, it should be a change in the direction of enlargement and improvement of activity. There is certainly no justification, in reason or in fact, for any curtailment of congressional activity in this field, and I, for one, find it extremely difficult to comprehend even faintly how the gentleman from California can recommend that this body put a complete end to its efforts.

ACCOMPLISHMENTS

The gentleman from California, in his efforts to undermine the committee, stated that—

> The basic responsibility for protection of this country against treason or espionage is not in the hands of the committee * * * but is in the hands of the FBI and other counterespionage agencies of the Federal Government.

He went on to say:

> The committee does not catch spies or saboteurs.

What does the gentleman from California mean when he uses the word "catch"? If he means "convict," then there is no argument with his statement, and his statement, in addition to being irrelevant, is an unfair one.

If, however, by the word "catch," he means "revealing"—revealing that American citizens are serving as agents of the Soviet espionage apparatus in this country—then his charge is, again, unfounded.

Anyone who is even vaguely familiar with the duties of the Committee on Un-American Activities knows that its jurisdiction does not include the conviction of criminals. That function obviously belongs to the Department of Justice. The committee, in this area, does have the function, however, of bringing such cases to the attention of this House so that effective legislation may be enacted to prevent recurrences and suitable punitive provisions be provided to enable judicial powers to sentence convicted violators.

The committee has done this time and time again. In its public hearings, covering thousands of pages of sworn testimony, it has uncovered cases of espionage involving Alger Hiss, William W. Remington, J. Peters, Gerhart Eisler, Arthur Alexandrovich Adams, Nathan Gregory Silvermaster, and Harry Dexter White. It has also revealed an insidious Soviet espionage plot involving the University of California Radiation Laboratory, and other atomic installations.

As a result of information provided to the Members of this Congress by the Committee on Un-American Activities, important legislation has been enacted to curtail espionage activities. In 1950, the committee recommended that the statute of limitations be extended in espionage cases. That year, the House passed the Internal Security Act, providing that the statute of limitations in such cases be raised from 5 to 10 years.

In 1952, the committee recommended that a single, comprehensive espionage statute be enacted that would apply to both peacetime and wartime, carrying a capital punishment section. Section 201 of the Espionage and Sabotage Act of 1954 provides a penalty of death, imprisonment for any term of years, or for life, for the communication or delivery of defense information to a foreign government with intent or reason to believe it will injure the United States or be of advantage to a foreign government.

In 1956, the committee recommended prompt enactment of H.R. 3882, revising existing law to require registration of persons with knowledge of or training in espionage, counterespionage, or sabotage tactics of a foreign government. This law was enacted on August 1, 1956.

These are just three, of many, examples. In fact, a Library of Congress study, completed in 1958, revealed that, in the general area of subversive activity, bills had been introduced in this House embodying 80 recommendations made by the Committee on Un-American Activities—all but two of these bills having been offered after 1949. Actual legislation enacted by Congress carried out 35 of these recommendations, and 26 more were pending at the time. In addition, 13 recommendations of the committee pertaining to policy matters have been adopted by the executive branch of the Government.

The implication of the gentleman from California that this committee plays an insignificant role in protecting these United States from subversion is clearly not in accord with the facts.

WHAT SHALL WE DO?

Mr. Speaker, I have endeavored to show the record of the House Committee on Un-American Activities. It is a record which speaks for itself, and which speaks so strongly and loudly that its enemies—the Communists, Communist-fronters, pro-Communists, and anti-anti-Communists—have had to resort to the most scurrilous, unfounded, and scandalous smear tactics imaginable in their efforts to discredit the committee.

Even the gentleman from California has admitted that communism poses a threat. This is perhaps the grossest understatement of the century. The size of the threat is today so immense that we find ourselves spending $40 billion annually in attempting to combat communism on just one front—namely, the military. For years we have listened to the sweet, apathetic song of Communist-indoctrinated dupes who have tried to turn our attention away from the handwriting on the wall—handwriting from the pen of Lenin 37 years ago:

> First we will take Eastern Europe; then the masses of Asia; then Africa; then we will encircle the United States which will be the

last bastion of capitalism. We will not have to attack. It will fall like an overripe fruit into our hands.

Mr. Speaker, where are we now? How far have the Communists progressed along the road to Lenin's dream? They have taken Eastern Europe. They have taken a large part of Asia. They are extremely active in Africa—and also in Latin America. Soon, they believe, they will have the United States encircled and this rich and final prize will be theirs.

But, while the deadly conspiracy of communism arms for further attack and, at this instant, has a base only 90 miles away from the shores of this great Nation, the dupes continue to sing their siren song and many idealistic dreamers listen and gullibly parrot the refrain: "Communism poses no serious threat. It will fade away," one tells us.

Another stands up and sings, "What harm can only 10,000 or 20,000 Communists do? It can never happen here."

Another chants, "But communism is only a political ideology, not a subversive movement," or "Communism is simply a religious adherence, not a conspiracy."

The dupes and the sympathizers repeatedly call for the outlaw of anti-communism in any and every form.

What do the responsible officials of unquestioned patriotism say? What is their estimation of the threat from within? Let me, once again, call upon the Director of the Federal Bureau of Investigation to answer that. Only recently, Mr. Hoover stated:

> The Communist Party in the United States is not out of business; it is not dead; it is not even dormant. It is, however, well on its way to achieving its current objective, which is to make you believe that it is shattered, ineffective, and dying. When it has fully achieved this first objective, it will then proceed inflexibly toward its final goal.
>
> Those who try to minimize its danger are either uninformed or they have a deadly ax to grind.

Mr. Speaker, last year on the floor of this House I made the following statement in reply to the proposal by the gentleman from California at that time to abolish the House Committee on Un-American Activities:

> Today there are two groups alerted to and dealing with the threat from within: the Federal Bureau of Investigation in the executive branch and the House Committee on Un-American Activities in the legislative branch. Both at this moment are under attack, an attack originated and inspired by the Communist conspirators and joined in by many well-meaning and some not so well-meaning people.

My statement of last year applies today. The only factors that have changed are the growing evidences that what I said was true. In light of this, Mr. Speaker, it appears that we have two alternatives. We can follow the advice of the gentleman from California and abolish investigation of subversion. We can then sit back and listen to the applause from the Communist press, and from those Soviet agents at work to destroy this Nation, and we can helplessly witness a concentrated movement to overthrow the Government of these United States through subversion, espionage, treason, propaganda, labor and racial violence, and other Communist tactics—just as we have witnessed it elsewhere. Such an act would be legislative suicide.

Our only other alternative is to attack the growing cancer of communism at its hard and bitter core—uncompromisingly and relentlessly. I am happy that the gentleman from California has brought up this issue, because I believe that, through his talk, the distinguished Members of this House can see indirectly just how important their individual roles are in this life and death struggle against the godless conspirators in the Kremlin. I believe that we can see more clearly the need for more knowledge of Communist operations. I believe that we can see more need for the work of the Committee on Un-American Activities, so that more effective legislation might be enacted to abolish, if we are going to abolish anything, espionage and subversion.

Mr. Speaker, I feel confident of what the reply of this House will be to the proposal of the gentleman from California. It will be rejection. The Members of this House, I am sure, will never give up their fight against any enemy of this country on any front. They will always fight to preserve those blessings and glorious freedoms established by our Founding Fathers, preserved intact by succeeding generations, and entrusted to us to hand on to future generations.

This House is still the House of Representatives of the American people. It can give only one answer, the answer of free men dedicated to the preservation of freedom.

SEVENTY-SIXTH BIRTHDAY OF HARRY S. TRUMAN

The SPEAKER pro tempore (Mr. JENNINGS). Under previous order of the House, the gentleman from Missouri [Mr. RANDALL] is recognized for 15 minutes.

Mr. RANDALL. Mr. Speaker, when I asked for this special order on yesterday, I thought the House would be in recess on Friday, which would be the nearest day to Sunday, May 8.

Nonetheless, Mr. Speaker, I am deeply grateful for this opportunity to again express my admiration and high esteem for a great statesman and valued friend, Harry S. Truman, on the occasion of his 76th birthday, which occurs next Sunday, May 8.

It is a source of great pride to me to have been sent to the Halls of Congress from the same congressional district which projected onto the American political scene one of the most courageous and illustrious statesmen ever to sit in Congress and the man who made some of the most important and eventful decisions ever made at 1600 Pennsylvania Avenue.

It poses no great problem for me to rise and extol the virtues and merits of this revered elder statesman of the Democratic Party. It is a more difficult proposition to speak about this great Missourian and American without repeating many of the millions of words which have been written or spoken about him. However, though I am certain to be repetitious, I sincerely hope that I will have many more opportunities in future years to again be repetitious in paying tribute to Harry Truman. If I am so fortunate, I can be certain that what I say about him, and what other Members of this body may say about him, will be brought to his attention at the now famous Harry S. Truman Library in Independence, Mo. At the age of 76, or even 86, I feel sure his rigorous schedule for keeping busy will always allow time for reading the CONGRESSIONAL RECORD which he well knows constantly reflects something new and challenging in domestic or international affairs.

The stature of the 32d President of the United States grows more and more with the passing of each year. There may have been some who disagreed with him while in the Presidency but most of these very same persons have come to respect him since he left that office. A nationally known columnist recently said:

> Whenever he comes to New York he is treated as though he were a visiting potentate and when he takes his morning walk newspapermen and others join him until it looks like a miniature parade.

It is certain that future history will save a large space for such a gallant, bold, and courageous leader.

One of the many attributes I admire about Harry Truman is the courage and boldness of action so frequently displayed during the perilous, troublesome, and uncertain years in which he may well be described as the "Captain Courageous" of our great country. I do not believe there is a man or woman in this Chamber who ever questioned the courage of Mr. Truman. With characteristic boldness of action he has always fearlessly assumed any duty facing him. Over the years it has been my great privilege to know his family and I say to you that all his undertakings have been made less difficult by the presence, devotion, and loyalty of his beloved wife.

If classified as a particular type of individual, Mr. Truman would very probably be placed in the extrovert category because of his forthrightness and refusal to "duck" issues. To his credit, he has never been a proponent of "Park Avenue intellectualism," which may be defined as the substitution of conversation for knowledge and of loose theories for experience. Instead he always applied common sense to public problems and displayed sound judgment. With it all he is a modest man and an humble man who never forgot that it takes all of us to make America and that one cannot hold the high office of President unless one is willing to be the "people's President." Soon after he received the urgent summons on that fateful April 12, 1945, Mr. Truman uttered these unforgettable words:

> I only ask to be a good and faithful servant to my Lord and to my people.

Whether this simple statement be a prayer or a promise, the man who made it lived under its guidance during his Presidency and has subscribed to it during his busy and full years of retirement.

At the Democratic Convention in 1944 the late Franklin D. Roosevelt selected Harry S. Truman to be his running mate for an unprecedented campaign for a fourth term as President of the United States. It would be no less than ridiculous for me or anyone else to assume he knows why President Roosevelt made this choice, but—could it not have been dictated by the enormity of the problems facing the Nation at that time? Is it not probable that he knew he would have to have a real American who could fearlessly and intelligently succeed to the task of leading America as his Vice President?

I do not know the answers to these questions, but I do know about some of the things that happened during President Truman's leadership.

Mr. Truman exerted superior leadership in the organization of the United Nations, the strongest instrumentality for peace we have in the world today.

On September 5, 1945, Mr. Truman sent to Congress the message which spelled out the details of his liberal and progressive Fair Deal program.

The decision to use the A-bomb was his—of which he frankly says:

> Let there be no doubt about it * * * I did not like the weapon * * * but I had no qualms if in the long run millions of lives could be saved.

His answer to the Soviet blockade was the Berlin airlift—and he made it most effective. The Soviets lifted the blockade.

He acted quickly and without hesitancy when he sent troops to Korea in the face of North Korean aggression in 1950. Almost as quickly he was given the approval of the Congress.

He sent the 7th Fleet abroad to warn the Chinese Communists to keep hands off Formosa.

Mr. Truman's domestic program was marked by major advances in the fields of housing, social security, and in other areas contributing to the general welfare of the people of America.

I do not wish to impose upon the time of this body to the extent necessary to review the complete record of the Truman administration so, in closing may I say, "God bless you, Harry S. Truman," with many more years of good health and indomitable spirit. The Nation needs your great wisdom and sage counsel.

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

Mr. RANDALL. I yield.

Mr. SANTANGELO. I would like to associate myself with the remarks of the gentleman from Missouri and state that in 1948 when the convention was being held there was one man alone, Harry Truman, who inspired the members of the Democratic Party to go out in the highways and byways of this country in their campaign with odds of 20 to 1 against them. But he had faith in the American people and won a glorious and resounding victory on election day.

I would also like to state that it is fitting and proper that we take this time today when we have passed the defense appropriation bill, because it was Harry Truman who carried on when he was in the Senate a campaign against waste and inefficiency in the Armed Forces of the United States.

It is paradoxical and ironical today the cry has been waste and inefficiency in the defense forces of this country.

I would like to state that I am very much pleased to listen to the panoramic view the gentleman has given of this great man whose name will go down in history as one who was not afraid to make a decision on what we call civil rights. Now, when we are winning the battle of civil rights we see what Harry Truman stood for coming true.

I am happy to join with the gentleman in his recollections of this great man who we hope will have a more fruitful life in the years to come.

Mr. RANDALL. I thank the gentleman.

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

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

Mr. PUCINSKI. Mr. Speaker, I would like to associate myself with the remarks of the previous speakers in paying tribute to undoubtedly one of the greatest Presidents America ever had, Harry S. Truman. As a matter of fact, I do not think that history is quite yet ready to appraise fully his genius. As has happened many times in the history of our country, it is not until perhaps decades or generations later when the profound contributions of a great leader, free of partisanship and free of political distortion, assume their proper perspective. I think it is safe to say here, and I believe my colleagues on both sides of the aisle, Democrats and Republicans alike, will agree that history will place Mr. Truman in the ranks of the great leaders of this country. He carried on through more trying times than any other President in the history of this great country, he was confronted with difficult decisions that he had to face. But he was able to make the decisions and he did carry on to glory and victory. The monuments that we see today, the mere fact that we can today say that we have peace in the world, shaky as it may be, but it is there, is a tribute to his vision, to his genius and to his ability.

The gentleman is to be congratulated for taking this time today to call our attention to this great President. I should like to add one little thought. While I am delighted to see the gentleman from Mr. Truman's district in the well today and congratulate him on the outstanding work he has been doing in this Congress, I would not be frank if I did not let a little secret out. At the time a vacancy occurred in Mr. Truman's congressional district, I was among those who suggested perhaps his great talents might find their way into this Chamber. When I had the privilege of interviewing Mr. Truman in Chicago, he said that he was indeed glad to have served as a Member of the other body, as a Senator of the United States. Of course, he was very proud to have served as President of the United States. But he said he always regretted that he missed the opportunity of serving in the House of Representatives which he considered a dynamic body, because it eloquently reflects the hopes, the aspirations and wishes of the American people.

I think we would all have had a great privilege if the President had yielded to our wishes. But I am delighted to know he has sent here such a very capable Member in his place, and I congratulate the gentleman for taking this time today.

Mr. RANDALL. I thank the gentleman from Illinois.

FAIR LABOR STANDARDS TRADE ACT OF 1960

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OSTERTAG] 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. OSTERTAG. Mr. Speaker, the free enterprise economic system of our country has produced the highest general standards of living and working conditions of our time. Our system has produced more wealth and goods, and distributed them more broadly among our people than any other economic or political system. To support the constantly improving working and living conditions, our Republic has, from time to time, legislated minimum standards to serve as a floor under the conditions which have been generally attained. In industry and commerce this has included our so-called fair labor standards. The statutes have proven exceedingly helpful in protecting the living and working standards of our people. But today there is a growing threat to these standards and to many of the private enterprises which observe them. I am referring to the rapidly increasing flow into this country of foreign-made low-cost goods produced under substandard working conditions. By substandard, I mean conditions far below the minimum standards established in our country.

In recent years our imports have increased at a much more rapid rate than our exports and they have contributed greatly to the weakened position of our balance of international payments. A report recently prepared for me by the Library of Congress, entitled "Exports, Imports, and the U.S. Balance of International Payments," reveals that our imports have grown by 37 percent during the past five years, while by comparison our exports have expanded by only 20 percent. I am aware that there has been an upsurge of exports during the first quarter of this year, but imports are continuing to rise significantly, too.

The report points out, also, that within the general national trade totals the pattern of imports and exports has changed greatly. This in turn, has caused severe injury to many American industries. For example, during the past five years, there have been sharp drops in our exports of cotton, steel products, and dairy products; and sharp increases in imports of glassware, steel products, leather goods, photo equip-

ment, and others. Well known, also, are some of the earlier examples of tenfold or even 100-fold increases in imports, to the severe detriment of such industries and occupations. These include stainless steel flatware, gloves, plywood, bicycles, zinc optical goods, and others.

From these developments it is clear that we must closely examine our programs and policies on both exports and imports. There already have been many proposals advanced which would serve to increase and expand our exports of goods and materials, and these are attaining some success, as evidenced by the results in the first quarter of this year. But it seems to me that we should also closely examine our import policies and programs, as the other side of this problem. Policies which are designed and formulated to expand world trade have a desirable goal, but they should not destroy certain American industries and employment opportunities as their price for success. Certain industries and workers should not be required to suffer all the undesirable side-effects of these policies. Instead, revisions should be made to strengthen and improve these basic policies and programs.

With that goal in mind I introduced recently in the House of Representatives a bill, H.R. 11868, which would establish the Fair Labor Standards Trade Act of 1960. The bill is an attempt to meet the growing threat of low-cost imports to the fair labor standards of our workers and the affected industries. Where these foreign-made, low-cost imports are produced at substandard labor costs and conditions, they are weakening the standards achieved by American industry and labor and undermining our standard of living.

H.R. 11868 would endeavor to check this erosion. Upon request, the Secretary of Labor would be required to investigate whether low-cost imported goods are being produced abroad under working conditions which are below the minimum standards maintained here in the United States of America. If these substandard working conditions provide an unfair competitive advantage which undermines the well-being of American workers and seriously disrupts an American industry, then the Secretary could recommend new duties or quotas to offset this unfair competitive advantage.

In investigating a complaint, the Secretary would examine the following: the difference between wages and hours of the foreign producer and the minimum wage and hour standards set by U.S. law; the comparative labor costs of the product, based upon labor input standards of the U.S. invoice prices of the foreign and domestic product, and the extent to which U.S. commerce has been burdened, as evidenced by increased imports, lower domestic production and sales, and a decline in the domestic share of our markets.

This information is readily available to the Secretary of Labor. If the Secretary does ascertain that an unfair competitive advantage is undermining workers and industry, he may recommend additional duties or quotas to eliminate this unfair advantage. He would be permitted to recommend country-by-country quotas, if and when warranted.

Under H.R. 11868 the Secretary may recommend new or additional duties equivalent to 100 percent of 1934 rates, or 50 percent ad valorem equivalent, whichever is higher; and impose new or additional quotas which may bring imports down to the level equal to 10 percent of domestic production. The Secretary's recommendation would be made to the President; and if the President decided not to implement the recommendations, he would be required to report his reasons to Congress.

This bill represents an earnest attempt to correct a situation which is becoming alarming and could seriously affect the standards of living and working conditions which we have so industriously built in this country. The Congress is now considering expansion of our minimum labor standards, but we should give the same priority to the loopholes which weaken these standards. This problem merits our serious attention and consideration now.

SECRET ORDER

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska [Mr. CUNNINGHAM] 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. CUNNINGHAM. Mr. Speaker, I call the following secret Post Office Department general order to the attention of all Members.

This is an illegal expansion of the so-called airlift of 4-cent letter mail.

Many Members of the House oppose this scheme of flying 4-cent letter mail. My bill H.R. 9488, will put a stop to this practice and hearings on the bill will begin soon.

In spite of the fact that the Postmaster General has no legislative authority to expand the airlift he continues to do so. The Subcommittee on Post Office Appropriations has ordered him to stop this unauthorized practice.

This unauthorized scheme continues nevertheless and is veiled in secrecy as the following order clearly states in the last paragraph.

The secret Post Office general order follows:

GENERAL POUCH ORDER 99—APRIL 1, 1960

An expansion of the first-class by air program has been authorized effective 12:01 a.m. Monday, April 4, 1960, by addition of a segment between Atlanta and Tampa-St. Petersburg.

First-class mail originating in and normally flowing through the Atlanta gateway for offices in the Tampa-St. Petersburg metropolitan area plan will be flown from Atlanta to Tampa. First-class mail originating and normally flowing through the Tampa-St. Petersburg gateway for offices in the Atlanta metropolitan area plan will be flown from Tampa to Atlanta.

Mobile units and stationary organizations dispatching Florida mails through the Atlanta gateway will pouch directs for offices in the Tampa-St. Petersburg metropolitan area (list of offices attached) to Atlanta, Ga., dispatch for handling and air dispatch to Tampa.

Florida offices now dispatching Georgia mails through the Tampa gateway for outward surface transportation will dispatch mails for Georgia offices in the Atlanta metropolitan area (list attached) in pouches labeled "TAMPA, FLA DIS" for handling and air dispatch to Atlanta.

GENERAL INSTRUCTIONS

Airlift of mails involved will be on a nonpriority space available basis.

Airlift will be restricted to movement of first-class mail. Franked and penalty matter of appreciable volume should be afforded normal surface dispatch.

Offices and mobile units developing sufficient volume to make direct, city or State pouches of mails subject to airlift should underscore destination with a redline to assure proper handling at point of air dispatch to destination.

Mails will not be diverted from present channels of dispatch in order to afford airlift from another gateway.

Registered mail: It is not contemplated that transit registered matter will be diverted to air dispatch at this time. Registered matter of normal value available at air enplaning points will be handled and dispatched in accordance with present procedures.

Dispatch should be to carriers providing direct service between the enplaning and deplaning points. No interline transfers are authorized. Dispatching procedures presently in effect will be observed. Divide mails as equally as possible between the competing carriers consistent with service provided.

It is not desired that this matter be given any publicity. Should you be questioned concerning the expansion you may confirm the fact, but emphasize the space available aspects of the program. Any questions of a technical nature should be referred to the regional director.

J. EDGAR HOOVER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. SCHENCK] is recognized for 30 minutes.

Mr. SCHENCK. Mr. Speaker, at rare intervals there comes upon the national scene a gifted leader of inspirational characteristics who seems to be especially designed to fill one of our country's needs.

In 1924 such a young man, in the person of J. Edgar Hoover, then 29, was designated by Attorney General Harlan Fiske Stone to head up an investigative arm of the U.S. Department of Justice.

Under Director Hoover's leadership the FBI has prospered and grown and has filled a tremendous need in our national way of life.

He has divorced the FBI from political control, established a merit system, and brought the FBI to the pinnacle of governmental achievement. Under his dedicated leadership the FBI well serves as a model for all governmental agencies. His irreproachable personal life, dynamic leadership, adherence to merit as a means of promotion, extraordinary cooperation with other agencies, and farsighted executive planning have established an agency noted for both economy and efficiency.

Shortly after he assumed leadership of the FBI Mr. Hoover established training courses, rigid requirements for admission, and physical standards rivaling those of West Point, and his constant

hammering of careful selection of personnel, thorough training of employees, and competent supervision have helped make the FBI foremost among the investigative agencies of the world.

Cooperation has been one of the outstanding tenets of the FBI. In this vein he established the FBI Laboratory, which offers gratis service in criminal cases to all law enforcement agencies, large or small. The FBI National Academy, which will celebrate its 25th anniversary on July 29, is a school established by Director Hoover to train police executives and instructors, a forward step in line with his basic belief in the importance of careers in law enforcement, and a strong instrument in professionalizing police work.

It would be impossible to name the myriad activities created by Director Hoover to assist in improving the police profession and the quality of service rendered at the grassroots level. With the cooperation of the International Association of Chiefs of Police he established for the first time an effective system of uniform crime reporting. Thousands of local agencies participate. Each year the FBI holds several thousand police schools in local areas for the benefit of law enforcement agencies who cannot spare men from duty and do not have the funds which will permit training at a recognized institution. The FBI has offered its services in covering out-of-State leads, and its identification and laboratory facilities in the handling of bomb cases faced by local law enforcement agencies.

I have had considerable contact with representatives of the FBI in my area in Ohio, and I have found each to be an intelligent, efficient, considerate, and dedicated gentleman—a precise example of what the Director of the FBI is himself and expects each FBI representative to be.

If it were not for the farsightedness of Director J. Edgar Hoover, who commenced keeping track of Communists shortly after his appointment—who was well aware of the menace of fascism and nazism long before the horrors of World War II burst forth—it is doubtful that we would continue to enjoy our American way of life as we know it. He does not boast, for boasting is foreign to the FBI, but grateful citizens clearly understand that not a single successful act of foreign-inspired sabotage occurred anywhere in the United States during World War II. This alone entitles the FBI to a meritorous "well done" in the history of our country. But of even greater importance is the fact that Director Hoover zealously guarded the individual rights and liberties of every citizen in the enforcement of FBI wartime responsibilities and in the days subsequent to hostilities.

The low rate of turnover in the FBI is a testimonial to the high esprit de corps of the men and women of this great organization.

The Congress of the United States has seen fit to place additional burdens on the FBI as the years have rolled by. Each of us respects the FBI for stamping out kidnaping, for its swift solution of bank robberies, through its effective curtailment of interstate hijackings, its nullifying of the efforts of enemy spies and saboteurs, but this great investigative organization enforces many laws designed for the protection of our American heritage and the common man. Impersonation, frauds against the Government, interstate transportation of stolen property are well-known laws enforced by the FBI, but there are others involving illegal use of Red Cross emblem, protection of interstate carriers against bombs, the Automobile Information Disclosure Act, interstate transportation of unsafe refrigerators, interstate transportation of switchblade knives, and many other wise pieces of legislation designed to protect our children and guard our individual citizens and their rights.

As a Member of Congress for nearly 9 years, I have been glad to have the opportunity and privilege to support appropriations, legislation, and other measures which are helpful to the FBI in its great service to our entire Nation.

My own great State of Ohio is recognizing May 10 as J. Edgar Hoover Day and I include Governor DiSalle's proclamation at the conclusion of my remarks.

I am a great believer in law and order and in the future of America. It has been my privilege to serve the people of my community as a teacher and as a recreation director. As a former official in scouting I am well aware of his magnificent contributions to the young people of our country and of his selfless service to youth, officially and personally.

I believe that Director J. Edgar Hoover is one of the truly great men of our generation, a man who places his trust in God and has inspirational faith in the future of our young people and our American ideals.

He has devoted his life to these principles. He has contributed immeasurably to the best of what we call America.

On the eve of his 36th anniversary as Director of the FBI, May 10, 1960, I wish to personally salute the great Director of the FBI and the men and women at FBI headquarters and in the field who measure up to his high requirements and so gallantly serve the American public. I speak for the people of Butler and Montgomery Counties in Ohio in offering heartiest commendations to this valued civil servant who has given so much and asks for so little. He is a man whose only objective is to serve his God and the people of the United States. More cannot be expected from any American leader.

STATE OF OHIO,
EXECUTIVE DEPARTMENT,
OFFICE OF THE GOVERNOR,
Columbus.

PROCLAMATION—J. EDGAR HOOVER DAY, MAY 10, 1960

Whereas the Honorable J. Edgar Hoover, Director, Federal Bureau of Investigation, is a symbol of justice to all Americans; and

Whereas his selfless service, dedication, patriotism, protection of the rights of all persons, and cooperation with other agencies of cities, counties and the State of Ohio have set a high standard which others may well use as a model; and

Whereas May 10, 1960, will be the 36th anniversary of Mr. Hoover's appointment as Director of the Federal Bureau of Investigation: Now, therefore, I, Michael V. DiSalle, Governor of the State of Ohio, do hereby proclaim Tuesday, May 10, 1960, as J. Edgar Hoover Day in Ohio as an expression of gratitude on behalf of the people of Ohio, for Director Hoover's service to this State and our Nation.

In witness whereof, I have hereunto subscribed my name and caused the great seal of the State of Ohio to be affixed at Columbus, this 27th day of April, in the year of our Lord 1960.

MICHAEL V. DISALLE,
Governor.

HIGH INTEREST—WHAT IT MEANS TO YOU

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Dakota [Mr. BURDICK] is recognized for 10 minutes.

Mr. BURDICK. Mr. Speaker, a few days ago, I read a news article in the Wall Street Journal that in my opinion is good news for my constituents in North Dakota. In fact, it is good news for all farmers, businessmen, workers and consumers who have felt the costly effects of the administration's high-interest, tight money program.

The headline on the article, which appeared on April 25, put it this way: "Democrats Say They Won't Act on Bond Ceiling."

Then, the Wall Street Journal staff reporter writes:

WASHINGTON.—House Democratic leaders have told Treasury Secretary Anderson flatly that they have no immediate plan to seek action on a bill to grant the administration some authority to market Government bonds at rates above the current 4¼-percent interest ceiling on new issues.

Mr. Anderson was told this at a meeting with House Speaker RAYBURN, Democrat, of Texas, and Ways and Means Committee Chairman MILLS, Democrat, of Arkansas.

Those are the opening paragraphs of the article which goes on to describe how Treasury Secretary Anderson and the administration are making one more desperate effort to crack the Government's interest rate ceiling.

But apparently these Government officials who somehow have managed to close their eyes to the strangulating effects of ever-rising interest rates are to be foiled again.

For this the leaders referred to in the Wall Street Journal article are to be complimented. What they have done deserves special commendation because it serves notice—public notice, once again—that we have had enough, that the high-interest, tight-money policy has gone as far as we can permit it to go.

Mr. Speaker, I feel it is my duty to my constitutents in North Dakota to oppose H.R. 10590 which embodies the machinery for cracking the interest rate ceiling and I am pleased to have the company of the leadership of this House in opposing any such step. I note, however, that the President this week, in a special message to Congress, once again has urged removal of the interest rate ceiling.

The administration policies in pushing the interest rate to the present levels have caused enough damage. Now to consider the Treasury Secretary's pro-

posal to open the floodgates for more and more increases is unthinkable; such action would lock in today's excessive interest rates over a 25- to 30-year period.

But, commendable as this one decision is, it has to be just the beginning. The leadership has taken the first step in protecting the people against new increases for the moneylenders. Now, on this foundation we must build and act to provide a remedy for the extensive damage already done.

We need action to reverse the whole high-interest, tight-money policy. We need to provide leadership that will insure our people a national money policy that will not work exclusively for the financier who already has been treated too generously. We need a policy that will give consumers and farmers and small businessmen and labor a better break in our national economy than they have had during the last 7 years.

The record shows that the Eisenhower administration had scarcely taken office in 1953 when it began a drive to jack up interest rates. Today those rates are at the highest level in 30 years. The moneylenders have made a killing—and farmers, workingmen, and small businessmen, as well as every consumer and taxpayer in the Nation, have taken a beating.

My constituents, many of whom are farmers, are following this controversy over interest rates very closely because it reveals the relative importance the administration attaches to farmers and moneylenders. These shocking figures show how the administration has manipulated the powers of Government to redistribute the wealth in favor of the wealthy few. Farm income has dropped from $15.3 billion in 1952 to $11 billion today, while personal interest income, an estimated 95 percent of which goes to 2 percent of the families in the United States, has soared from $12.1 billion to $24.3 billion.

Partly because of tight money, farmers are worse off today in many ways than in the depths of the depression in the 1930's. In 1932, of every $100 of gross income, the farmer netted just over $30 before taxes; today, the farmer nets only $27 of every $100 of gross income.

Total net interest payments of $38.8 billion in the 7 Truman years jumped to $82.6 billion from 1953 to 1959. Profits of banks and insurance companies doubled during the Eisenhower period.

Here are some examples of how the high interest, tight money policy affects all of us:

First. It hits us as Federal taxpayers. We as taxpayers this year have to pay Uncle Sam as much to cover interest charges as we paid to run the entire Federal Government in any year prior to World War II. Interest charges on the national debt this year amount to $9.4 billion, an increase of nearly $4 billion over what we had to pay before the Eisenhower tight-money policy was applied. Just think what we could have done with this $4 billion as taxpayers, if we had not had to pay it to the big bankers. We could have cut taxes. We could have helped our schools. We could have built better defenses. But instead we had to pay tribute to the moneylenders. Not only that, but we also feel the heavier interest burden every time we pay our taxes for our State, county, and city governments.

Let me say that our smalltown bankers are not benefiting from these policies either. They have been victims of these tight-money policies just as much as the rest of us. They are being buffeted about by the financial decisions that have been made elsewhere. They are in a squeeze between the money tycoons on the one hand and their bank's customers on the other. They deserve a better break in this financial turmoil as do the consumers, farmers, businessmen and all the rest who smart under the tight money whip.

Second. Tight money strikes at our schools. Every school bond issue today has to pay higher interest than before tight money. This is of concern to parents all over the country. Why? As an example, it has been estimated that interest charges for constructing a $500,000 school building have soared from $164,000 in 1952 to $314,000 in 1960. There you have just one illustration of how hundreds of thousands of dollars are going to pay the moneylenders that ought to be going to pay for teachers, laboratory equipment, and indeed for extra classrooms. How can we stand still for such a toll on our school system? We need to give our children a better education much more than we need to swell the moneylenders' interest take.

Third. High interest hits our highway program. Take a $5 million highway project as an example. At tight money rates today, this project would cost our State or any State an extra $1,860,000 before it is paid for—just because of the extra interest charges. What does this mean? It means rough going for all of us as motorists one way or another—either we take it in our pocketbooks when we pay our tax, or we take it on our shock absorbers when we drive over the potholes.

Fourth. High interest hits the small businessman aside from the extra he has to pay in higher taxes resulting from higher interest rates. It hits him if he has to build a new store or plant. It costs him extra in carrying his inventory. It robs him of business he otherwise might get from farmers and other customers who cannot afford to buy at prices inflated with additional interest charges.

Fifth. High interest hits the farmer, as it has always done whenever this policy has been imposed. North Dakota farmers, as well as merchants, are aware of how farm prices and income have been steadily going down and down and down, while at the same time farm mortgages and interest rates have been going up and up and up. What the average farmer today pays out for interest has more than doubled since tight money came in. He has seen how the land banks have raised their rates to the legal limit. He has seen how production credit associations, which also are victims of tight money policies, have had to increase their rates. Tight money hits the farmer with extra interest costs when he finances land purchases, when he buys farm equipment, when he has to get a seed loan—in fact, he is caught at every turn.

Sixth. High interest hits the housewife right where it hurts the most—in the family budget. The North Dakota housewife pays a tribute every time she makes a purchase, cash or credit. This is because manufacturers, wholesalers and retailers who have to use borrowed capital now have to pay higher interest rates, which are passed along to the consumer, as a business cost. But if this housewife buys on credit, the tribute is even greater. It is estimated that for every $100 of such credit purchases, the consumer now has to pay out an extra $6. North Dakota shoppers, like shoppers everywhere, are seeing what this extra tribute does to their budgets when they go out to buy a car, a washer, a television set, clothes or anything else on time.

Seventh. High interest now threatens to strike at REA. The Eisenhower administration has been working for years to bring REA under the tight money policies, but fortunately they can't do this without permission of Congress. And Congress refuses to give its blessing to a policy that is sure to be felt in one way or another by every REA consumer. Tight money for REA would mean higher light bills for those lucky enough to continue to have REA. Where REA is serving territory such as ours in North Dakota with one or less farm to a mile, there could well be dark farmhouses in the wake of tight money.

Eighth. High interest hits the home buyer. A home buyer today could have an additional garage, bath, and bedroom in a $13,000 house, if the 1952 interest rates were in effect. The soaring costs of borrowing money have discouraged homebuilding; 1960 housing starts are 10 percent below those of 1959.

It is clear that this administration has maintained too close an association with the financial community for this Nation's economic health. The administration says the tight money policy is needed to fight inflation by curbing consumer demand and preventing runaway prices, but it shows no concern about the soaring price of money, itself a source of serious inflation. Since inflation involves a price increase not accompanied by added value, what could be more inflationary than high interest rates? How do higher interest rates increase output or enhance value? Since 1952, despite imposition of the tight money policy, prices have moved up an average of 10.6 percent.

The Government, in allowing interest rates paid on U.S. Treasury obligations to double since 1953—from 2½ percent to the current 5-percent level—has set the pattern for all other interest rates in the economy, and they have skyrocketed, raising the costs of manufacturers, wholesalers, producers, transporters, retailers, all of whom simply pass them on to the consumer.

The Administration expects us to believe that the Government is at the mercy of the moneylenders in a free,

competitive market. This "free, competitive" market is deliberately manipulated by a few big financial houses on Wall Street.

However, the basic reason this is a preposterous attitude is that the Constitution gives the Government the power to "coin money and determine the value thereof." Moreover, the Government is the Nation's top borrower, holding 76.4 percent of the total amount borrowed by Federal and State Governments and other corporations.

With this power, the Government has the clear duty to act in the public interest.

Yet the administration, in supporting H.R. 10590, wants to swing the balance even more heavily in favor of the moneylenders. I strongly urge the permanent shelving of H.R. 10590 for the protection, not only of my constituents in North Dakota, but for consumers and taxpayers all over the Nation.

But to eliminate H.R. 10590 is not enough. Having done this, we must go beyond in taking positive steps in returning the management of this Nation's monetary policies to sanity.

The groundwork for such action has been laid. Earlier in the session, the Joint Economic Committee pointed up a course of action as a sensible alternative to the high-interest tight-money policy which the administration has worked so hard to carry forward.

As my colleagues well know, the Joint Economic Committee held lengthy hearings to get at the facts and then presented an excellent report to Congress. Included are such recommendations as the abandonment by the Federal Reserve Board of its bills only policy, the adoption of procedures to make the market for U.S. securities more competitive, the instituting of callable bonds, the carrying out of tax and expenditure reforms, and, in general, utilizing adequate and comprehensive fiscal policies in the place of concentrating on ever-higher interest rates.

Mr. Speaker, these recommendations deserve more attention than has been given them by Congress to date. They deserve attention for two very serious reasons: First, they were drafted after long and careful study; and, second, they provide an alternative to policies that have proved to be completely unacceptable to the average citizen.

These recommendations lay out the logical followup to the action by the leadership, as described in the article which I referred to at the beginning of these comments.

AN UNFORTUNATE CLOUD OVER TRADITIONAL BRITISH-AMERICAN FRIENDSHIP

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 15 minutes.

Mr. PUCINSKI. Mr. Speaker, at this time when so much effort of the Congress of the United States is being devoted to consideration and approval of foreign aid appropriations and the general encouragement of foreign trade through lowered duties, it would seem most appropriate to take a look at a recent action of the British Government.

On April 18 of this year—which also happens to be the anniversary date of Paul Revere's famous ride for freedom—a British aircraft manufacturer for the first time in the history of world aviation started foreclosure proceedings on an airline. That airline happens to be a U.S. carrier operating its many routes by authority of the U.S. Government and it happens to be operating both into Chicago's Midway and O'Hare Field. Many of my constituents work at O'Hare Field. The action taken by this British manufacturer had hidden undertones since its press release stated, and I quote:

> Vickers (this happens to be the manufacturer's name) is taking this action with extreme reluctance.

At the time Vickers decided to foreclose, the company stated:

> The noteholders recognize the position which this airline occupies as a major trunk carrier and the public interest in its continued operation and would of course be willing to cooperate in a sound plan which makes adequate provision for the notes due and for the solution of the airline's financial problems.

It would appear there was some hope in this statement but I am informed that the gentleman making this statement on behalf of his worldwide British firm, while giving every indication of cooperation has subsequently refused to discuss the airline's problems with any of the principals involved.

I have no personal interest in Capital Airlines, the American firm being foreclosed, other than to use its facilities along with other airlines in my trips between Chicago and Washington. But because this firm does affect the economy of many people in Chicago, I determined to find out what this is all about. On the basis of newspaper stories and discussions with Capital's people, I am compelled to conclude this firm is being subjected to an undue hardship.

I have asked the State Department if there is any relief for this American company in the various funds which have been created to increase international trade. Unfortunately, I am advised there is no relief for American firms under existing circumstances. It would appear then that the various programs approved by Congress can help only foreign corporations but our own American companies are excluded.

I believe we should all know more about this strange action against an American firm by a British company. Is mutual aid a one-way street?

My attention has been called to an article in one of Great Britain's respected magazines the Economist, which at least suggests a clue to this foreign firm's rigid indifference to reasonable negotiation. A similar article appeared April 24, 1960, in the New York Herald Tribune.

On April 23 the magazine, printed in England, ran a complete story concerning aircraft financing problems, and in it they brought to the attention of the world, for the first time, the fact that the British Government had a very personal interest in the foreclosure efforts of one of its licensed corporations. I would like to quote from that article:

> The Export Credit Guarantee Department (which is an arm of the British Board of Trade) has become heavily committed in the aircraft business—and is currently anxious about what is going to happen to Capital Airlines. It guarantees up to 90 percent of the price outstanding in the time of delivery which means something between 60 and 80 percent of the purchase price (of the aircraft itself).

On April 26 the London Bureau of United Press International filed a story confirming the fact that the British Government had a most personal interest in this entire matter. I would like to quote from their release:

> The British Government's Export Credit Guarantee Department admitted today it had insured part of the Vickers Co. Viscount aircraft sales to Capital Airlines.

I might add that this same press release from London also said that this British governmental department and I quote, "broke away from its normal rules of refusing to reveal whether or not it has covered any specific export for the first time." Gentlemen, the facts are simple. The British Government, to whom the people of the United States have lent billions of dollars, are forcing one of their licensed corporations to foreclose on an American company to satisfy the terms of their insurance. I make a special point of this because I want it clearly understood that in my judgment this action is an action taken by the British Government against a private American company.

The booklet, "Payment Secured—Export Credits Guarantee Department," published by the British Government, reveals an interesting aspect of Britain's attitude on the entire question of exports. I would like to cite two short excerpts from this book:

> The Export Credits Guarantee Department is a separate department of the British Government under the president of the Board of Trade, providing credit insurance for United Kingdom exporters.

This introduces this group. Now under a section titled "Settlement of Claims" I would like to read the following:

> The exporter takes out export credit insurance to cover himself against certain risks; if one of these risks materializes, he has a claim under his policy. A claim is payable immediately the buyer becomes insolvent; if the buyer has failed to pay for goods which he has accepted, 6 months after the due date of payment; if the buyer has failed to accept the goods, 1 month after disposal of the goods.

In plain language, the British Government insists upon establishing a condition of corporate insolvency by a bankruptcy proceeding before they will pay their insured claim. It is interesting to note that in an American company which incurs operating expenses of more than a hundred million dollars a year, the Vickers obligation is the only Capital Airlines' obligation which is not current and up to date. This clearly es-

tablishes the principle that an American corporation—a respected public service institution—must be driven to bankruptcy before the British Government will make good on its insurance.

We have in our country an agency of the U.S. Government known as the Export-Import Bank. This organization working through the U.S. Treasury has both lent and guaranteed millions of dollars in loans to foreign countries and corporations. They hold at this particular moment over $178 million in notes covering the purchase of U.S. manufactured aircraft being used by foreign airlines. This Bank is being operated soundly in the public interest and with no secrets. This Bank under similar circumstances would follow reasonable business practices if one of its creditors was in any area of default. It would try and work out the problem and, above all, it would do it out in the open for the world to see. It would be incredible for me to imagine the Export-Import Bank foreclosing on one of the foreign airlines whose equipment purchases it has financed. I should mention here that this financing of foreign flag carriers gives direct support to competition against our own American flag carriers.

It is a sad commentary on the state of world affairs when we sit here and consider passing our taxpayers' money on to other countries such as Great Britain with no strings attached, with no cloud of foreclosure over their heads and in the best interest of world peace; and then because one U.S. company happens to find itself in temporary trouble, the same Government to which we are sending our taxpayers' money presses to foreclose on a business load involving $34 million. This is the same Government which has been the recipient of more than $300 billion of American aid.

I would also like to say that I have heard many speeches and read many words about the need for relaxed trade barriers to accommodate foreign trade thus reducing foreign aid. This particular case is testimony enough that these people want their aid, and they are absolutely unreasonable when dealing in the area of trade.

It is paradoxical that while we sit here and approve billions of dollars in aid, together with relaxed trade barriers for trade, to encourage employment in foreign countries, one foreign nation, which perhaps has been the largest single recipient of our national generosity, is taking direct action, the result of which could be to increase unemployment in this country and in the Nation's Capital. The tragedy of this action taken by this foreign Government is that it directly touches the lives of 8,000 people in the United States, many of them in Chicago, where my district is located, who are dedicated to the public service principles of providing safe, dependable, and efficient air transportation. In addition to these people, thousands of vendors who serve this corporation with goods and services will likewise feel the economic results of this act.

I could not permit this action to be taken against these American citizens without raising my voice in the loudest possible protest at what I consider to be an action which contradicts every good principle of friendship between nations, of reciprocity in the principle of mutual aid and of good practical judgment in an issue which could for years remain a thorn between American-British relations.

I hope that reason will prevail and that those of us who have supported greater understanding between nations will not have the added burden of explaining this unfair action against an American corporation by our traditional ally, Great Britain.

Mr. Speaker, I include with my remarks two excellent articles on this subject by A. J. Glass, which recently appeared in the New York Herald Tribune:

[From the New York Herald Tribune, Apr. 20, 1960]

CAPITAL SAYS IT CAN'T FIND BACKER OF VICKERS DEAL

(By A. J. Glass)

Debt-ridden Capital Airlines disclosed yesterday that it was obliged to guarantee payment on its purchase of 60 Viscount turboprop transports from Britain's Vickers-Armstrongs, Ltd., and they could not find out who had backed the deal.

It was learned, however, that the British Government had worked behind the scenes to promote the $67 million transatlantic contract and was also the agent to whom Capital, as a condition of the sale, had paid $800,000 in guarantee premiums.

Vickers-Armstrongs filed suit Tuesday in Federal court here to recover $33,841,973 it claimed was still due from Capital in payment for the transports. It asked the airline be placed in receivership and that the court foreclose a chattel mortgage on Capital's remaining fleet of 56 Viscounts.

Peter Garran, Britain's Commercial Minister to the United States, and D. C. Hill, a representative of Britain's Commercial Secretary in New York, declined to discuss their Government's role in the action. Neither would confirm that Britain had insured a large portion of the Capital-Vickers deal, but Mr. Hill said the extent and terms of such coverage were held confidential.

The British plane manufacturer is acting as trustee for unnamed secured promissory note holders to whom it has endorsed Capital's outstanding debts. A promissory note is essentially an ironclad proof of debt signed by the borrower.

A spokesman for Capital declared that despite "every effort by astute fiscal authorities" the carrier has as yet been unable to find out who holds the promissory notes and who has pledged to guarantee the defaulted debt.

Capital, he said, however, "strongly suspects" that the Export Credit Guarantee Department of Great Britain, an agency set up by Parliament to further British exports, stood behind the loan. The airline's spokesman contrasted the secret operations of the British interests with the public records kept by the Export-Import Bank, the agency of the U.S. Government which finances American exports.

The Export-Import Bank, as the British agency, will guarantee up to 85 percent of foreign deals against devaluation, political upheaval and (since last month) bad creditors.

The American bank, however, will consent to act as a principal party when foreign creditors default on its loans.

Capital further disclosed yesterday that under the $67 million deal, signed in 1954 and last amended January 1, 1956, it has paid Vickers-Armstrongs $34,300,000 in principal and nearly $10,800,000 in interest charges. In addition, the airline has paid $22,900,000 for parts and equipment, bringing the total cash flown across the Atlantic so far to $67,900,000.

The most recent payment, Capital said, was $523,000 it owed in interest charges (at 6¼ percent) for the first quarter of 1960.

In 1956, the carrier noted, it increased its orders for Viscounts from 60 to 75. According to Capital, the deal fell through when the airline could not get further British financing and an extension of the guarantee to cover the new order.

Steven Bross, a lawyer with Cravath Swaine & Moore, who is representing Vickers-Armstrongs before the U.S. Court for the Southern District of New York, said the guarantee situation was muddled.

[From the New York Herald Tribune, Apr. 24, 1960]

BRITISH GOVERNMENT MAY PLAY ROLE IN CAPITAL, VICKERS TALK—POSSIBLE LONDON PARLEY GIVES LINE A RAY OF HOPE

(By A. J. Glass)

If Lord Knollys, chairman of Britain's Vickers-Armstrongs, Ltd., agrees to meet in London with the chief officers of Capital Airlines in their climactic attempt to keep the carrier intact, it is virtually certain that the British Government will play a discreet role in the proceedings.

Capital, if it is to survive, must refinance the $34 million it owes to private British banking interests. And the British Government, which guaranteed a large part of the original $68,100,000 loan against default, must concur in that refinancing.

When Capital went 120 days in default in payments for its fleet of 56 Vickers-built Viscounts, the British foreclosed on the entire debt and placed the matter before a Federal court. Vickers had long since discounted Capital's notes to get needed working funds, but entered the action as "trustee" for British bankers while presenting a chattel mortgage it holds for almost the entire Capital fleet.

A BLACK WEEK

Drastic as it was, the court action filed Monday served only as the moanful overture to a black week for the Nation's fifth largest domestic airline. In short order:

Capital's president, former Air Force Gen. David H. Baker, announced the line must find immediate funds to keep going, probably will merge with another large carrier in the long run.

Capital's chairman of a year, George Hann, resigned and the directors, apparently deadlocked over a successor, failed to replace him.

Capital's first-quarter report revealed losses of $5,416,000, five times higher than last year.

Capital's Federal mentor, the Civil Aeronautics Board, launched a broad investigation of its affairs, gave the line, in effect, 45 days to justify its continued existence.

The week ended with a ray of hope—the possible trip to London and possible refinancing. If that could be arranged, informed observers felt, the line might be able to pull out of its immediate difficulties.

The 1954 Capital-Vickers deal, unhappily for Capital, was financed at 6¼ percent while other domestic American carriers were buying jets (usually, for much later delivery) with 4-percent loans. Capital, to date, has paid $10,800,000 in interest charges to the British and has yet to default on them.

Despite their sweeping court suit, the British do not want to ground Capital. If the planes were repossessed and put on the world market, it is doubtful buyers could be found who would ante up $34 million for them.

The suit, however, is a necessary step before Britain's Export Credits Guarantee Department (ECGD) will pay insured creditors. By longstanding British policy, a borrower must never know he is insured. The terms and extent of this insurance are also held confidential, although, in the Viscount deal, Vickers made Capital pay the premiums.

ECDG, which maintains its U.S. offices in New York, spends a good deal of its time investigating credit risks—a most important factor in whether it will offer to insure exporters. For a premium, it will cover 85 percent of the exporter's risk. All risks, however, and not just bad ones, must be covered.

CONCERNED WITH PRESTIGE

Britain, too, is concerned with the prestige of Vickers Viscount. Considered in airline circles as a fast, safe, and comfortable airliner, it nevertheless carries only 44 passengers, which cuts down on money making coach space and raises Capital's operating costs.

Capital also owns 10 Constellations, a dozen DC-4's and 20 DC-3's. Its shaky fiscal state has so far prevented it from financing new jets and several major deals have fallen through.

The airline, which did $106 million business last year, must first find ways to keep the Viscounts flying and then to make them pay. It does not have too long to find sorely needed answers.

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. REUSS. Mr. Speaker, I wish to commend the gentleman from Illinois for calling this matter to the attention of the House.

Capital Airlines is an important element in Milwaukee's communication system. It has recently improved markedly its service between Milwaukee and New York and Washington. As I understand it, the action of Vickers is about to force Capital into bankruptcy—for the first time in the history of American airlines.

I hope that our State Department, and the British Government, will promptly exercise their good offices so that Capital may be able to avoid the stigma of bankruptcy. A little forbearance in the next few days can go a long way.

THE STATE OF ISRAEL

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. ADDONIZIO] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, the story of Israel is perhaps as old as that of any country, but the story of the State of Israel, with its heroics and glories, is quite new. The beginning of Israel's story is buried in the dim and distant past, at the early dawn of human history. Long before the beginning of our Christian era there was the independent Kingdom of Judea in which the Jews lived in their chosen patriarchal ways, developed their mode of life, built their own political, religious and social institutions, and created their own civilization, perhaps one of the oldest in all history. Then centuries later, about 2,000 years ago, the Kingdom of Judea was overrun; the Jews lost their national political independence; they were evicted from their ancestral homeland and eventually dispersed to all parts of the world.

Since those far-off days nearly all Jews lived in dispersion. During that long period they suffered much; they endured proscriptions, discriminations, and a multitude of inequities and injustices in many lands. But they faced their almost endless vicissitudes with exemplary fortitude. Their spiritual and cultural heritage sustained their spirit of freedom and independence, and kept them spiritually bound together. Through centuries that unique heritage was carefully nurtured, jealously guarded, and kept alive. Finally, after long waiting and suspense, many of them were afforded the opportunity of returning to their ancient homeland at the end of the First World War. And in May of 1948, with the proclamation of Israel's independence, they launched once more upon an independent political existence.

That was just a dozen years ago, and the short period that separates 1960 from 1948 has been a period of miracles in the new State of Israel. This new Israel, though separated from its ancient predecessor by more than 2,000 years, stands for the same idea—freedom, independence, and the dignity of human being. Today, the 12-year-old State of Israel stands in the place of the Kingdom of Judea as a dynamic and powerful state, the true embodiment of the centuries-old Jewish faith. It is the living and shining testimony for the persistent and tenacious efforts put forth by self-sacrificing Jews for the common welfare and safety for all their needy and suffering kinsmen.

Besides providing a haven for roughly 1 million refugee Jews since its creation, Israel leaders have succeeded in making the State of Israel a model democracy in the midst of feudal and autocratic governments in the Middle East. By providing refuge, home, employment, and safety to needy Jewish refugees, the State of Israel has performed a great humanitarian task with distinction, and has had its rewards in gaining these industrious people as patriotic citizens. These new citizens, united with their coreligionists there, and with the generous financial aid from Jews abroad, have re-created their ancient land. They have proved their ability, resourcefulness, and ingenuity in the building and in the improvement of their country. With enthusiasm and energy they have turned much of the desert of the Negev into fertile and cultivable land, and the hills of Galilee into blossoming orchards. By the skillful use of science and the technical abilities of their people, by the erection of hydroelectric power stations, by building canals, by installing petrol refineries and by laying oil and water pipelines, Israeli leaders have successfully transformed arid and inhospitable hills and desert plains into industrial centers and productive farmlands. In numerous spheres of activity Israeli citizens have worked near miracles in a relatively short time. And what is more important in these perilous and anxious times, all Israeli citizens are prepared to guard their newly won freedom, re-created and reclaimed homeland, with extraordinary vigilance and uncommon bravery against all eventualities.

Today, the State of Israel is a new and encouraging political phenomenon in the Middle East. It is fast becoming the most industrialized urban country in the underdeveloped rural communities in that region. After 12 years of uneasy but busy and hopeful existence, the State of Israel can proudly claim the right to be recognized as an upstanding member of the family of nations. Under most hazardous circumstances and trying conditions, despite the multiplicity of difficulties and dilemmas, economic and fiscal hardships, and baffling political uncertainties, the people of Israel face the future with justified pride and supreme confidence. They continue their task of making Israel a viable state in the heart of the Middle East. I wish them peace, prosperity and happiness, and express my ardent wish that success will reward their efforts in creating a strong and stable state, one that will endure as a force for peace in the disturbed Middle East.

POPE THANKS LEVINSON FOR AID

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. LESINSKI] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. LESINSKI. Mr. Speaker, I am today inserting an article in the RECORD which I believe is a fine example of the fact that peoples of different nationalities and religions can assist each other and live in harmony when they respect the rights and values of others:

[From the Detroit Times, Apr. 27, 1960]

POPE THANKS LEVINSON FOR AID

VATICAN CITY, April 27.—Benjamin Levinson, head of Detroit's Franklin Mortgage Co., today had the personal thanks of Pope John for assistance he has given to the Catholic missionaries of SS. Peter and Paul.

After receiving Levinson and his wife Clara in a special audience, the Pope told them:

"The missionary cause of the church is its most important. We thank you for past and any future effort you may make in its behalf."

Levinson explained he was of Jewish faith and said he and his wife were overwhelmed by the Pope's kindness to them.

Pope John also thanked Michigan's Governor Williams for a personal letter to him

as well as for a gift medal of the Mackinac Bridge coda.

Levinson, beaming, presented two medals to the Pope, the one in the name of the State of Michigan, from the Governor; the other from Mayor Miriani.

The mayor's was a bronze medallion struck in commemoration of Detroit's 250th birthday year, 1951.

In a personal letter from the Governor which Levinson handed to the Pope, Williams said:

"The whole State of Michigan wishes you health, happiness, and the satisfaction of serving God and your fellow man in rich measure."

Earlier, Levinson was accorded the unusual honor of a personal tour of the papal apartments, including the Pope's study.

The Detroiter was also privileged to stand at the exact spot in the window of the papal apartments where the Pope imparts blessings upon crowds in St. Peter's Square below.

The square was bathed in bright sunlight yesterday as Levinson gazed upon it.

Levinson's road to the Vatican started about 15 years ago when, in his own words, "the Dominican Order in Detroit was trying to build a school and they were being pushed around."

He succeeded in obtaining Government approval to release scarce material and helped raise funds.

That was only the beginning and Levinson soon found himself assisting in the building of Austin Catholic High School and St. Michael's and later in projects at the University of Detroit.

He also helped the late Cardinal Mooney's fund drive for Boysville and similar projects before he met the P.I.M.E. missionaries of SS. Peter and Paul about 2 years ago.

Levinson became interested in the work of the missionaries in Asia, Africa, and South America and helped raise $86,000 last year at a $1,000-a-plate dinner in Detroit.

The fund will go toward building a seminary to be known as the Maryglade College for Missionaries in Memphis, Mich.

Levinson was made a Knight of Charity last November 18 when the dinner was held.

The superior general and other priests of the missionary order accompanied the Levinsons to the papal audience.

They presented him with a silver medal with a papal inscription expressing gratitude for efforts of Detroiters on their behalf.

Levinson promised an even bigger Detroit campaign to assist the cause of building the seminary. He said he would reveal details when he returns to Detroit.

The Levinsons flew to Nice, France, last night and will motor to the principality of Monaco today.

TRIBUTE TO FRANK MARSHALL

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I know that my colleagues join me in extending heartfelt sympathy to Congressman FRED MARSHALL, of Minnesota, whose father, Mr. Frank Marshall, died on May 2. The staff of Congressman MARSHALL has prepared a moving tribute to his father and the principles and ideals for which he worked throughout his lifetime. At this time, I would like to include this tribute to Mr. Frank Marshall in the RECORD:

TRIBUTE TO MR. FRANK MARSHALL

(From the office of Congressman FRED MARSHALL)

Dear friends, all of use are saddened this week by the death of Mr. Frank Marshall, the father of Congressman MARSHALL. He was known to some of you as a personal friend and to all of you as one of the pioneers in the struggle for economic equality for agriculture.

His death at the age of 82 ends a life dedicated to the welfare of farm families and the improvement of farming. The first county agricultural agent in the State of Minnesota, Mr. Marshall was an active participant in most of the farm programs and farmer organizations of his time.

As rural communities around the Nation prepare to observe the 25th anniversary of the rural electrification program next week, we can recall that Mr. Marshall was a promoter of one of the first farmer-owned electric cooperatives in Minnesota.

Others will remember his work with the Resettlement Administration and its successor agencies, the Farm Security Administration, and the Farmers Home Administration.

Most of all, he will be remembered as a great and good citizen who loved his country and its people intensely. His unashamed patriotism was reflected in every word he spoke and moved his audiences to a deep and abiding personal respect for the principles upon which the Republic is founded.

In a personal conversation or from a public platform, his words—at once colorful and sincere—reflected his own firm commitment to the welfare of human beings. To him, the brotherhood of man was not a humanitarian fancy but a reality of daily life.

He was first and foremost a farmer but his interests were unbounded. Any thing that touched human life was within his concern. His keen and restless mind had a special facility for going directly to the heart of a problem, not for the sake of idle speculation, but as a source of action.

His love of the soil and the people who work it inspired all who worked with him. In some notes he was preparing last week for a forthcoming speech on agricultural appropriations, Congressman MARSHALL wrote:

"As a small boy, I accompanied my father, then a county agent, on some of his trips. I heard him discuss with farmers the need for crop rotation in an area where wheat was the principal cash crop. I heard him discuss with farmers the need for growing a cultivated crop like corn and the advantage of putting land into legumes to restore humus to the soil. These things impressed upon me the importance of technical know-how in farming operations."

Over the years, Congressman MARSHALL has repeatedly referred to his father in committee hearings and in speeches in the House of Representatives. Always, he emphasized the practical value of his father's teaching. This was yet another facet of Frank Marshall as a pioneering agriculturist—he was an eminently practical man who wanted always to put knowledge to work in the cause of men.

He realized, however, that farm operations alone do not make for the success of agriculture. The farmer must also become involved in making farm and economic policy. He immediately recognized the interdependence of the farmer, worker, and businessman in an economy as complex as ours.

This grasp of the immensity of our country and the complexities of its problems in a troubled world is a mark of the whole man.

Thus, the role of one man is an important one. As George Washington said, "I know of no pursuit in which more real and important service can be rendered to any country than the improvement of its agriculture."

In this cause, Frank Marshall was a good and faithful servant.

Eternal rest, grant unto him, O Lord.

THE STAFF.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HOFFMAN of Michigan, for the balance of this week and all of next week, on account of official business.

Mr. CHAMBERLAIN (at the request of Mr. HALLECK), for Friday, May 6, 1960, on account of official duties as member of Board of Visitors to U.S. Coast Guard Academy.

Mr. MAILLIARD, for the remainder of this week, on account of official duties as member of Board of Visitors, U.S. Coast Guard Academy.

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. BURDICK, for 10 minutes, today.

Mr. PUCINSKI, for 15 minutes, today, and to revise and extend his remarks.

Mr. FLYNN, for 1 hour, on Thursday, May 12.

Mr. COFFIN (at the request of Mr. SANTANGELO), for 30 minutes, on Tuesday next.

Mr. CURTIN, for 15 minutes, on May 6.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MCGOVERN and to include extraneous matter.

Mr. BURDICK and to include extraneous matter.

Mr. ROBISON.

Mr. PELLY, to revise and extend his remarks made during debate on H.R. 11998 and to include extraneous matter.

Mr. SCHENCK, to revise and extend his remarks in his special order today and to include a resolution.

Mr. GATHINGS.

Mr. FLOOD (at the request of Mr. SANTANGELO), in the body of the RECORD following his remarks today on the defense appropriation bill and to include extraneous matter.

(At the request of Mr. CURTIN, and to include extraneous matter, the following:)

Mr. MCDONOUGH.

Mr. BROOMFIELD.

Mr. CURTIS of Missouri.

Mr. HESS.

Mr. GLENN.

Mr. BATES.

(At the request of Mr. SANTANGELO, and to include extraneous matter, the following:)

Mr. HOLTZMAN.

Mr. MULTER.

Mr. THOMPSON of Louisiana.

Mr. ANFUSO in two instances.
Mr. FISHER.
Mr. BARR.
Mrs. KELLY.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 477. An act for the relief of Joanne Lea (Buffington) Lybarger; to the Committee on the Judiciary.

S. 1447. An act to amend section 161, title 35, United States Code, with respect to patents for plants; to the Committee on the Judiciary.

S. 1781. An act to facilitate cooperation between the Federal Government, colleges and universities, the States, and private organizations for cooperative unit programs of research and education relating to fish and wildlife, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 2452. An act to permit the establishment of through service and joint rates for carriers serving Alaska or Hawaii and the other States and to establish a joint board to review such rates; to the Committee on Interstate and Foreign Commerce.

S. 2765. An act for the relief of Sofia Skolopoulos; to the Committee on the Judiciary.

S. 2776. An act for the relief of Raymond Thomason, Jr.; to the Committee on the Judiciary.

S. 2799. An act for the relief of Santo Scardina; to the Committee on the Judiciary.

S. 2939. An act for the relief of Dr. Chien Chen Chi; to the Committee on the Judiciary.

S. 3072. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States; to the Committee on Foreign Affairs.

S. 3106. An act to change the title of the Assistant Director of the Coast and Geodetic Survey; to the Committee on Merchant Marine and Fisheries.

S. 3189. An act to further amend the shipping laws to prohibit operation in the coastwise trade of a rebuilt vessel unless the entire rebuilding is effected within the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S.J. Res. 166. Joint resolution authorizing the Architect of the Capitol to permit certain temporary and permanent construction work, on the Capitol Grounds in connection with the erection of a building on privately owned property adjacent thereto; to the Committee on Public Works.

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. 7947. An act relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association;

H.R. 8684. An act to provide traditional provisions for the income tax treatment of dealer reserve income;

H.R. 9660. An act to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, and for other purposes; and

H.R. 10234. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

ADJOURNMENT

Mr. SANTANGELO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Friday, May 6, 1960, 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:

2124. A letter from the Comptroller General of the United States, transmitting a report on review of selected supply activities at the San Bernardino Air Materiel Area (SBAMA), Department of the Air Force; to the Committee on Government Operations.

2125. A letter from the Clerk, U.S. Court of Claims, transmitting certified copies of the court's opinion in the case of *Fawick Corporation* v. *The United States*, Congressional No. 4–57, pursuant to sections 1492 and 2509 of title 28, United States Code, and to House Resolution 385, 85th Congress; to the Committee on the Judiciary.

2126. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of James Jorgensen also known as Bjorn Svend Vike, A7910549, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

2127. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Rita Maria Henriette Kerschner, formerly Lotze, nee Hardwigsen, A8245827, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

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. LANE: Committee on the Judiciary. H.R. 8606. A bill for the relief of Katherine O. Conover; with amendment (Rept. No. 1590). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSEN of Minnesota:

H.R. 12081. A bill to amend title II of the Social Security Act to provide minimum benefits under the old-age and survivors insurance program for certain individuals at age 72; to the Committee on Ways and Means.

By Mr. BENNETT of Michigan:

H.R. 12082. A bill to provide a different basis for determining the amount of money to be made available to the State of Michigan because of the location of national-forest lands within such State, and for other purposes; to the Committee on Agriculture.

By Mr. DANIELS:

H.R. 12083. A bill to provide for Federal grants and contracts to carry out projects with respect to techniques and practices for the prevention, diminution, and control of juvenile delinquency; to the Committee on Education and Labor.

By Mr. FULTON:

H.R. 12084. A bill to provide for the free transmission in the mails of magazines sent by certain nonprofit organizations in the United States to similar organizations overseas; to the Committee on Post Office and Civil Service.

H.R. 12085. A bill to amend title 38 of the United States Code in order to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

H.R. 12086. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas; and for other purposes; to the Committee on Education and Labor.

By Mr. GEORGE:

H.R. 12087. A bill to amend the Federal Trade Commission Act to strengthen independent competitive enterprise by providing for fair competitive acts, practices, and methods of competition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 12088. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease and desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. KILDAY:

H.R. 12089. A bill to amend title 10, United States Code, to bring the number of cadets at the U.S. Military Academy and the U.S. Air Force Academy up to full strength; to the Committee on Armed Services.

By Mr. LANE:

H.R. 12090. A bill to increase the amount of damages awarded for unjust conviction and imprisonment; to the Committee on the Judiciary.

By Mr. METCALF:

H.R. 12091. A bill to further amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for 1 year the authority under such act; to the Committee on Interior and Insular Affairs.

By Mr. PATMAN:

H.R. 12092. A bill to amend the Government Corporation Control Act, as amended, to provide that the Federal Deposit Insurance Corporation shall be subject to annual budget review by the Congress; to the Committee on Government Operations.

By Mr. PELLY:

H.R. 12093. A bill to strengthen State governments, to provide financial assistance to States for educational purposes by returning a portion of the Federal taxes collected therein, and for other purposes; to the Committee on Education and Labor.

By Mr. WHARTON:

H.R. 12094. A bill to provide for the issuance of a special postage stamp in commemoration of the 100th anniversary of the founding of Vassar College; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON of Colorado:

H.R. 12095. A bill to amend the Federal Trade Commission Act to strengthen independent competitive enterprise by providing for fair competitive acts, practices, and methods of competition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SHELLEY:

H.R. 12096. A bill to further amend the shipping laws to prohibit operation in the coastwise trade of a rebuilt vessel unless the entire rebuilding is effected within the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SLACK:

H. Con. Res. 684. Concurrent resolution to create a Joint Committee on a National Fuels Policy; to the Committee on Rules.

H. Con. Res. 685. Concurrent resolution expressing the sense of Congress that the United States should not grant further tariff reductions in the forthcoming tariff negotiations under the provisions of the Trade Agreements Extension Act of 1958, and for other purposes; to the Committee on Ways and Means.

By Mr. LATTA:

H. Con. Res. 686. Concurrent resolution requesting the Congress to extend its greetings and felicitations to Bowling Green State University on the occasion of the 50th anniversary of its founding; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. Res. 522. Resolution to authorize the Committee on Post Office and Civil Service to conduct a special investigation and study with respect to the employment, utilization, and retention of older workers in the civilian service of the Federal Government; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRADEMAS:

H.R. 12097. A bill to authorize the posthumous award of the Congressional Medal of Honor to the late Comdr. William B. Cushing of the U.S. Navy; to the Committee on Armed Services.

By Mr. FARBSTEIN:

H.R. 12098. A bill for the relief of Toy Wing Soon; to the Committee on the Judiciary.

By Mr. FULTON:

H.R. 12099. A bill for the relief of the York Airport Authority of York, Pa.; to the Committee on the Judiciary.

By Mr. GARY:

H.R. 12100. A bill for the relief of William C. Winter, Jr., lieutenant colonel, U.S. Air Force (Medical Corps); to the Committee on the Judiciary.

By Mr. MUMMA:

H.R. 12101. A bill for the relief of World Games, Inc.; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 12102. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of the heirs of Gen. John C. Fremont, the city of San Francisco, and all other persons against the United States arising out of the seizure of certain real property by the United States in 1863; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

454. Mr. STRATTON presented a petition of 198 members of the International Ladies' Garment Workers' Union, residents of the 32d Congressional District, New York, urging enactment of H.R. 4488, the minimum wage bill, which would increase the minimum wage level to $1.25 per hour, which was referred to the Committee on Education and Labor.

EXTENSIONS OF REMARKS

Flame of Freedom—Powerful in Poland

EXTENSION OF REMARKS
OF
HON. WILLIAM H. BATES
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1960

Mr. BATES. Mr. Speaker, earlier this month, we marked with appropriate addresses, Poland's Constitution Day, the equivalent of our Fourth of July.

Through our participation in this important event, we told the Polish people that Americans have not forgotten a pledge to help Poland restore her freedom and independence and to welcome her back to the Western family of nations.

We are proud to give strong support to the hopes and aspirations of our Polish friends who, through no fault of their own, have been forced to endure Soviet oppression and to live in a twilight zone between the darkness of tyranny from the East, and as yet, the unsteadily flickering rays of encouragement and moral and economic aid from the West. One thing we may be certain and that is of Poland's desire to remain free and to fight until this goal is achieved.

Despite Communist pressures and renewed efforts to re-Stalinize the hated system of government, the situation in Poland, due to the unbending will of the Poles, faithful in allegiance to the Western civilization, is and will continue firm. I am sure that the problems of Poland and other nations under the yoke of the Soviets, will be uppermost in the minds of the President when he attends the summit meeting shortly.

Poland has made notable contributions to our own freedom and liberty and her great leaders, Casimir Pulaski, Ignace Jan Paderewski, Frederic Chopin, and others enriched the world by their life and spirit.

I am proud to say that thousands of my constituents in the Sixth Massachusetts District are of Polish extraction and they are justly proud of the Polish record in developing our own country. The freedom and liberty they have here they wish to share with their brothers and sisters in Poland. We must do all we can to achieve this cherished dream of freedom.

Support for Adequate Minimum Wage

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1960

Mr. ANFUSO. Mr. Speaker, a heartening development in our generation has been the closer relationship among the great religious faiths in our Nation. While each has properly retained its own religious concepts, its own approach to the common goal of salvation, there has been a growing realization that there is a great community of interests, a wide area for joint or parallel action, by people of all faiths.

A striking illustration is in the matter of protection for the least-privileged and the lowest-paid members of society. We find the great religious bodies, Protestant, Catholic, and Jewish alike, speaking out with increasing vigor on this question.

Just as they share a tradition of charity, these great faiths share the conviction that the laborer is worthy of his hire. The principle of a living wage for every toiler was a part of God's law, long before necessity made it a part of man's.

It was in this spirit that a recent convention of the National Council of Jewish Women, with 110,000 members throughout the country, reaffirmed its support of a social program that includes a better wage-hour law. I ask unanimous consent to insert in the RECORD a copy of the council's resolution, which reads as follows:

RESOLUTION ON FAIR LABOR STANDARDS ACT

The National Council of Jewish Women believes that the economic policies and programs of Government have a major influence on the total well-being of the American people.

It, therefore, resolves to favor maintenance of adequate minimum wage and maximum hour standards with safe and sanitary working conditions.

Ike Speaks Out on the Farm Problem

EXTENSION OF REMARKS
OF
HON. GEORGE S. McGOVERN
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1960

Mr. McGOVERN. Mr. Speaker, in view of President Eisenhower's repeated use of the veto to block farm legislation passed by the Congress, there has been considerable speculation of late as to what type of farm bill Congress could pass that would be acceptable to the President. Trying to clarify the situation, a newsman directed a question to the President at a recent press conference as to his attitude on farm legislation. The President's answer as reported by columnist Peter Edson was as follows:

Now, if there were any kind of reasonable plan that connected with other features of the thing they could bring something about

that seemed reasonable and fair to the farmers, well, I would be glad to look at it and, because as I say, if it looks reasonable to me, I will approve it because I am just to this point—I know that we are in a bad fix, the farmers are, and I have had correspondence recently with some of my farmer friends because, individuals, to get statistics.

Mr. Speaker, I trust that this clarion call from the White House will inspire the Congress to be a little more reasonable about farm legislation.

The Festival of Jeanne D'Arc

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1960

Mr. MULTER. Mr. Speaker, on May 8 the people of France and their friends throughout the world celebrate one of the great national French festivals—the commemoration of Jeanne d'Arc.

This young girl—a strange combination of warrior, maiden and saint—is one of the most intriguing figures in history. Her tragic, romantic and heroic life has long been a favorite subject of literature, either as a symbol of an innocent martyrdom, a victim of narrow, self-seeking despotism and treason, or in some cases, simply as a model to inspire and delight the young.

But for the French, Jeanne the maid is something more than just a figure of literature. She is the essence of French patriotism, the God-appointed instrument for preserving the unity and integrity of France. That is why they celebrate her memory today with such awe and honor.

The Maid Jeanne appeared on the stage of history at a very critical time for France. Early in the 15th century the English were in control of northern France, including Paris, and were threatening to dominate their entire country. The English monarch also claimed the French crown. In a word, France was in mortal danger of losing its independence.

The French claimant to the crown was Charles, the Dauphin. In 1428 he was hard pressed because the English were threatening the key city of Orleans. If this city fell, an important barrier to an English advance toward the south would be gone. At this juncture the young, uneducated girl Jeanne—just about 17 years old—was brought to Charles maintaining that she had been commissioned by God to see Charles crowned and to save France. In her father's village, Domremy, Jeanne had for a long time heard voices and seen visions of the Archangel Michael, St. Catherine and St. Margaret. From them she had received her mission.

Charles was so impressed that he placed her arrayed in white armor at the head of a force and she bravely led the march which defeated the English at Orleans. This victory was followed by others and soon the beginning of the end appeared for the English invaders. To the French she became a saint sent to deliver them from their foes.

Unfortunately, she was captured by the enemy and most of us know from the many literary versions of it how she was forced to undergo a long trial as a witch and eventually was burned at the stake. But in the flames that consumed her, she became immortal, forever enshrined in the hearts of her countrymen, and for all men an everlasting symbol of courage, innocence, patriotism, and the ascendance of nobleness of character over the forces of selfishness, revenge and pride.

We join with our French friends in paying homage to this heroine of all mankind.

J. Edgar Hoover

EXTENSION OF REMARKS
OF
HON. WILLIAM E. HESS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1960

Mr. HESS. Mr. Speaker, under permission granted me to extend my remarks, I want to point up the outstanding record of one man, J. Edgar Hoover, who celebrates 36 years as Director of the Federal Bureau of Investigation on May 10, 1960.

In 1924 he accepted a challenge. Applying devotion to ideals, dedication to principle, belief in democratic processes, and faith in God Almighty, he converted the investigative arm of the Department of Justice from a political menagerie to the highly efficient, most respected law enforcement agency in the world—today's FBI.

With the blessing of then Attorney General Harlan Fiske Stone, he accepted the responsibility as Director of the Federal Bureau of Investigation and installed the merit system for promotion, rigid requirements for appointment, high physical standards, careful selection of all personnel, complete training of employees, a chain of command competently supervising every facet of operation, and an internal inspection system that developed the FBI as the world's greatest collector and reporter of evidence and fact.

Unselfishly and believing fervently in the basis of the American system of law enforcement, with mutual cooperation on all levels, Mr. Hoover established the FBI Laboratory. For 28 years this division has been a service arm of the FBI—a service freely available to and widely used by other law-enforcement officers in all branches of the law-enforcement profession.

For 25 years the FBI National Academy has been training police executives and instructors following Mr. Hoover's basic belief in the importance of law enforcement as a career and his ideal of law enforcement as a profession. Pounding home the importance of training, Mr. Hoover, with the FBI, has seen that thousands of police schools each year are conducted for law enforcement throughout the country.

Regimenting his own life to the highest standards of personal conduct, he has instilled in his own FBI team an unquenchable spirit of dedication and loyalty. The long years of service by many employees attest to his example and what he expects each fellow worker to be as a representative of the FBI. In Cincinnati I am well acquainted with the FBI. Speaking for the people in my area in Ohio, I have found these men and women to mirror the ideals of this extraordinary executive.

Were it not for Mr. Hoover's foresightedness in recognizing the menace of totalitarianism, his straightforward battle against communism, I strongly submit that we would not today be enjoying the American way of life as we now have it.

With the advent of Mr. Hoover's 36th anniversary as Director of the FBI on May 10, 1960, I, with great pride, offer this salute to America's most potent weapon in the war on crime and subversion.

Tribute to Colonel Olmstead, Engineer in Charge of U.S. Construction on St. Lawrence Seaway

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Thursday, May 5, 1960

Mr. WILEY. Mr. President, the completion of the St. Lawrence Seaway in 1959 marked one of the great steps of progress—economically as well as engineering and construction—in American history.

Now that the job is done, the Nation—and particularly the Great Lakes—must look forward to resolving the additional problems relating to promoting greater trade and commerce through the seaway, as well as the reaping of benefits of this economic lifeline between our country and the world.

The translation of the idea of a deep sea waterway into the heartland of America was, as we all recognize, the outgrowth of the vision, effort, skill and foresight of many great men. The country, I believe, owes a debt of thanks to all—from President Eisenhower who backed the project to the pick-and-shovel man—who helped to tame and harness the mighty waters of the St. Lawrence into a trafficable road of commerce.

Regrettably, it is not possible to pay adequate tribute to each and every one of these individuals who transformed the dream of a deep sea passageway to other countries of the world into a reality.

As time and opportunity permit—and in accordance with our traditions—I believe, however, we must make an effort

to pay tribute where tribute is due. Today, I want to call attention to the work of one individual whose competence, courage, and great engineering ability are indelibly imprinted on the St. Lawrence Seaway—that is Col. Loren W. Olmstead. Colonel Olmstead was in charge of the engineering and construction work of the U.S. part of the seaway.

Recently, I was privileged to be joined by my colleagues, Senator Javits and Senator Keating, of New York, in paying tribute to Colonel Olmstead, respectfully recommending to the President recognition of his outstanding work. At this time, I ask unanimous consent to have a copy of a joint letter—urging appropriate recognition of Colonel Olmstead's work—sent to President Eisenhower, printed in the CONGRESSIONAL RECORD.

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

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
May 3, 1960.

Hon. DWIGHT D. EISENHOWER,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with longstanding American tradition of giving recognition and tribute to worthy individuals for a job well done, we wish to pay tribute to Col. Loren W. Olmstead, Deputy Chief of Engineers, Corps of Engineers, U.S. Army.

Colonel Olmstead's outstanding military career includes distinguished service on many flood control projects as well as the development of Buffalo Harbor and extensive improvements to Niagara Falls. His competence and technical ability were evidenced to the fullest when he served as district engineer at Buffalo, N.Y., in charge of the U.S. construction on the St. Lawrence Seaway. Due in large part to Colonel Olmstead's skill and untiring efforts, this magnificent undertaking resulted in a modernized seaway and is today contributing immeasurably to America's defense and commercial and industrial development.

In light of his long, productive career in the service of his country, we respectfully urge consideration of Colonel Olmstead for such recognition, including advancement in rank, which, in your judgment, is warranted.

With high esteem and all good wishes.

Very sincerely yours,

ALEXANDER WILEY,
U.S. Senator.
JACOB K. JAVITS,
U.S. Senator.
KENNETH B. KEATING,
U.S. Senator.

Defense Appropriations

EXTENSION OF REMARKS
OF
HON. JOSEPH W. BARR
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1960

Mr. BARR. Mr. Speaker, today we are preparing to vote on a defense appropriation bill in excess of $39 billion. Surely any of us in this Chamber should be prepared to go back to his district and explain how we are spending this money. So far as I am concerned the 79-page report explaining this bill might as well have been printed in Turkish. It would tell me just about as much. I do get an idea from the bill, from the report, and from the debate as to what direction the Committee is pointing our defense efforts. I do not get much else.

This bill will probably cost my State of Indiana just about $1 billion in fiscal 1961. It will cost my congressional district about $200 million. On a very arbitrary basis and not taking into account corporation taxes, this figures out to about $1,000 per family in Marion County, Ind. Surely it is not too much to ask to have an explanation of what is going on.

What is the trouble? Why can I not understand it? Why can I not explain it? The answer is simply that the Department of Defense and the Appropriations Committee insist on an antiquated accounting system that General Grant would have understood beautifully, but which makes no sense in an age of missiles, satellites, and nuclear submarines.

Since General Grant's time a whole new concept of accounting emerged because the old cash systems just did not accurately describe industrial processes. Andrew Carnegie helped start a revolution in accounting about 70 years ago that is completely accepted by industry and that is completely understood by most of the men in my generation who have had a business career. This was called the cost accounting and accrual approach, and basically it was designed to draw a picture of a flow of production. This system was designed to portray the flow of production from prior years, into the present, and on into the future. It realized that the old system of splitting production up year by year just did not make sense.

Let us just take a look at some figures that will illustrate what I am trying to say. The Defense Department will start fiscal 1961 in July with $6½ billion in unobligated balances. This means simply that we in the Congress last year or in previous years gave them authority to enter into contracts, and they have not yet used all this authority.

The Defense Department will start fiscal 1961 with unexpended balances of about $31 billion. This is the money due on contracts where the submarines, planes, or missiles have been ordered but not yet delivered or paid for.

How can I go back to my district and say, "I voted for $39 billions of new authority to spend money for the Defense Department and yet they already have 31 billion they have not spent?" I could explain this on an accrual basis that showed the flow of money and production through Defense. I cannot explain it on this obligation system of accounting.

Nowhere in these 79 pages can I find the inventories of the armed services. I have not the vaguest notion how much stock they have on hand. I do not have any idea as to whether they will increase their inventories, decrease the inventories, or stay the same.

The 85th Congress passed a law by an overwhelming vote showing that the Congress wanted to get budgets on an accrual basis. That bill was H.R. 8002, now Public Law 759. So far the Defense Department and the Appropriations Committee have practically ignored this law. So today Mr. Speaker, I am voting "no" on this defense bill. I am not doing this in spite. I have a vast respect for Mr. MAHON and Mr. FORD. They are unquestionably two of the ablest Members of this Congress. If the vote is close, I will change my vote to "aye," because I trust their judgment. But someone, somewhere has to start screaming about this archaic accounting. Someone must yell for figures that can be explained. I know of no better way to express my conviction than by a "no" vote.

U.A.R. Blockade of the Suez Canal to Israeli Shipping

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1960

Mr. HOLTZMAN. Mr. Speaker, under leave to extend my remarks, I would like to include herewith a letter I have today sent to President Eisenhower on the Israeli-U.A.R. situation.

The letter refers specifically to the President's response to a question directed to him at his press conference last week by Lillian Levy of the National Jewish Post and Opinion on the continued closure of the Suez Canal to Israeli ships and shipping.

I believe the letter, which follows, is self-explanatory:

MAY 4, 1960.

Hon. DWIGHT D. EISENHOWER,
The President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am appalled at the presumed helplessness of our great Nation in international affairs, as apparently indicated by your response to a question on the Suez situation at your last news conference.

If you are quoted accurately and if my summary is essentially correct, you stated, in substance, that the U.A.R. blockade of the Suez Canal to Israeli shipping is in violation of the U.N. resolutions; that your efforts and those of Mr. Hammarskjold to reverse or at least ameliorate the situation have been fruitless; but that short of force we are helpless to do anything about it.

Has our prestige sunk so low? I personally cannot believe it.

You will undoubtedly recall the ominous threat of sanctions directed against Israel in 1956 if she did not immediately withdraw from Sinai; also your assertions on the subject and the Israeli assumptions on which its withdrawal was predicated.

Our justification for the then threat of sanctions was our righteous attitude that regardless of the degree of provocation Israel could not or should not, under the international code as adopted by the U.N., retaliate by force.

May I respectfully ask whether there is a distinction between force by armed might as against the slower but equally deadly process of economic strangulation? Is it any

less evil if committed by silent pressure on the windpipe rather than by gunfire? Is Nasser above the international code? Should not sanctions be just as properly and effectively applied against him? Have we in fact fulfilled our international obligations by piously asserting that we do not condone the U.A.R.'s acts of blockade, boycott, and blacklist?

Do we rightly accept at face, as a valid defense, Nasser's assertions that he can do what he pleases because he is ostensibly at war with Israel? If so, should the World Bank—which we in effect control—assist a belligerent by lending him money for one purpose so that he can divert other funds to wage a more extensive and effective war against another member of the U.N.? Is the fact that there is an Arab refugee problem an excuse for international piracy and blackmail, having in mind particularly that there are refugee problems all over the world involving some 30 million other people, such as in Pakistan, India, Hong Kong, etc? Prime Minister Ben-Gurion has indicated a desire and willingness to discuss all phases of the refugee problem, but the intransigence of the Arab has made this virtually impossible.

These are some of the questons we must ponder over and find answers to. Shrugging our shoulders hopelessly will not resolve them.

Our State Department under the late Mr. Dulles was criticized for its theory of massive retaliation. Is not the present attitude of our State Department correspondingly subject to criticism for its apparent policy of massive and humiliating retreat when subjected to strong enough Arab protest?

I respectfully submit that you now have an effective weapon in your hands if you care to use it, in the form of a declaration by both Houses of Congress, and surprisingly enough from both parties, as to how, in the view of Congress, our security program should be administered. The world, I submit, will watch to see whether we continue to hand out our funds with our eyes closed and purport to pursue what we choose to call equality when it, in fact, amounts to injustice. Or will we act firmly as morality, rather than expediency, dictates, and thus reestablish our national dignity in the eyes of the world?

Respectfully yours,

LESTER HOLTZMAN,
Member of Congress.

Views of the Citizens of the First Congressional District of Arkansas

EXTENSION OF REMARKS
OF
HON. E. C. GATHINGS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1960

Mr. GATHINGS. Mr. Speaker, over the past several weeks it has been my policy to seek the views and observations of the citizens of the First Congressional District of Arkansas on a number of important matters currently under study by the Congress. To secure these views, I have prepared and mailed throughout the 10 counties of the First District a questionnaire and I have now tabulated the results of that poll.

At this time I should like to present the tabulation for the information of the Members, and should any Member care to examine the results further and to read some of the interesting comments and amplifications of the replies given by these citizens, it would be a pleasure to have them visit my office.

I might add that this questionnaire was sent to all segments of the economy in eastern Arkansas—farmers, merchants, workingmen, teachers, public officials, and housewives. The results indicate that these fine citizens are well informed on public affairs and that they have reached definite opinions on these problems confronting the Congress.

One other word of explanation—the last question asked was "Who is your choice for the next President of the United States?" Following this question was a blank space and the citizen was invited to write in the person of his choice. No selection of candidates was offered, and the names written in were entirely those selected by the persons questioned.

I am grateful to these splendid citizens for favoring me with their views and comments on these questions, and I trust that Members will find them of interest and assistance in their own studies of these problems.

The questions and the tabulation follows:

(1) Do you favor continuing military and economic aid to friendly nations? Yes, 76 percent; no, 18 percent; no opinion, 6 percent.

(2) Do you favor our Government acknowledging Communist China? Yes, 11 percent; no, 83 percent; no opinion, 6 percent.

(3) Do you favor a firm stand on the question of Berlin? Yes, 92 percent; no, 4 percent; no opinion, 4 percent.

(4) Do you believe we should defend Formosa? Yes, 69 percent; no, 15 percent; no opinion, 16 percent.

(5) Do you favor the United States making grants to States for the building of classrooms in our schools? Yes, 30 percent; no, 67 percent; no opinion, 3 percent.

(6) Do you favor continued reliance on local and State support for teachers' salaries rather than Federal grants for this purpose? Yes, 78 percent; no, 20 percent; no opinion, 2 percent.

(7) Do you favor Federal legislation to tighten taxation of cooperatives? Yes, 69 percent; no, 27 percent; no opinion, 4 percent.

(8) Should parents be given deductions on their income tax for tuition paid for children who attend college? Yes, 70 percent; no, 27 percent; no opinion, 3 percent.

(9) The Forand bill, H.R. 4700, would provide paid-up hospitalization, nursing, and surgical insurance for those drawing social security benefits, to be paid for by increasing the employee-employer payroll tax. Are you in favor of this proposed legislation? Yes, 26 percent; no, 70 percent; no opinion, 4 percent.

(10) Do you favor the Federal Government being given more authority to regulate radio and television programs? Yes, 36 percent; no, 56 percent; no opinion, 8 percent.

(11) Do you favor the enactment of a Federal fair-trade act for the benefit of our local merchants? Yes, 40 percent; no, 49 percent; no opinion, 11 percent.

(12) Do you believe we should reduce Government costs and maintain a balanced budget even if it will mean reduction of certain services to the people? Yes, 81 percent; no, 14 percent; no opinion, 5 percent.

(13) Who is your choice for the next President of the United States? Johnson, 21 percent; Kennedy, 10 percent; McClellan, 6 percent; Nixon, 6 percent; Symington, 5 percent; Stevenson, 5 percent; Humphrey, 3 percent; others, 14 percent; undecided, 30 percent.

Dedication Ceremonies at Jewish Hospital of Brooklyn, N.Y.—Address by Senator Kenneth B. Keating, of New York

EXTENSION OF REMARKS
OF
HON. EDNA F. KELLY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1960

Mrs. KELLY. Mr. Speaker, the Jewish Hospital of Brooklyn, which is nonsectarian, is located in the 10th Congressional District, which district I have the honor and privilege to represent. On Sunday, May 1, dedication ceremonies of the new wing to this great institution were held. It is the hope of all to create here a greater center of healing and research. This noteworthy institution has already established a mark in medical history as the institution in which the Rh factor was discovered. This alone has added so much to the protection of families and persons to which we all are dedicated.

There was a magnificent representation of public officials—doctors of neighboring institutions, the president of the Borough of Brooklyn, Hon. John Cashmore, and the mayor of the city of New York, Hon. Robert F. Wagner. They as well as I were proud to participate in these dedication ceremonies. My colleague, the Honorable KENNETH B. KEATING, of New York, gave the following address to the noteworthy assemblage:

TEXT OF ADDRESS BY SENATOR KENNETH B. KEATING AT DEDICATION CEREMONIES OF NEW PAVILION OF THE JEWISH HOSPITAL OF BROOKLYN, BROOKLYN, N.Y., SUNDAY, MAY 1

Mr. Chairman, Mr. Leviton, ladies and gentlemen, this is an occasion my heart would not let me miss. I feel, in a sense, like the man who was present when the acorn of hope was planted, and who returns to join in admiration at the sight of the great full-grown oak of acccomplishment. For, in 1958, at the 60th anniversary dinner of the Brooklyn Jewish Hospital, it was my high privilege to pay tribute to the blueprint of a dream that stands before us today as a towering citadel of accomplishment.

There are two ways in which one can view the magnificent new pavilion which opens its doors to humanity this day. We can see it with the physical eye, and marvel at the stone and steel immensity of it—the infinite complexity of its modern equipment, the amazing scope of its medical facilities. Or—and this is the view I would take with you today—we can see it with the vision of the human heart—and here, here only, do we peer through to the true significance, the enduring spiritual achievement that the building of this splendid pavilion represents.

For the human heart sees not the cold beauty of towers and steel, but the warm compassion of this dwelling place. It sees not the electronic wonders, but the relief from pain, the surcease of sorrow, the hope

of healing that those wonders exemplify. The heart does not count the bricks and the girders. It counts the blessings—it counts the smiles of those healed and made happy—it counts the lives saved and the lives extended—it counts the tender acts of care and kindness—the days and the years of care and kindness that will make this great pavilion a monument not merely to those who built it but especially to those who are to labor in it, who are to dedicate the supreme gifts of their skill and their love to the conquest of pain, the conquest of sorrow.

And the heart looks deeper still to see the true meaning of this great home of healing. It looks back across the years to the brave and good people who—before the turn of the century—joined their wealth of humanitarianism with their poverty of resources to open that tiny dispensary at 70 Johnson Street here in Brooklyn—that dispensary built mostly on love and hope—but whose creation was the seed that has now come to the full and glowing flower in the present justly famous Jewish Hospital of Brooklyn.

In this magnificent and inspiring story of growth, we find the spirit of America. We find, as well, the spirit of Israel. And, indeed, I believe it to be a common spirit, a spirit shared—the striving of the human soul to ever higher levels of achievement, of richer self-fulfillment.

When I speak of Israel, I speak from my personal experience—one of the deepest and most moving experiences of my life. It was my privilege to visit that dynamic young Republic last November, to attend the dedication ceremonies of a forest in the Judaean hills. The Israeli Government paid me the high and memorable honor of naming this new forest project "The Ken Keating Forest," and I know of no honor in my life that means more to me than this.

Before going to Israel I had absorbed an imposing fund of statistics attesting to her growth, to the teeming energy of her people. Such statistics are impressive in themselves, but they are mere arithmetic until life is breathed into them by the fact of one's own physical presence in Israel.

Israel was built, as this splendid new pavilion was built, from the heart outward. If you will permit an apt allusion, Israel, too, was once a tiny hope at her own 70 Johnson Street, but today she stands, in a dramatic and heart-lifting sense, as a victory of the human spirit over adversity. She has thrived, rather than withered, in the face of difficulties. By sheer force of will, of dedication, of zeal, she has lifted herself to a plateau of prestige in the world that has no parallel in history.

Israel, again like this fine building that we dedicate today—is an act of faith—an act of faith translated into dynamic reality. Everything man-dreamed and man-made in Israel today is a part of that act of faith. Every experiment in human betterment, every probing into the scientific unknown, every eager response to the challenge of the manifold problems that beset a new nation—these are the marks of greatness that must inevitably prevail against the forces of frustration and of enmity. We are aware only too vividly of the island status of the Republic of Israel in an unfriendly sea. But to me—as one who has been there—the great force and influence of Israel is like a tide breaking upon the shore. The shore inescapably must change. It cannot ignore the tide. It must feel its pressures, it must take nourishment from its waters. It must one day realize the tremendous flow of vitality and health and human progress that this beneficent tide represents. That heart's eye view would be incomplete unless it brought into focus the thousands of wonderful, devoted, and generous people by whose efforts, by whose sacrifices, the blueprint of an idea has been transformed into the distinguished and imposing actuality that stands before us today. I speak not only of the prime movers—of men like Judge Beldock, Isidor Leviton, Harry Pearlman, Irving Baldinger—and other members of the board of trustees. Their role was vital. It was indispensable. But in this struggle they had a magnificent army behind them—the loyal and dedicated friends of the Jewish Hospital whose generous and unselfish support has been translated, here before our eyes, into this great monument symbolizing man's humanity to man.

For my part, I cannot think of a finer, more rewarding investment of time, of money, of energy. Each of you, for so long as you live, will receive the richest dividends that humanity can pay to those who befriend it in the spirit of brotherhood. This magnificent pavilion will repay you in the currency that circulates between heart and heart—the currency of kindness and of love.

The Crisis of the American Merchant Marine

EXTENSION OF REMARKS

OF

HON. MILTON W. GLENN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1960

Mr. GLENN. Mr. Speaker, as a member of the Merchant Marine and Fisheries Committee, I have heard all departments of our Government, including the executive, state time after time that we need a strong merchant marine—that it is a vital branch of our defense structure—that it is a very important segment of our economy. Yet, we stand by and watch it slowly lose ground in its fight with foreign competitors for the passenger, cargo, and tanker business on which its ultimate readiness as a defense weapon, as well as our national prosperity, is dependent.

Here are some facts that clearly show what is happening to the American merchant marine:

In 1939 there were 123 American-owned passenger vessels in service with a simultaneous lift capacity of 37,741 people. Today's active American-owned passenger fleet could lift about 15,000 people simultaneously in a total of 41 ships. This is less than 50 percent of the lift capacity of our 1939 fleet. Our position in the world's passenger trade has slipped from second place in 1939 to about fifth in 1959. Although there is a commercial demand for more ships by U.S. companies, they cannot afford the expense of constructing them without Government subsidy, and although Congress 2 years ago approved a Government subsidy for constructing two additional passenger ships, the money as yet has not been appropriated.

In 1947 American-owned ships carried 54 percent of our foreign commerce. In 1959 American-owned ships carried 20 percent of our trade with foreign nations. It is true that about another 27 percent of our foreign commerce is carried in shipping indirectly owned by U.S. companies, but registered in Honduras, Liberia, and Panama under a so-called flag of convenience or flag of necessity. This is to avoid manning the vessels with U.S. labor union-controlled manpower and to alleviate the high costs involved. Although the U.S. Government has agreements with the companies concerned that the ships registered under this cost dodge will be available to Uncle Sam in case of war, there is doubt in the minds of many that the crews would continue to man the ships under the threat of war. A good percentage of the ships, therefore, might get stranded overseas under these circumstances. Further, American labor unions and foreign shipping interests are applying political pressure to force these ships to register under the American flag and to be manned by American labor union members which, of course, would at least double the operating costs and probably make it impossible for the companies concerned to continue their operation. Even accepting the argument that 47 percent of our foreign commerce today is hauled in U.S. controlled shipping, this represents a significant reduction, considering other factors involved, such as the impending block obsolescence of our privately owned dry cargo and passenger fleet and the ridiculously low percentage of replacement shipping now scheduled for construction.

American firms have ordered only 3.6 percent of the world's new shipping construction, a puny figure for the wealthiest Nation in the world, particularly when compared to the percentages of the new world's new construction shipping of some other nations: Norway 15.6, England 19 percent. It is to be noted that ships under construction for British registry are sufficient to replace one-third of her merchant fleet. It also is significant to note that our private fleet represents only 10 percent of the world's shipping, whereas Great Britain has almost 20 percent of the world's merchant fleet.

The entire American merchant marine fleet is faced with a block obsolescence of astronomical proportions. Over 75 percent of our privately owned merchant fleet was built during the World War II shipbuilding emergency and by 1965 will be noncompetitive in the world's shipping trade.

Approximately 50 percent of our national defense reserve fleet, provided for under the Merchant Marine Act of 1936, is obsolete and is being sold for scrap this year. The balance is not being maintained in an acceptable state of preservation due to lack of funds. Last year over 80 of the dry-cargo ships in the reserve fleet were sold for scrap. Only 19 new ships were ordered. This year 1,000 Liberty ships from the reserve fleet are being sold for scrap due to their age, slow speed, and inadequacy for present day operations. The remaining 300 Liberty ships in the reserve fleet are not likely to see service again for the same reasons.

What are we going to do? Are we going to let our merchant marine disappear from the oceans of the world, or

are we going to enable it to win back its once greatness and give it an ability to compete with foreign merchant marines, so that the American flag will again be seen on ships in every port of the world?

This should be one of the first questions to be answered by the new administration in 1961. A policy and a program should be immediately fixed and commenced without delay, otherwise the American merchant marine, as we have known it in the past, will be relegated to the history books, and it will be as dead as the dodo bird.

Do We Want Quality Education?

EXTENSION OF REMARKS
OF
HON. QUENTIN BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1960

Mr. BURDICK. Mr. Speaker, this House will soon have before it consideration of legislation providing aid to education to the States on a matching basis. This legislation could provide funds for teachers' salaries or school construction or both. As we approach the debate, support and objection to a program of this kind is heard. Is this a field in which Government assistance should be given? A valid and effective answer to this question was given on the floor of the U.S. Senate on March 23, 1948, by the late Senator Robert Taft when he said:

To keep America free:

I do not think I can exaggerate the necessity of education. Primary education lies at the basis of all forms of republican government. A government depending on the making of decisions by the people and depending on their intelligence can exist only if the people have some ability to understand the problems of government which are presented to them. Unless there is a satisfactory educational basis, there cannot possibly be hope for success in any democratic form of government where the people are expected to rule and to decide the questions which are placed before them.

The Federal Government must help:

In matters affecting the necessities of life—and I should like to confine it so far as possible to the necessities of life, namely, to relief, to education, to health, and to housing—I do not believe the Federal Government can say it has no interest, and say to the people, "Go your way and do the best you can." I do not believe we should do that. Because of the way wealth is distributed in the United States, I think we have a responsibility to see if we can eliminate hardship, poverty, and inequality of opportunity, to the best of our ability. I do not believe we are able to do it without a Federal aid system.

Voices are heard from those who object, claiming that local control of the students, curricula and general affairs is lost and is taken over by the Federal Government. Let us again listen to the words of the late Senator Taft when he said:

It can be done:

But I believe very strongly indeed that in this field and in health and other fields dealing directly with human welfare we must work out a sound system of improvement. I think that the best form we have today is the form of Federal aid to the States, leaving complete control of the administration of the funds and the administration of the programs, for which they must have the primary responsibility, in the hands of the local communities.

It is my firm belief that public opposition to Federal aid to education is not so strong nor so widespread as some of its more vocal opponents would lead us to believe. I think people recognize the fact that, despite sizable gains in quality and quantity of education, local school districts simply cannot keep up with current demands for classrooms, and more important, for good teachers. Education, therefore, has become a national responsibility. Local agencies, no matter how devoted to the cause of education, simply do not have the resources to do the job as well as it must be done. I also believe that the great majority of Americans know that we cannot afford anything but the best in developing and strengthening this most basic of all our public needs.

I would like, at this point, to call your attention to an editorial which appeared in the March 1960 issue of the North Dakota Teacher. It considers the direction of grassroots opinion on the general subject of Federal support for education:

LET'S LOOK AT THE RECORD

Both Senator YOUNG and Senator BRUNSDALE voted against the McNamara-Hart bill with the Monroney-Clark amendment which provides over $4 million a year to North Dakota for the payment of teachers' salaries or school construction or both.

Representative SHORT has stated his position according to the Fargo Forum on February 10: "I am not going to vote for Federal aid to education even if it means my not being in Congress."

Every poll conducted on the national basis pertaining to Federal support to education has given a resounding "Yes" vote. The 1957 Gallup poll stands as follows:

[Percent]

	Favor	Oppose	No opinion
Republicans	74	21	5
Democrats	79	17	4
Independents	77	18	5
East	80	17	3
Midwest	76	21	3
South	70	21	9
West	79	16	5
Protestants	75	20	5
Catholics	78	17	5

We understand that Senator YOUNG has recently tabulated the results from a questionnaire sent to a sizable number of his constituents in North Dakota, both Democrats and Republicans, in which the question of Federal support to education was included. The results of this questionnaire, we understand, were favorable to such support.

The only one representing us in Congress at the present time, who has committed himself to Federal support for education is Representative BURDICK. It is rather ironic to see the individual attitudes of our congressional delegation, both as to the financial crisis facing our schools and the total disregard of the sentiment of our people on such an important issue as Federal support to education.

It is interesting to notice the change in the attitude of the Senators from South Dakota who voted for the present bill. No doubt this comes about because they are representing the thinking and wishes of the people in their State and see the immediate need for such assistance as Federal support. It is apparent from the statement made by Representative SHORT that nothing that the people in the State would say or do could influence his vote.

It is interesting to note the attitude on the part of many of those who advocate Federal funds for other purposes such as highways which in a large measure are controlled by the Federal Government and yet take such a firm and negative attitude to the Federal support of education in the bill before Congress at the present time. This bill contains every possible safeguard that can be included to insure State and local control of education.

We are at a loss to know what the solution to this problem may be other than to ask that we still continue to write to our congressional delegation and ask that they give further consideration to this problem with the possibility that they might change their minds.

I, too, agree that education is primarily a local responsibility. However, when local school districts are unable to provide quality education, Federal assistance, which assures local control, is warranted. I believe this Nation is negligent in permitting academic degrees to be issued, when the student has had no opportunity to study a foreign language, mathematics or natural sciences. I believe this Nation is negligent when students are crowded into small classrooms, where individual attention is impossible. Are we fulfilling our obligation to our children, and to our Nation, when we balance the school budgets with substandard education? I think not.

Education Is Our First Line of Defense

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1960

Mr. CURTIS of Missouri. Mr. Speaker, our colleague FRANK BECKER delivered a very thoughtful speech recently in which he called attention to some of the basic values and problems in the field of education.

Certain of the points Mr. BECKER makes have not received the attention they should receive. I trust that educators, legislators, parents, and other laymen will read this speech:

ADDRESS BY CONGRESSMAN FRANK J. BECKER AT THE DEDICATION CEREMONIES OF THE NEW BETHPAGE HIGH SCHOOL, BETHPAGE, N.Y., ON MAY 1, 1960

Thank you for inviting me to participate in the dedication of this beautiful, new Bethpage High School. This building is a tribute to the people of this school district and their awareness of the importance of

education today in the life and death struggle with our Communist counterpart. However, I consider the physical monuments built by men to be less important than those corresponding monuments built in the hearts and minds of men. Thus, I intend to direct my remarks today to the processes which make up the ingredients of that education necessary for a stronger America.

I consider one of the most important ingredients in the formula for a sound education to be the attitude of our community toward education. Our attitude must be that an education is a privilege, not a right. I speak now of our philosophical and not our political attitude toward education. If we truly believe that a better world both spiritually and temporally can be shaped through education, then we must divest ourselves of those attitudes which promote the position that as taxpayers we own the schools and the teachers, and thereby have the right to abuse them when we see fit. This attitude has manifested itself throughout the country. The result has been twofold. Firstly, the value and meaning of a grammar and high school diploma have greatly diminished. They merely mean generally that the child has sat in a school for 8 or 12 years. The diploma does not approach the significance attached to their counterparts in Western Europe. Secondly, I submit that this general attitude toward education has discouraged many from entering the field of education, preferring to pursue professions better appreciated and more financially rewarding. I strongly believe that one of the greatest influences causing this condition is the attitude of the American people. Remember, just as the Church is the temple of the spirit, so the school is the temple of the mind. Let us treat it with corresponding respect.

Another vital ingredient in the formula for a sound education is the teacher. The descendants of Socrates, Plato, and Aristotle. It seems a shame that some of the reverence shown the memory of these ancient teachers cannot rub off on our present-day pedagogs. We find that, very often the teacher status is directly related to the achievement level of the child. If the child is doing well, the teacher is a genius, but if the child is doing poorly, the teacher is incompetent. I strongly urge that we return the academic functions within the schools to those professionally trained, to carry them out. Let the parents do their part by creating the proper atmosphere in the home. It has been ascertained, after considerable research, that how children do in school, not only here, but in Russia, is based on the influence of the home.

If the home is a place where there are simply pleasant surroundings, where the child simply gets good clothes and lots of entertainment, and there is no emphasis on high moral and intellectual attainment, the effect on the child will be obvious. You will find many studies show that parents are the greatest influence on how well their children do. Until and unless parents recognize this fact and start placing more attention and emphasis on the home environment, the school cannot achieve the goals we have set for it. Parents and teachers educating, each in his own domain, with the proper coordination and cooperation, possess the combination to make the realization of these educational goals a reality.

Further, I believe, we parents owe it to ourselves and our children to assist in creating an atmosphere whereby the teaching profession is raised to a par with the other professions, medicine, law, engineering, etc. I think this can be done simply by placing the value of the child's intellectual health on the same plane with his physical health; by considering the teaching of justice within the school, as important as the defense of it in the courtroom; by giving at least equal appreciation to the construction of the child's intellect with the construction of a bridge. If we do this, we will be going a long way toward improving the effectiveness of our schools.

I think the Federal Government can play a role in aiding the schools of our Nation attain their goals. Not in the terms of financing, because this is basically a State and local matter. However, I favor the Federal Government setting up voluntary minimum standards. These standards could be used by the States to measure the level of attainment of the child after grammar school and during high school and at the completion of the secondary school education. The Federal Government has the facilities for research and development and this can provide the States with attainment levels necessary to meet the demands of our rapidly advancing society. After all, if we have minimum standards for the food that goes into the child's stomach, why not, at least, have minimum standards for the "academic food" that goes into his head?

One of the effects of these minimum standards would be to equalize the opportunities of our students all over the country to attend a college of their choice. Students, graduating from high schools in many parts of our country today, cannot meet the standards for entering a great number of colleges. Also, it would relieve the shortage of qualified manpower available to the armed services.

This is a problem we are continually confronted with in hearings before the Armed Services Committee of the House of Representatives, of which I am a member. The leaders of our military decry the fact that there are not enough qualified young men coming out of our schools today. For the past several years, the military services have had to lower their standards in order to admit a sufficient number of young men to meet their needs. This is a critical situation and I firmly believe that a program of voluntary minimum national standards, set up under the Department of Health, Education, and Welfare, could solve this problem.

Finally, in the area of financing, I would like to suggest an idea to you that bears some thought. Presently with the squeeze of high school taxes in our Long Island communities, our senior citizens seem to be hit the hardest. The reduced, fixed income they must live on, just does not provide room for further taxation. As a matter of fact, many of them have had to sell their homes of many years and move elsewhere in order to avoid further hardship. In this connection, I would like to suggest a freeze on school taxes when a person retires at the age of 65 or should be forced to retire because of disability.

Now, how will this benefit the community? First, the senior families place no burden on the schools, since they have no children using them. Therefore, this cuts down the school census and in turn, the cost of operating the school district. However, if we drive out the senior citizens from the community, because of increased school taxes, generally they are replaced with young families with school age children. Again, this would increase costs for more school facilities.

If we can stabilize enough of our school districts by stopping the exodus of our senior citizens, we would more than make up for the loss of revenue by the correspondence decrease in school enrollment. Under the present conditions, no retired family can afford to move into areas where the school costs continue to spiral upwards.

The second effect of this proposal would be to remove a great deal of the friction within our school communities today. Very often, our older citizens have felt it incumbent upon themselves to go to school meetings and fight any proposal, regardless of the merits, calling for increased spending, simply for self-survival. This proposal would eliminate this negative influence affecting educational planning. It also would eliminate the frustrations felt by those conscientious citizens whose only motives are better education. It also places a greater responsibility on these same people, knowing that the increased cost will be divided amongst a smaller group of people whose children will be the direct beneficiaries of this spending.

In closing, let me say that I hope I have left you with some things to think about. Further, I would hope you will take some of these thoughts home with you and discuss them with your friends, improve upon them, and perhaps find a way some of them can be incorporated into your educational program. I say this, because I firmly believe that education in the long run is more important than military defense. Military developments are transitory, constantly changing, but education is permanent. Adm. Hyman Rickover has said, and I believe it, "Unless we have a thoroughly educated citizenry, we will not be able to solve either our military or the many other problems facing this country today."

This is why education must be called our first line of defense.

The Contribution of Chief Justice John B. Fournet to the State and the Bench and Bar of Louisiana

EXTENSION OF REMARKS

OF

HON. T. A. THOMPSON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1960

Mr. THOMPSON of Louisiana. Mr. Speaker, on today the Louisiana State Bar Association at its annual meeting was to have honored the Honorable John B. Fournet, chief justice of the Supreme Court of Louisiana, on the occasion of his 25th anniversary as a member of that body. Selected to express the felicitations of the group was my good friend and most able colleague, the Honorable E. E. WILLIS of Louisiana.

As willed by providence, however, my good friend, the Chief Justice, was hospitalized and, of course, unable to attend the planned function in his honor. I have been able, however, to avail myself of the expressions that Congressman WILLIS was to have made on this occasion. The dissertation is one of great accuracy, phrased in most exceptionally well chosen words. Although I have personally known of the inspiring career of this famous jurist, whose residence is located in my congressional district, at Jennings, I was so impressed by the documentation so ably made by Congress WILLIS that I am constrained to commend it to the attention of the membership of this body.

Certainly, the accomplishments and dedication to duty of my good friend, the chief justice, should be an inspiration to all who endeavor to further and uphold our great system of courts and high respect for those who dedicate their lives to public service. I join with his other friends in wishing him speedy recovery and, also, in expressing sincere congratulations to Chief Justice Fournet and his lovely wife on the occasion of his silver anniversary as a member of the Supreme Court of Louisiana. The dissertation follows:

THE CONTRIBUTION OF CHIEF JUSTICE JOHN B. FOURNET TO THE STATE AND THE BENCH AND BAR OF LOUISIANA

The esteemed fellow citizen we honor this evening has been a devoted public servant for 32 years. During that long span of time he has held high positions and served with great distinction in the three branches of the State government. This is no ordinary achievement, and that is the theme of my address: our guest of honor is no ordinary man.

John B. Fournet was born in the town of St. Martinville on July 27, 1895. He was the first-born of the 10 children of Louis Michel Fournet and Marcelite Gauthier Fournet. From his good and Christian deceased mother he was bequeathed an attribute of humanitarianism toward, and compassion for the masses of the people, and from his strong-minded father, who is hale and hearty as an elder citizen of Louisiana he derives his fearless physical and moral courage. He is a worthy descendant of a long line of noble sires, who helped to shape the destiny and the way of life of the proud people of southwest Louisiana.

His fine heritage is easily traced to Alsace-Lorraine. His great-great-grandfather, Pierre Paul Briant, was sheriff of St. Martin Parish in 1810. Later he became parish judge and served as a member of the constitutional convention in 1845. His great-grandfather, Valsin Fournet, was a pre-Civil War cotton broker and civic and political leader in the area. His granduncles, Gabriel and Alexandre Fournet, answered the call of the Southland in the Civil War and played important roles during the trying Reconstruction period that followed that terrifying conflict. Gabriel became a district judge and was later elected as State treasurer. Alexandre was elected successively as assessor and clerk of court of his native parish and lived to see our honoree make his early mark in the civic and political affairs of our great State of Louisiana.

Young John Fournet received his early education in the public schools of St. Martin Parish. Upon his graduation from Louisiana State Normal College (now Northwestern State College) in 1915, he used his tenacity and determination never to be second best if he could help it. Thus after a short tenure as an ordinary schoolteacher in the Parishes of Vernon and Jefferson Davis, he became a high school principal in the Parish of Pointe Coupee, at the age of 21.

Hungry for a higher education, the young man, John Fournet, attended a summer session at Tulane University in 1917, and entered the Louisiana State University Law School in the fall of that year. True to his capacity for leadership, he became president of his class and played on the first string of the splendid LSU football squad. Following a tour of duty in the Armed Forces of the United States during World War I, he returned to LSU and obtained his LL.B. degree from that institution in 1920.

The lawyer, John B. Fournet, hung his shingle in his native town of St. Martinville for a short while. And as an aside, I might say that he found time, without charge, to assist in coaching the high school football players while I attended school there. He practiced his chosen profession in Baton Rouge for a year and then moved to Jefferson Davis Parish, where he had previously made a host of friends as a schoolteacher. It was there he enjoyed a lucrative law practice, and it was from there that he entered the political arena.

John B. Fournet served in the Louisiana State Legislature as a representative from the Parish of Jefferson Davis from 1928 until 1932, and was speaker of the house during that time.

He was elected Lieutenant Governor of Louisiana in 1932 and as such presided over the sessions of the State senate.

Teacher, soldier, lawyer, lawmaker, Lieutenant Governor, presiding officer of the house, presiding officer of the senate, presiding officer of our judicial system for 11 years thus far, with many useful years ahead. No ordinary person, this man John B. Fournet; and no one to be pushed around or intimidated either. I am very sure that everyone here this evening will agree with that statement, as a matter of fact. Ever attentive to the will of the people, yet he always reserves the right to make his own judgment on all issues presented, and well he might because of his long experience in practical politics and the administration of public affairs. And if there are those here or elsewhere who disagree with this attitude as a matter of policy, I commend to them the views in this respect of that great Member of the House of Commons, Edmund Burke of England. Speaking to his own constituents with the same forthrightness that our guest of honor would employ on a similar occasion, he said:

"Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasures, his satisfactions, to theirs; and above all, ever, and in all cases, to prefer their interest to his own. But, his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure; no, nor from the law and the Constitution. They are a trust from providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion."

The friend of the people was elected to the Supreme Court of Louisiana and assumed his duties as an associate justice on January 2, 1935. He became chief justice of the court on September 7, 1949, upon the retirement of the then chief justice, Charles A. O'Niell. Mr. Chief Justice, we salute you on the 25th anniversary of your elevation to the highest court of your beloved State.

Judge Fournet would be the last person to push issues under the rug or to evade the fact that he has been the subject of criticism as well as praise. As a human being I suppose he is sensitive to both, but whereas a lesser person might have faltered under similar circumstances, let it be acknowledged by all that he has not carped about unduly harsh judgment, nor swooned over pure adulation. For example, he once described his feeling about entering the judicial branch of the government with his usual candor. He said: "The judiciary was not originally my ambition in life. The advocacy of the cause of others and the political arena were more to my liking. But a man is not the architect of his own destiny, and with the donning of the judicial robes on January 2, 1935, I turned from advocacy and politics and have made the law and the improvement of the administration of justice my life's work."

Under our State constitution the appellate and supervisory jurisdiction of the supreme court is so broad, it is quite natural that Judge Fournet has had occasion to express himself on almost every phase of law governing our society over the last quarter of a century. He has had to rule on delicate issues affecting the life and liberty, the property and the pursuit of happiness of all the people. His opinions of necessity form part of our general jurisprudence and judging from their wide acceptance thus far, it is safe to say, I think, that they will stand the test of time.

This is not the time or place to cite specific cases, but it was refreshing for me to read a fair sampling lately, to which reference will be made in a footnote. Since I have chosen pioneering decisions, one does not have to agree with all of them. But I will say this: They are mighty convincing.

His opinions on freedom of speech and the privilege against self-incrimination reflect his strong belief in the Bill of Rights.[1]

I personally believe he excels in the field of statutory construction, properly speaking, and construction of statutes vis-a-vis the State and Federal Constitution. His long and practical experience in the legislative and executive branches of our Government enables him, as a member of the judicial branch, to understand, explain and apply the broad plan and purpose of the law. This is exemplified in his decision sustaining the constitutionality of the Louisiana Criminal Code.[2]

His rulings in workmen's compensation cases, with respect to the scope of employment, compromises, and related matters, have given meaning to the broad purpose of that law.[3]

His decisions on the law of registry and notice from public recordation; what sustains a plea of res judicata, or the continuity of jurisprudence, and proceedings in executory process have been praised by professors and in legal journals.[4]

He has written landmark opinions on the supremely important subject of the conservation of natural resources.[5]

Judge Fournet's decisions have had a marked effect on the mineral law of this State, under our Civil Code.[6] In fact, opinion after opinion demonstrates that he is a great advocate of the civil law. He places paramount reliance on it over common law concepts.[7] His devotion to the civil law is, in

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[1] *Kennedy* v. *Item Co., Ltd.* (213 La. 347, 34 So. 2d 886), and *State* v. *Bentley* (219 La. 893, 54 So. 2d 125).

[2] *State* v. *Pete* (206 La. 1078, 20 So. 2d 368).

[3] *Barr* v. *Davis* (183 La. 1013, 165 So. 183); *Edwards* v. *La. Forestry Commission* (221 La. 818, 60 So. 2d 449); *Delta Ree Bryan Green* v. *Heard Motor Co., Inc., et al.* (224 La. 1077, 71 So. 2d 849); *Griffin* v. *Catherine Sugar Refineries* (219 La. 846, 54 So. 2d 121); *Puchner* v. *Employers' Liability Assur. Corp.* (198 La. 921, 5 So. 2d 288).

[4] *Humphrey's* v. *Royal* (215 La. 567, 41 So. 2d 220); *Hope* v. *Madison* (192 La. 337, 193 So. 666); *General Motors Acceptance Corporation* v. *Anzelmo* (222 La. 1019, 64 So. 2d 417).

[5] *Doucet* v. *Texas Company* (205 La. 312, 17 So. 2d 340).

[6] *Vincent* v. *Bullock* (192 La. 1, 187 So. 35); *Tritico* v. *Long-Bell Lbr. Co.* (216 La. 426, 43 So. 2d 782); *Smith* v. *Holt* (223 La. 821, 67 So. 2d 93).

[7] *Sucession of Lissa* (195 La. 438, 196 So. 924); *Succession of Weiner* (203 La. 649, 14 So. 2d 475); *Vincent* v. *Bullock* (192 La. 1, 187 So. 35).

my opinion, his greatest contribution to our State, the bench and bar. And a recent experience confirms that opinion.

Coming back from Geneva, where I attended the International Conference on the Law of the Sea as a congressional observer, I stopped over in Paris. By previous arrangement, I visited the Palace of Justice and conferred with outstanding French scholars and jurists. It was natural that the topic of conversation was the Code Napoleon, after which our own Louisiana Civil Code is patterned. The conversation, as a matter of course, was in French. The highest Court of France, the Court of Cassation, was not in session, but as a member of the Judiciary Committee of the Congress, I was privileged to sit with a court composed of three judges.

The prosecuting attorney, all dressed up in a robe, explained that the defendant had gone into bankruptcy and that, in the name of France, the rascal should go to jail, and at the same time that the court should enter a civil judgment in favor of the person who had been filched. All of this sounded very strange to my French ears, and the prosecuting attorney later came to the bench and said. "You seem to be confused?" I replied, "Vous l'avez bien dit", which with proper emphasis means, "Confused? Brother, you can say that again. The right to go into bankruptcy is embedded in our Constitution itself. And I don't understand this civil judgment business." The robed gentleman snickered audibly, to the irritation of the court, and said that the French word "banqueroute", bankruptcy, has a double meaning, one of which refers to any banking or other unlawful financial manipulation. He explained that, in his country, if "le delit", the offense, involves also a violation of trust or misplaced confidence, the court should do total justice. He proudly pointed out, "The facts to be proven are the same, aren't they? C'est bien simple."

I am afraid I was not too well impressed with French criminal procedures, and on reflection I think Edward Livingston, Moreau Lislet, and others were wise in rejecting it in the formulation of our basic laws. But I was profoundly impressed with the fact that the code Napoleon is still held and will continue to be held in such high legal reverence in France.

I mention this experience to express my pride in Judge Fournet's devotion to the preservation and perpetuation of the purity of our civil law. And in this I am not alone.

On the occasion of his citation to honorary membership in the Order of the Coif, Prof. Harriet S. Daggett had this to say:

"During his long service on the supreme court, Justice Fournet has made a scholarly contribution to all fields of law. His knowledge of French, his keen interest in the history and evolution of the civil law, his understanding of the people of the State and their needs have peculiarly fitted him for his important position. Together with scholarship, Justice Fournet has a penetrating awareness of economic and social change, highly necessary to a constructive jurist. Creative jurisprudence is indeed an art, possessed, unfortunately, by few. During Justice Fournet's term of office the law of mineral rights, of paramount importance to Louisiana, had to be molded by the courts. Justice Fournet's contribution in this field has been unusual and invaluable. This service, alone, even without his work in many other fields, puts this judge in the foremost ranks of those who have taken the places of honor in the historic line of distinguished lawyers of which our profession is justly proud."

And in further recognition of his ability, integrity, and great contribution to law and order, Judge Fournet was made honorary member of the Louisiana State University Chapter of the Gamma Eta Legal Fraternity. He was made honorary member of the Tulane chapter of the Phi Alpha Delta Legal Fraternity. He was made honorary member of two scholastic fraternities of Southwestern Louisiana Institute, and on November 16, 1956, his alma mater conferred upon him an honorary degree of doctor of laws.

Well, as Al Smith used to say, Let's take a look at the total record. The chief justice, during his 25 years on this bench, has written 1,053 opinions, these appearing in our Louisiana reports beginning with volume 181. Of this number 904 were majority opinions of the court, 32 were per curiams, 84 were dissenting opinions, 21 were concurring opinions, and 12 were opinions concurring in part and dissenting in part. Of the 904 majority opinions written by him, no rehearing was sought in 469. Of the 443 rehearings that were sought, only 17 were granted. Of this number nine were affirmed on rehearing, six were reversed, and two were reversed in part and affirmed in part.

Of the 904 majority opinions written by the chief justice, writs were sought to the U.S. Supreme Court in only 19. Only six of these were granted and of these six he was affirmed in five and reversed in one. This means that of all the 904 majority opinions written by the judge he has only been reversed on 7 occasions, and on 2 occasions he has been affirmed in part and reversed in part—9 opinions out of 904.

No ordinary judge this jurist, Chief Justice John B. Fournet.

As a subcommittee chairman of the Committee on the Judiciary in the United States House of Representatives, I have been constantly faced with the problem of the delay of justice in our Federal judicial system. Moreover, I am cognizant that this unhealthy situation is all too common throughout the judicial systems of our States. Fortunately, however, and proudly as a Louisianian, I can point with pride to the eminent position which the judicial system of the State of Louisiana occupies in the United States. The carpings and criticisms of the public on court congestion do not apply to our State. The adage, "justice delayed is justice denied," has no application in Louisiana. For, here, there are no congested dockets. The enviable position which Louisiana occupies today throughout the Nation in the field of judicial administration is no accident. That position has been well earned and merited primarily through the efforts of our chief justice as the administrative officer of the Louisiana Supreme Court.

And finally, Judge Fournet is due the outstanding credit for the recently enacted constitutional amendment, whereby the larger part of the appellate jurisdiction of the supreme court will be transferred to the expanded and enlarged intermediate appellate courts. This did not happen over night but had to be sold to the bench and bar and to the people. I predict with confidence that under this plan not only the speed but the quality of our justice will be the highest.

No ordinary administrator this man and judge who is our guest of honor this evening.

In conclusion, I have tried to be objective in my appraised of the honoree. I have tried to avoid the pitfall of overstating or understating his qualities.

Now, what is his appraisal of himself? In Alexandria, La., 5 years ago, Judge Fournet, with complete honesty and humility, paraphrased the description of his great friend Huey Long of Judge Fournet. He said, "I am far from being a genius. In fact, I am not what you might call smart. My accomplishments, such as they are, are due to no fault of mine but rather to inherited traits and characteristics." Here is a man with consuming loyalty to his friends, fierce pride in ancestry, and with not an ounce of false pride in his towering and strong body. It is this quality that Polonius in his advice to his young son placed above all also. He said, "This above all: To thine own self be true, and it must follow, as the night the day, thou canst not then be false to any man."

Mr. Chief Justice, as your fellow townsman and lifelong friend, my wish for you on this occasion, in which I am sure all here gathered and your legion of friends elsewhere who would like to be present join, is that your great mission in life will continue to be blessed with successful accomplishment. And for that, I am sure you have the fervent prayers of your good wife, Sylvia.

Administration's Medicare Program

EXTENSION OF REMARKS

OF

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1960

Mr. BROOMFIELD. Mr. Speaker, the administration's medicare program for the aged was presented yesterday before the House Committee on Ways and Means by a member of President Eisenhower's Cabinet.

The statement of Secretary Arthur S. Flemming, of the Department of Health, Education, and Welfare, is reprinted below and is worthy of very careful study:

STATEMENT BY ARTHUR S. FLEMMING, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, BEFORE THE HOUSE WAYS AND MEANS COMMITTEE OF THE U.S. HOUSE OF REPRESENTATIVES, MAY 4, 1960

Mr. Chairman and members of the committee, I am glad to appear this morning to present the administration's plan to provide health and medical care for the aged.

The executive branch of the Government fully recognizes and accepts the fact that the Federal Government should act in this field. A careful consideration of facts such as the following can lead to no other conclusion:

1. There are 16 million persons aged 65 and over. Four million pay income taxes. Of the 12 million who do not pay income taxes, 2.4 million are recipients of public assistance.

2. A 1958 study identified 60 percent, or 9.6 million, of the aged as having incomes of $1,000 or less, and 80 percent, or 12.8 million, as having incomes of $2,000 or less. These figures should be discounted, because they include situations where a wife has an income of less than $1,000 and the husband has a substantial income, and because they include situations where other members of the family have substantial resources. Nevertheless, we are dealing with a group in our population which contains an unusually large percentage of persons with very limited resources.

3. A 1957–58 study shows that the average annual expenditures of this group for health and medical expenses was $177, not including nursing home care, as compared with $84 for the rest of the population. But it is important to note that 15 percent of the persons 65 and over, or 2.25 million, had total medical expenditures, on the average, of $700 per year, not including nursing home care. The expenditures for this group represented 60 percent of the total medical care expenditures of the aged. Since 1957, costs for medical care have increased at least 20 percent. Also, it should be noted that the high average expenditure for the aged is attributable to the fact that $6,000

is a conservative estimate of total medical expenditures incurred by persons who are continuously ill for an entire year.

4. According to the Health Insurance Association of America, approximately 49 percent of the persons in this age group have some kind of health and medical insurance. But, only a comparatively small percentage of this group have policies that protect them against long-term illnesses. This is true of those who are covered by group policies, as well as those who are covered by individual policies. There is a trend in the direction of extending beyond the retirement age provisions in group policies that cover major medical expenses. There is also a trend in the direction of making individual policies that cover major medical expenses available to persons 65 and over. These policies call for payment of premiums ranging from $60 to $130 a year per individual. They include deductible provisions ranging from $250 to $500. They ordinarily establish annual or lifetime dollar ceilings on benefits. Most contain coinsurance provisions of 20 to 25 percent.

It follows, therefore, that a large percentage of persons aged 65 and over do not have protection against long-term illnesses, and either cannot obtain protection at rates they can afford to pay, or cannot obtain adequate protection.

In the light of these facts we have developed a program that is designed to achieve just one objective; namely, to provide approximately 12 million persons 65 and over who have limited resources with the opportunity of taking steps which, if taken, will enable them to cope with the heavy economic burden of long-term or other expensive illnesses.

We have developed this proposal in the belief that any program undertaken by the Federal Government in this area should meet the following tests:

1. It should provide the individual with the opportunity of deciding for himself whether or not he desires to be a participant in the program.

2. It should make available a system of comprehensive health and medical benefits which provide adequate protection against the costs of long-term and other expensive illnesses.

3. It should make available all the benefits of the program to public assistance recipients at public expense.

4. It should provide for some financial contribution on the part of those participants who are not on public assistance.

5. It should provide private insurers with the opportunity of expanding their programs of extending health protection to the over-65 age group.

6. It should provide for a Federal-State partnership in dealing with the problem.

We have developed a program that is consistent with these guidelines. We believe that if it is put into operation, it will provide the aged with the type of assistance they most need. We want to make it clear, however, that we will be glad to discuss any suggestions for improvements that are consistent with the basic guidelines that I have just outlined.

Specifically, we recommend that the Federal Government assist the States in establishing a medicare program for the aged in accordance with the following specifications:

1. ELIGIBILITY FOR PARTICIPATION IN PROGRAM

The program would be open to all persons aged 65 and over who did not pay an income tax in the preceding year and to taxpayers 65 and over whose adjusted gross income, plus Social Security, Railroad Retirement benefits, and veterans pensions, in the preceding year did not exceed $2,500 ($3,800 for a couple).

2. ELIGIBILITY FOR BENEFITS

Persons eligible for participation in the program would be entitled to the benefits of the program if they had paid an enrollment fee each year of $24 and after they had incurred health and medical expenses of $250 ($400 for a couple).

Public assistance recipients would be entitled to the benefits of the program without paying the enrollment fee and with the States paying the initial $250 of expenses under the regular public assistance program.

3. BENEFITS

The medicare program for the aged would pay 80 percent (100 percent for public assistance recipients) of the costs of the following comprehensive health and medical services for all participants who had established their eligibility, and where such services have been determined to be medically necessary:

(a) Hospital care—180 days.
(b) Skilled nursing home care—365 days.
(c) Organized home care services—365 days.
(d) Surgical procedures.
(e) Laboratory and X-ray services—up to $200.
(f) Physicians' services.
(g) Dental services.
(h) Prescribed drugs—up to $350.
(i) Private duty nurses.
(j) Physical restoration services.

4. OPTIONAL BENEFITS

Each State would provide that an aged person eligible for participation in the program could elect to purchase from a private group a major medical expense insurance policy with the understanding that 50 percent of the cost would be paid for him from Federal-State matching funds up to a maximum of $60. The States would be responsible for establishing the minimum specifications for such policies.

5. CONTINUATION OF ELIGIBILITY

Once a person has qualified for participation in the medicare program for the aged, he can maintain his eligibility by the payment of the annual fee. If his income rises above the figure specified for eligibility, his fee would be raised on a graduated basis for each $500 of increase in income until the fee covered the full per capita cost of the benefits made available to him.

6. ADMINISTRATION

The medicare program for the aged would be administered by the States, under a State plan approved by the Department of Health, Education, and Welfare. The State would be authorized to use appropriate private organizations as agents.

7. FINANCING

The governmental cost of the program would be financed by the Federal Government and the States on a matching basis. Federal matching would be 50 percent on the average with an equalization formula ranging from 33⅓ to 66⅔ percent for the Federal share.

8. COSTS

Assuming that all States participate and that 80 percent of those who are eligible enroll for the program, it is estimated that the annual Federal-State cost of this plan would be $1.2 billion with the Federal share being estimated at $600 million. There would be some reduction to the extent that persons eligible for participation in the plan elected to purchase insurance policies providing for the optional benefits. It is impossible to estimate the number of persons who would elect the optional benefits.

On the other hand, however, it should be noted that increases in costs and increased utilization of facilities over and above that included in the cost estimates could lead to an increase in these estimates. Also, there would be some increase in Federal payments for public assistance. This increase might reach $100 million per year.

The make-ready cost during fiscal year 1960–61—including grants to States to help them develop their programs—would be about $5 million. The fiscal year 1961–62 cost would depend on many factors. We estimate that this would run in the neighborhood of $400 million—of which $200 million would be the Federal share.

We believe that the plan which I have just described would achieve the following results:

1. It would permit the individual to decide for himself whether or not he will participate in the program.

2. It would preserve the opportunity for private insurors to continue to demonstrate their ability to develop major medical expense programs for the aged.

3. It would divide the cost equitably among the entire population by providing for financing the Federal share out of general revenues, contrasted with a payroll tax that places the entire burden on earnings of less than $4,800.

4. It would provide a wide range of benefits without placing a premium on institutional care as opposed to alternative lower cost services. Thus, it would facilitate the most effective and economical use of available medical facilities and services.

5. It would provide a built-in incentive for judicious use of health facilities and services by requiring the individual (other than public assistance recipients) to share in the cost above the deductible of $250.

Most important, however, the program is designed in such a manner as to pinpoint the area of greatest need; namely, the large number of persons over 65 who do not have the resources or the opportunity to obtain adequate protection against the staggering financial burdens of long-term illness. This is the most serious problem in the financing of health care for the aged.

This plan guarantees comprehensive health and medical services to all aged public assistance recipients in States that become part of the program. It is available to all persons in the lower income brackets, regardless of whether they happen to be covered by social security. It identifies persons who may benefit by the program on the basis of a simple and easily determined eligibility requirement, without subjecting the individual to a detailed and involved income or means test.

In summary, we believe that the medicare program for the aged will concentrate governmental assistance in such a manner as to provide the most effective and most responsible use of Federal and State funds. We believe this program represents a practical solution to a pressing human problem.

Answers to Questionnaires—They Provide Cross Section of Public Opinion

EXTENSION OF REMARKS
OF
HON. O. C. FISHER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1960

Mr. FISHER. Mr. Speaker, 69 percent of the people in my congressional district are opposed to compulsory health and hospital insurance, as has been pro-

posed in Congress, according to the results of a questionnaire which I recently submitted to my constituents. That approaches a ratio of 3 to 1.

By the same percentage—69 percent—of the people oppose Federal aid for increased teacher pay. And 64 percent oppose Federal aid for school construction.

This questionnaire went to practically every home in my district. The response was most gratifying. I take pride in this demonstration of interest on the part of the people whom I represent—interest in their Government and in the manner in which it is being carried on.

I have read each of the returns, with the many timely comments that were included. This enables me to know fairly accurately what the prevailing views of my constituents are.

The results of the tabulation follow:

[Percent]

	Yes	No	No opinion
Foreign affairs:			
1. Should we continue foreign economic aid?	46	43	11
2. Should we continue foreign military aid?	60	30	10
3. Do you favor gifts of surplus farm commodities to underprivileged countries?	80	13	7
4. Do you favor a firm stand on Berlin?	84	9	7
5. It is contended we should buy substantially of foreign goods if we expect to sell our products abroad. On the other hand, it is argued that imports from low-labor-cost countries are now at such levels as to require higher tariffs and import quotas to protect certain domestic industries. Do you favor such restrictions on imports?	59	26	15
Labor:			
1. Do you agree with those people who say that organized labor is becoming too powerful?	88	10	2
2. Do you favor legislation requiring labor unions to conform to antitrust laws now applicable to private corporations and other business enterprises?	86	7	7
3. Industrywide bargaining and industrywide strike by labor unions would be prohibited under a bill before Congress. Unions would be required to bargain with management, make strike decisions, on a company-by-company basis, with industries to do the same. Do you favor this bill?	84	8	8
4. Do you think the Federal minimum wage, which is now $1 an hour, should be raised to $1.25 and coverage of the law extended to employees of service establishments and retail stores?	35	56	9
Fiscal affairs:			
1. Would you rather balance the budget and reduce the national debt than cut taxes?	78	18	4
2. President Eisenhower has urged Congress to raise the postal rate enough to reduce the present $554 million annual deficit in that Department. Do you favor this?	50	44	6
3. Do you favor a pay-as-you-go basis for interstate highway construction even if it requires a raise in Federal gasoline tax?	58	34	8
Social security: A bill in Congress would provide hospital, nursing home, and surgical benefits for persons receiving social-security payments. An immediate increase in the social-security tax of ¼ percent of wages on both employees and employers, and ⅜ percent of the earnings of self-employed persons subject to social security taxes is called for by the bill; but eventual costs of the proposed new benefits have been estimated to require nearly double these increases in tax. Do you favor this bill?	24	69	7
Agriculture:			
1. Do you think the soil bank conservation reserve program should be continued?	18	72	10
2. Do you favor a reduction of agriculture price supports?	68	23	9
Education:			
1. Do you favor Federal aid to needy States for school construction?	31	64	5
2. Do you favor Federal aid to needy States for increased teacher pay?	26	69	5

Incidentally, it is of interest to note that of the 229 in the teaching profession who returned questionnaires, 38 percent were for and 56 were against Federal aid to States for school construction. And 32 percent were for and 60 percent were registered against Federal aid for increased teacher pay.

MANY ANSWERS ARE QUALIFIED

I should point out that many of the answers are qualified. That is particularly true with regard to foreign aid. In answers to those questions many who answered expressed the belief that this program should be more efficiently administered and that it should be reduced.

Another example of qualified answer relates to the question of increasing postal rates. Many who answered in the affirmative called for an increase in rates of so-called "junk" mail, with no increase on first-class rates.

That conforms with my views on that subject. Revenue deficiencies total $280 million in second-class mail and about $189 million in third-class mail. Second class is the mail service used by most magazines and newspapers. Third class consists primarily of advertising circulars, other printed matter, and small parcels.

The Postmaster General has pointed out that with the rapid growth of third class, direct mail has become the second largest advertising medium in the United States, based on volume of advertising expenditures.

Against this background of a thriving direct-mail industry, an average of more than 1 cent per piece must be contributed by the Treasury to the Post Office Department to pay for revenue deficiencies in third-class mail.

It is only fair that direct-mail advertisers should pay the costs of maintaining the medium they choose to use. Parcel post is now on a self-supporting basis, and first-class mail just about pays its own way.

ECONOMY, SELF-HELP, URGED

An analysis of these returned questionnaires and a reading of the many comments reveal to me a vast reservoir of interest in a return to the fundamentals; in opposition to nonessential spending; in more of the Government being handled by the people themselves on a local and State level as opposed to the ever-increasing concentration of more authority and control in Washington.

I am convinced that the people are getting more government than they want, more than they want to pay for. Many feel that Federal aid in most forms is a delusion. They want their Government to be operated on a business basis, with balanced budgets, reduction of the public debt, and tax reduction and reform. They want less government in business, less socialism, more self-help rather than Government help. They strongly support an adequate national defense. They want outlays for welfare to be confined to sound programs. They want Federal activities to be confined to those things that local people cannot handle themselves.

Although this is but the cross section of the opinion of the people of one congressional district, it represents the voice of the people who believe that two and two make four and that you simply cannot have something for nothing.

THE PEOPLE SPEAK

Mr. Speaker, I should like to qoute from a few of the comments to which I have referred.

A Sonora pharmacist writes:

We would appreciate anything that can be done to reduce Federal controls on our everyday living, schools, farms, etc., and return as speedily as possible to States rights.

A Winters merchant comments:

School costs should be raised at home, for if it is raised here and sent to Washington there is too much loss between here and Washington and back.

A Blanket farmer writes:

There is no use taking tax money to Washington and sending back aid. The State could use its own money for school construction and increased teachers pay.

A San Angelo merchant comments:

The greatest threat to national security is not Russia but high taxation. No new taxes should be voted and every effort made to reduce taxes, both apparent and hidden.

A Mason farmer questions the soil bank:

Soil bank conservation reserve is not being handled right; too much land that wasn't used for farming is in the soil bank. Something is wrong if a man can buy land, put it in soil bank, Government pays for land.

A Bangs housewife comments:

We have got to stop these creeping, crawling tentacles from Washington from choking out the life of freedom.

A Medina tourist court operator is right when he says:

Whenever the people can get it through their heads that they should not rely on our Government for everything—the sooner we'll

have a better world. Our form of government is the finest in the world, but we are abusing it.

A San Angelo salesman expresses the views of many regarding Fidel Castro, with this comment:

I think the anti-U.S. campaign put on by Cuba should be gently and firmly squeezed out by economic pressure. We won't make any friends by letting this radical slap us around.

A Menard stock-farmer writes:

Let the world know that Santa Claus is not living in Washington, D.C. any more.

A Sonora banker comments:

I don't see how the American people can continue to pay the high taxes and yet Congress is looking for ways to increase them.

A San Saba ranchman states:

I think we should have no more government than is absolutely necessary. I prefer to save my own money rather than pay the Government with the waste and duplication often found in Government. I once quit a Government job because I was bored doing nothing. We need dedicated, Christian statesmen who regard the spending of other people's money as a sacred trust. You'd be surprised how many of us would like to have lower taxes and less Government help.

A San Angelo lumber dealer likes the idea of the questionnaire:

I appreciate the opportunity to express my opinion. Otherwise I would not take the time to sit down and write you a letter. Let's continue this. It gives me—and I believe, the people in your district—the feeling of belonging.

A Uvalde TV technician writes:

I feel that foreign economic and military aid should be reviewed and possibly reduced in many cases. I am particularly in favor of labor legislation in regard to curbing mismanagement by labor leaders.

These comments taken at random are but a few from hundreds that have been received. They are all timely and contain a lot of food for thought. I should like to quote from a comment by a Winters clergyman, as a concluding thought:

I am chagrined at the way the Federal Government is slowly becoming a socialized welfare state, spoon feeding the individual instead of making him live up to his responsibility to stand on his own feet. Instead of Christian stewards we are creating Government peons waiting at every turn for a handout.

Johnson Voted "Best Qualified" Candidate in Roll Call Poll

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1960

Mr. ANFUSO. Mr. Speaker, this week's issue of Roll Call, the newspaper of Capitol Hill, carries the results of the presidential preferential poll which it has conducted among Senators, Representatives and congressional aides. Those who best know the candidates and work with them and observe them daily believe that Senate Majority Leader LYNDON B. JOHNSON is the best qualified candidate for President on Democratic Party ticket.

I was the one who originally suggested the poll in a front-page article in the March 30 issue of Roll Call, under the heading "Congress Seen as Best Judge of Candidates' Qualifications." In it, I called attention to a survey made by Life magazine on the qualifications for the Presidency and the five ideal qualities most desired by the American peoples. To these five qualities (listed below), I added a few others which I consider highly important in determining a person's fitness for the highest office in the land, such as, leadership capability, mature judgment, assumption of duties, fulfillment of responsibilities, et cetera. In addition, I emphasized that he must be able to forge unity of the Nation and he must believe in progress and continued growth in every phase of our national life, "for to believe otherwise would mean stagnation, loss of our moral, political and economic positions in the world, and our retrogression to a second-rate power."

It was my feeling that, since nearly all the major contenders are Members of the Congress, those who serve with them in the National Legislature and those who work on Capitol Hill would seem best to know the qualifications of these men. How do these people feel about the current contenders? Whom do they regard as the best qualified candidate?

The results of this poll, as published in this week's issue of Roll Call, show that Senator LYNDON B. JOHNSON received 339 votes out of a total of 770 ballots cast in the poll. This is a shade above 44 percent of the total. Vice President NIXON ranked second with 150 votes, or 20 percent of the total.

Other major contenders ranked as follows, in the order named: Senator Stuart Symington, Senator John F. Kennedy, Senator Hubert H. Humphrey, and Adlai Stevenson.

Mr. Speaker, I consider this poll highly significant because to a certain extent it represents the voice of Congress. I suggest that all delegates to the Democratic National Convention in July, all National, State, and local leaders in Democratic ranks, and the American people in particular, study the results of this poll in an objective manner and with an open mind.

At this point I wish to express my appreciation to Mr. Sidney Yudain, the editor and publisher of Roll Call, for the very fair and just way in which he conducted the poll through his newspaper. He has rendered a fine service to Congress and the Nation and deserves to be commended for it.

Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD the article from the May 4 issue of Roll Call giving the results of the poll, as well as the tabulation of the vote, the five major qualifications for the Presidency, and a brief statement which I had prepared on the results:

[From Roll Call, May 4, 1960]

JOHNSON AND NIXON WIN POLL—TEXAN GETS 44 PERCENT OF VOTE—20 PERCENT FOR NIXON

Senate Democratic Leader LYNDON BAINES JOHNSON captured 44 percent of the total vote to win Roll Call's presidential preference poll of the Congress.

Tabulations made this week at the close of a 4-week election contest among Senators, Representatives, and congressional aides gave the Texas Senator 339 votes of the 770 ballots submitted.

Vice President RICHARD M. NIXON garnered 150 votes for a total of 20 percent of the tabulation.

The vote was on a nonpolitical basis, but apparently followed party lines. Republican candidates racked up 21 percent of the vote, with Democrats carrying 79 percent.

The Congress is divided 65 percent Democratic, 35 percent Republican.

Second-place runner on the Democratic side was Missouri Senator STUART SYMINGTON with 84 votes, a total percentage of 11. Senator JOHN F. KENNEDY, of Massachusetts, was close behind with 10 percent of the vote and a total of 63 ballots.

Senator HUBERT HUMPHREY, of Minnesota, polled 8 percent of the total vote with 63. Adlai Stevenson received 42 votes, 5 percent of the total. Representative CHESTER BOWLES, of Connecticut, was tendered four votes.

Two surprises of the poll were the 10-vote poll of Representative CHARLES A. HALLECK, of Indiana, and the fact that only one vote was cast for New York Governor, Nelson Rockefeller.

Senator HERMAN E. TALMADGE, of Georgia, and Representative RANDALL S. HARMON, of Indiana, each received one vote.

Breakdown of the vote was Senators, 47; Representatives, 138; congressional aids, 585.

Although no signatures were required on the ballot which appeared in Roll Call, many were signed, several bore enthusiastic slogans.

The Roll Call poll was the first of its kind to embrace the entire Congress.

The poll was suggested by Representative VICTOR ANFUSO in a front-page article in the March 30 issue of this newspaper. ANFUSO pointed out that Life magazine had taken a nationwide poll to determine the ideal qualities the American public desired in a President. After listing the qualities, ANFUSO suggested that the men and women of the U.S. Congress should be best fitted to judge the qualities of the presidential candidates since they have been working with most of them for many years. All of the major five contenders are in the U.S. Senate.

Because they were voting on their coworkers and colleagues the congressional voice expressed in the Roll Call poll is considered significant. While Congressmen and aids are not necessarily delegates to the national convention, their political power and influence is considered.

IDEAL PRESIDENT

Roll Call's poll was based on the following qualities which Life magazine determined the American voter most desired in a President.

1. He must be a man of conviction who is willing to fight for his principles, but at the same time he must be able by conciliation and compromise to avoid fights.

2. He must be a man who is above partisan considerations.

3. He must be a man with a common touch.

4. He must be a vigorous and decisive man who can make up his mind, one who can get

things done, and who will not be pushed around by other people, especially by the Russians.

5. He must be a man with wide experience in foreign affairs.

Vote breakdown

	Vote	Percent
Johnson	338	44
Nixon	150	20
Symington	84	11
Kennedy	75	10
Humphrey	63	8
Stevenson	42	5
Halleck	10	1
Bowles	4	0
Talmadge	1	0
Rockefeller	1	0
Harmon	1	0

Senators

	Vote
Johnson	17
Nixon	14
Kennedy	8
Symington	3
Humphrey	3
Stevenson	2

Representatives

	Vote
Johnson	63
Nixon	39
Symington	11
Kennedy	10
Humphrey	9
Stevenson	5
Bowles	1

Congressional aids

	Vote
Johnson	259
Nixon	97
Symington	70
Kennedy	57
Humphrey	51
Stevenson	35
Halleck	10
Bowles	3
Rockefeller	1
Talmadge	1
Harmon	1

STATEMENT BY REPRESENTATIVE VICTOR L. ANFUSO

On the basis of these returns, it seems inevitable that a ticket headed by Senator LYNDON B. JOHNSON will be a sure winner. Those who best know the candidates of both parties—those who work for and with them every day—they have spoken very eloquently and clearly of their choice for President.

However, as a northern liberal, I still have some reservations in this matter. True, Senator JOHNSON kept his promise to the American people regarding civil rights. True, he did a magnificent job in guaranteeing voting rights to all of our citizens irrespective of race, creed, or color.

It is now necessary for him to support legislation that our elder citizens can live in dignity. He must utilize all his energy and influence to obtain passage of a law that would provide adequate hospitalization and medical care for our elderly and retired citizens. They deserve this recognition after a lifetime of work.

Because of the increased cost of living, which still continues its upward trend, today's wages do not have sufficient purchasing power for the average family. Consequently a minimum-wage law, providing at least $1.25 per hour and wider coverage, should be established by Congress.

Having led the fight for these three basic measures which would benefit the vast majority of our people, viz—(1) Voting rights for all citizens; (2) medical and hospital care for the elderly; and (3) increased minimum wages—Senator JOHNSON should then be given serious consideration for the nomination by all segments of our people.

Amendments to the National Housing Act

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1960

Mr. McDONOUGH. Mr. Speaker, I have today introduced three amendments to the National Housing Act which will improve the administration of this act and also add some fiscal responsibility to the operation of the act. I submit herewith an explanation of these amendments.

A BILL TO AMEND TITLE I OF THE NATIONAL HOUSING ACT

This bill would make permanent the Federal Housing Administration's title I property repair and improvement program and would remove the dollar limit on its loan insurance authorization. Under present law the program will expire on October 1, 1960, and the amount of insured loans which may be outstanding is limited to $1,750 million. The bill would make no changes in the operations of the program itself.

Under this program the FHA insures qualified lending institutions against loss, within prescribed limits, on loans made to finance repairs, alterations, and improvements in connection with existing structures and the building of new nonresidential structures. The maximum maturity of these loans is either 3, 5, or 7 years, depending on the size and purpose of the loan. FHA's liability to an institution is limited to 10 percent of the total amount of all title I loans made by that institution. Also, under coinsurance provisions enacted in 1954, FHA's liability on each individual loan is limited to 90 percent of the loss.

Prior to the enactment of title I in 1934, improvements to existing homes had, as a rule, proved difficult to finance except at very high interest rates. Real estate mortgage financing, on the one hand, is too cumbersome, slow and expensive for the relatively small sums involved. Personal installment credit, on the other hand, does not adequately meet the credit needs in this field for a number of reasons. The items involved in a modernization job, such as a new roof or a new bathroom, cannot be covered by a chattel mortgage. Also, manufacturers of the products used are generally not in a position to help provide the credit involved, partly because the many materials used generally come from from a number of different sources, and partly because, in property repair and improvement work, the cost of labor at the site of the property being improved makes up a very large part of the total cost of the job. Finally, the people who do the repair work are very frequently self-employed artisans or small firms who are unable to extend much credit. These inherent and continuing difficulties, which are not present in the financing of such products as automobiles and television sets, have been largely overcome by the FHA property repair and improvement program.

Title I has now been in operation for 25 years and during that time has demonstrated its basic soundness. Over 23 million loans amounting to about $12.5 billion have been insured. About 2.6 million of these loans are now outstanding. Over 1 million loans were insured in 1959 in a total amount of about $1 billion. Insurance losses during the entire life of the program have amounted to well under 1 percent of the aggregate loan amounts, and premium income has been sufficient to cover both these losses and FHA's operating expenses and to provide adequate insurance reserves as well.

The program has also been especially helpful in urban renewal and rehabilitation, as it encourages the repair and conservation of existing properties and the prevention of blight. This will be of increasing importance as more of our cities emphasize urban rehabilitation and code enforcement.

In the past a great deal of unnecessary uncertainty and confusion has resulted among lenders and dealers when faced with frequently recurring expiration dates of the program. Lenders cannot successfully participate in the program unless they establish specialized facilities for making the loans, for investigating dealers from whom they intend to purchase notes, and for making collections. When faced with frequently recurring expiration dates, it is difficult for lenders to make long-range plans for carrying on these operations. Similarly, many home-repair firms finance major portions of their business through the FHA program so that a disruption, or even a threatened disruption, in this program results in substantial hardship for them. On several occasions the enactment of continuing legislation has been delayed until the expiration date was either very close at hand or until the program had actually expired.

Making the program permanent by removing the date and dollar limitations would avoid these unnecessary hardships. The Congress can, of course, still terminate or modify the program whenever it believes that changed conditions warrant such action.

The extension of the program during this session of the Congress is necessary because of the October 1 expiration date. An increase in the authorization is also needed, since it is estimated that the present authorization will be exhausted before September of this year.

BILL TO AUTHORIZE INCREASE IN TREASURY BORROWING FOR MORTGAGE PURCHASES IN FNMA SPECIAL ASSISTANCE FUNCTIONS

Under existing law, the FNMA borrows funds from the Treasury to purchase mortgages under its special assistance functions. These functions include the purchase of special classes of mortgages designated by the President.

This bill would provide authorization for increases, to be made from time to time in appropriation acts, in the maximum amount of these mortgage purchases. Future borrowings from the Treasury to obtain funds for these purchases would be added to the now existing revolving fund and would remain available and be used in the same manner as funds borrowed in the past, and interest would be paid thereon in accordance with present law. Current estimates of activity in the program indicate that $150 million will be required for commitments and purchases in fiscal year 1961, principally in support of the urban renewal and relocation housing programs under sections 220 and 221 of the National Housing Act.

BILL TO AUTHORIZE INCREASE IN TREASURY BORROWING FOR PUBLIC FACILITY LOANS

Under existing law, the funds used by the Housing Administrator to make loans to communities for public facilities are borrowed by him from the Secretary of the Treasury. This bill would provide authorization for increases, to be made from time to time in appropriation acts, in the amount which the Housing Administrator may borrow for this purpose. Such future borrowings would be added to the now existing revolving fund and would remain available and be used in the same manner as funds borrowed in the past, and interest would be paid thereon in accordance with present law. Current estimates of activity under the public facility loan program show that the present maximum amount of borrowings—$100 million—will be entirely obligated early in fiscal year 1961. The proposed legislation would permit borrowing of an additional $100 million—when authorized in appropriation acts—estimated to be required to finance the public facility loan program through fiscal year 1963.

Senator Keating Calls for Bold New National Anticrime Program

EXTENSION OF REMARKS

OF

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1960

Mr. ROBISON. Mr. Speaker, on April 30 the distinguished Senator from New York, KENNETH B. KEATING, presented the annual Robert S. Stevens lecture at my alma mater, the Cornell Law School, in Ithaca, N.Y. This lecture series has become one of the highlights of the Cornell year. Those who attended this year were particularly fortunate in hearing an address on one of the most challenging subjects of our time—the fight against organized crime.

Senator KEATING says in his speech that the Nation has thus far failed to provide our law-enforcement agencies with the tools they need to combat 20th century criminal operations. He calls for immediate enactment of an interstate crime bill to enable the Federal Government to play a larger role in fighting organized crime which spills over State boundaries. He also recommends creation of a National Citizens' Crime Commission and other measures needed to cope with the crime menace.

Mr. Speaker, it is apparent that there are a great many thought-provoking suggestions in this important speech. It contains the outlines of a bold new national anticrime policy. I commend it to the attention of all Members and include it here under leave to extend my remarks:

THE FEDERAL GOVERNMENT'S ROLE IN COMBATING ORGANIZED CRIME

(Remarks of Senator KENNETH B. KEATING, Republican of New York, on the occasion of the fifth Robert S. Stevens lecture, at the Cornell Law School in Ithaca, N.Y.)

Crime is one of the most costly social diseases in our country. The director of the FBI has estimated its cost at $22 billion. This is $128 for every man, woman, and child in America. This is $506 for every average family. It is more than is spent for education by all public and private schools in this country. It is nine times more than we contribute to every church and temple in our land. Actually, it adds up to almost one-third of the cost of running the entire Federal Government for a year.

This is a staggering sum. But even more terrible is the cost in personal security, the stain on public morality, the evil, debilitating, corrupting influence on our national existence, which this disease spreads. Crime is a blight upon the land, a running sore of evil.

The crime rate has increased almost four times faster than the population of the country since 1950. Crime in the United States today is at the highest point in its history. In 1958, the last year for which complete figures are available, more than 1,500,000 major crimes were committed. This was a 7 percent increase in 1 year. There were more convictions for extortion, fraud, bank robbery, and gambling offenses that year than ever before in the life of the Republic. This is not a very impressive image of the leader of the civilized world. This is America with a scar on its face.

I suppose that crime could be totally eliminated only in a utopia. The lure of a quick dollar spurs the unscrupulous to step over the line. And crime finds easy confederates in the weak people who will yield to any temptation or fall prey to the slightest intimidation. Our population is tainted, too, by the many depraved people for whom a jungle existence is the only way of life. These people will never discipline themselves to live in accordance with the requirements of a social order. They are the natural enemies of society. Our primary protection against them is more policemen, more prisons, better processes of rehabilitation—in short, better enforcement of the law.

I do not want to understate in any way the seriousness of crime from this source. Nor are the problems created by these weak and depraved elements in our midst being ignored. The courts in the District of Columbia, for example, have devised a revolutionary new test for determining the criminal responsibility of mentally abnormal defendants. Various commissions in England in recent years have taken a new look at such age-old crimes as prostitution. The famous Kinsey report provided us with an incredible commentary on the laws dealing with sex. The Anglican Church of England, according to a recent report, has just recommended a reexamination of the common law view of suicide and attempted suicide as a felony.

There are many, many other problems worthy of the most thorough study in this area of crime such as uniform sentencing procedures, more realistic arrest and arraignment provisions, better vocational and rehabilitative training in our prisons, and more constructive parole methods. And, of course, there is the ever-present task of combating the fundamental conditions in our environment which foster crime: slums, inadequate education, a lack of opportunity for good employment, and civic indifference. We could talk about these problems many hours. But, basically, these are problems of local law enforcement. Tonight, I want to center attention on a different level of crime, the type of crime which I believe must have the attention of the Federal Government. I refer to crime which is planned, organized, and executed on an interstate basis.

There is no doubt that nationwide crime syndicates are in existence in the United States today, that these syndicates are plundering the Nation of many billions of dollars each year, and that these syndicates cannot be successfully dealt with under existing law. The report of the Senate Crime Committee in 1951, based on voluminous hearings and thousands of hours of investigation, is still the best evidence for these conclusions.

These syndicates are not controlled by the weak and depraved men who are responsible for the bulk of our petty crimes. They are in the hands of a new criminal type—suave, impeccable figures, masterminds, who hide behind a screen of respectability, who utilize every modern tool in their operations, who carry out their schemes with the efficiency and planning suitable to the running of a modern industrial enterprise. The Frank Costellos and Joe Adonises of today are a different breed from the Baby Face Nelsons and Dillingers of past decades. The new criminal of this type comes equipped with the best legal adviser, highly trained accountants, the best connections, and influence which sometimes reaches into high levels of government. These men are cunning, resourceful, and powerful. They have made their powers evident many times. In New York City, for example, Frank Costello once was reported as promising to obtain a New York State Supreme Court judgeship for someone he knew—and that promise came true. I shudder at the thought of such influence in the appointments of members of the judiciary. The operations of this invisible government in America jeopardize the lives and futures of all of us.

The changing face of crime was recently the theme of a lead article in Life magazine. It was depicted in the illuminating hearings of the McClellan committee which brilliantly supplemented the work done by the Crime Committee in 1951. Almost everyone is aware of the magnitude of the problem, but woefully little has been done to solve it. The Assistant Attorney General in charge of the Criminal Division of the Department of Justice, within the past few months, was forced to conclude that "some thugs and hoodlums have risen to a position of dominance over important aspects of our social and economic life."

We have been losing the fight against organized crime because we have been attempting to cope with modern criminal techniques with the backward methods and obsolete laws of yesteryear. The traditional approach just won't work against this untraditional strategy of plunder and vice by the high command of crime.

In my opinion, it is of first importance that we enact anticrime legislation that will permit a combined Federal, State, and local offensive against organized crime in its entire area of operation.

One of the major obstacles to effective law enforcement at present is the advance of any statutory authority (with few exceptions) for the Federal Government to deal directly with organized interstate criminal activities. The contention that crime is strictly a local problem has been used to defeat efforts to fill this gap in the Federal legal arsenal. Most crimes, of course, are strictly matters for local law enforcement. But a local enforcement agency, no matter how effective, just cannot deal with crimes that spill over into other jurisdictions. Interstate criminal operations are purportedly organized to escape the authority of any one local law-enforcement agency.

The typical national gambling syndicate is a perfect example of this evasion. All that is needed to spread this crime is a battery of telephones reaching coast to coast. A lack of jurisdiction makes the points of impact incapable of dealing with the source of the menace. Since the Federal Government also lacks the authority to step into such a situation, the criminals have it made. This seems so apparent that it is incredible that it has been allowed to persist. Criminality doesn't end at State borders: Why should law enforcement? We're not chasing speeders here. We're chasing the enemies of society.

The Federal Government has not been so hesitant in dealing with any other national problems. It has told farmers how much corn they can grow for consumption by the animals on their own farms, and this has been sustained by the courts. It has left no segment of national transportation and communications unregulated. It supervises labor relations and working conditions in interstate commerce. While many questions are raised about the particular policies in effect at various times, hardly anyone any longer questions the fact that the Federal Government has a part to play in all of these areas.

Only one interstate activity has managed so far to escape such Federal legal scrutiny and that activity, of all things, is interstate crime. I am as concerned about preserving States rights as anyone. But it is obvious that there is at least concurrent responsibility and an absolute necessity for both the State and Federal Governments to deal with interstate criminal activities.

One objection frequently raised to expanding the Federal Government's role in law enforcement, is that it would lead to creation of a national police force. In my view, there is no danger of such a development. At the present time, there are some 347,000 citizens engaged in some kind of law-enforcement work. This includes uniformed policemen, law-enforcement agents, and clerical, administrative, and custodial personnel concerned with police protection activities. Of these 347,000 law-enforcement employees, 326,000 are employed by State and local governments. On the other hand, only 21,000 are employed by all the Federal law-enforcement agencies combined, including the FBI, Immigration and Naturalization Service, Bureau of Narcotics, and Secret Service. To give one direct comparison, the FBI employs only 6,000 special agents compared to the 24,817 policemen employed by the city of New York alone.

It is apparent that we would have to go a very long way before there was any substance to the specter of a national police force. This phrase has become almost an epithet in some circles and has served to impede a closer study of the subject. But, if we examine the facts, it is plain that we have been grappling with a slogan, not an argument.

An interstate crime bill certainly would require expansion of the FBI, but not in a manner which would give cause for reasonable concern to any person. The FBI still would be limited to investigative activities. Direction of its activities would remain under the Attorney General and decisions as to whether to prosecute would remain with the local U.S. attorneys and other Department of Justice officials. The FBI, under the outstanding leadership of J. Edgar Hoover, has never sought expansion of its jurisdiction or an increase in its powers. The tradition developed during Mr. Hoover's long and brilliant career has established guidelines for the functioning of the agency, which would in no way be altered by increasing its personnel.

In its simplest terms, an interstate crime bill would make it a Federal offense to use the facilities of interstate commerce to break certain specified State laws. The laws specified relate to the types of crimes to which these interstate syndicates are particularly prone, such as narcotics trafficking, fraud, murder, and gambling.

The bill is far reaching, but I do not believe it can be called drastic—although even some drastic measures to deal with the present menace would be justified. In many ways, my proposal is simply an extension of a trend started more than 60 years ago when Congress enacted the Lottery Act to cope with nationally organized lottery activities. Later, there were similar acts dealing with such previously local offenses as train robbery, cattle stealing, white slavery, and kidnapings. In every one of these fields the same thing happened: Local criminals outgrew local law enforcement controls. The intervention of the Federal Government in these cases has been very effective. The train robber, the white slaver, and the kidnaper have now virtually vanished from the scene. It is time we moved with equal vigor against the new colossus of organized crime that confronts us today.

The practical operation of such a bill is easy to illustrate. Let us suppose, for example, that we wanted to move in on a big gambling syndicate operating out of New York with outposts in Chicago, Tampa and San Francisco. All you would have to prove is one overt act by a member of the conspiracy involving interstate commerce such as a telephone call or an interstate shipment, or the use of the mails. You could then close in. In one case, with a single conspiracy indictment, you could bag the rich overlords at the heart of the operation in New York and the lieutenants who were running things in Chicago, Tampa, and San Francisco, and as many of the other small fry as you found wriggling in the bottom of the net. And that is not all. If the chiefs of police or sheriffs in certain towns and counties were mixed up in the mess, they would become defendants also.

This procedure in no way interferes with States rights, since under the terms of the law, State policies would control the definition of offenses. Nor would it throw an undue burden on our Federal law-enforcement officers. A man can always do a better job with less trouble if he has the right tools. This is the right tool for breaking up these syndicates.

This is only one of a number of reforms I believe are necessary to fully mobilize our anticrime forces. There must be a greater public awareness of the menace of crime. A great deal more has to be done to develop information about crime. I fully endorse the proposal for a nationwide crime census, which would for the first time, give us an accurate measure of the dimensions of the problem.

We have to do something about the growing tendency to countenance lawbreaking and obstruct law enforcement at every turn. This is particularly true in the case of organized gambling, which today provides the major source of revenue for the activities of the Nation's criminal syndicates.

I shall never subscribe to the theory that all we need do to remove the evils from gambling is to legalize it. It is obvious to me, as concluded by the Senate Crime Committee several years ago, that it is "not the illegality, but the huge profits that make gambling attractive to gangsters and hoodlums."

Nevada is often pointed to as proof of the assertion that legalizing gambling transforms it into a legitimate business. This assertion should have been refuted for all time by the revelations of the Crime Committee after it turned its spotlight on gambling operations in Nevada. The spotlight exposed the fact that professional hoodlums were in charge of some of Nevada's leading gambling casinos; that Nevada gamblers have connections with New York, New Jersey, Michigan, Texas, and Ohio mobs; that gang warfare leading even to murder for hire was not uncommon among Reno and Las Vegas overlords. The racketeers in charge of gambling operations are in business, all right, but their methods and goals are not those of honest entrepreneurs. The only thing legalized gambling accomplishes is to give these criminal activities an aura of respectability, official tolerance, and public acceptance. This does not remove the evils of gambling; it simply conceals them, making the potential threat even greater and playing right into the hands of graduates of the murder-for-hire schools.

Our officials should spend more time on measures to curb crime and less time trying to dress up criminals in the garb of the respected businessman. No matter what the consequences, I want to make my own unyielding opposition to the legalized gambling absolutely clear.

There is another thing I have never been able to understand and that is the special protection we appear to be willing to give to crimes plotted by telephone. This great scientific invention is fast becoming the privileged tool of the criminal. Recent court decisions have virtually succeeded in transforming the telephone into a private channel for organized crime.

I believe that we urgently need a Federal eavesdropping statute applicable to wiretapping and all other forms of electronic interception of conversations. Such a statute should permit Federal law-enforcement agents to utilize these devices for obtaining evidence of crime, but only under the safeguards of a court order. At the same time, as a protection against abuse, severe penalties should be provided for any electronic snooping not authorized by court order. And these penalties should be invoked against policemen, as well as ununiformed sleuths who ignore the limitations of the law. There is no criminal worse than a man who breaks the law he is sworn to uphold.

Congress should also make it clear that the States may adopt the same type of eavesdropping regulation.

In the recent decision by the U.S. Court of Appeals in New York in the Pugach case, a majority of the court refused to enjoin the introduction of wiretap evidence in two State court prosecutions. At the same time, every judge on the court agreed that Federal law makes it a criminal offense to present such evidence in a State court. One judge went so far as to invite the U.S. attorney to institute criminal proceedings against the New York district attorneys if they attempted to introduce any wiretap evidence.

This decision emphasizes the incredible legal situation which now prevails. New York has the most well-balanced, carefully safeguarded, up-to-date laws on the subject of wiretapping and other forms of eavesdropping of any State in the Nation. Nevertheless, a New York district attorney, who acts in full compliance with the requirements of the New York law, now must face the risk of Federal prosecution. I cannot conceive of anything more illogical and indefensible.

If crime were not such a serious problem, the present situation would be ludicrous. I cannot believe that anyone in Congress intended, when the Federal Communications Act was passed, to make criminals out of district attorneys who obtain State court orders permitting wiretapping. We must act promptly to restore some sense and sanity in our handling of this subject.

This is another instance in which the fight against crime has been hampered by a slogan rather than an argument. The classic phrase "wiretapping is a dirty business," has served to confuse thinking on this subject and to confine analysis to emotional outbursts in support of one preconceived point of view or another. There is no logic whatever in giving to a telephone greater sanctity than we give even to a man's home or, for that matter, to his pants pockets. These can be searched under a court approved warrant and any evidence of crime disclosed thereby can be seized and used in the prosecution of the defendant. There is nothing in the Constitution which would preclude analogous treatment of evidence of crime obtained by eavesdropping. I have introduced bills along these lines, and I hope that they will be approved before Congress adjourns.

There are many, many other problems in this field which we could discuss tonight. We are dealing with one of the neglected areas of governmental policy—a neglect which has served to spur a constantly more foreboding crime menace.

We recently spent more than 2 months discussing a civil rights bill in Congress. As you may know, I took an active part in that discussion and, I can assure all of you that I shall never cease working for equality under the law for all Americans.

But, let us not forget that the Bill of Rights also guarantees to all Americans the right "to be secure in their persons." I can think of no more drastic deprivation of civil rights than that suffered by the victim of a murder, a rape, or a mugging. I can think of no greater governmental failing than the inability to apprehend and punish extortionists, labor racketeers, and the other members of gangdom in our midst.

Crime is at war with America. It is about time America declared war against crime.

Congress must not delay any longer coming to grips with this challenge to our security. Immediate action is needed on the measures I have outlined. Comprehensive study is needed also to devise other solutions to this scourge. A National Crime Commission should be apponted to probe deeply into all the ramifications of this problem. This should be a citizen's commission divorced from Congress, politics, or any existing law enforcement agencies. Such a commission is imperative to adjust our operations against crime to the needs of today and the future. Many people shrink from such tasks—they display a certain disdain toward the whole subject of crime. But no one with the public welfare truly at heart can afford to shirk the duty to attack this evil.

This is the eve of Law Day 1960—the day on which we pay homage to the law as the custodian of our liberties and our rights. The rule of law is our most hallowed inheritance as Americans. No sacrifice is too great for its preservation.

In bringing these remarks to a close, therefore, it is well to be reminded that even in our fight against crime, no compromise can be condoned in according to every defendant his full constitutional rights. I would not stand for any departure from the requirements of due process no matter how heinous and outrageous the offense involved or how serious the problem to be dealt with.

At the same time, I do not equate a proper concern for the rights of an accused with a mawkish, sentimental, dedication to safeguarding his every interest or convenience at the expense of the community. Law-abiding citizens have rights too. I have tried to describe tonight some of the ways the Federal Government can protect those rights more effectively, but consistently with our traditions and principles.