SENATE

THURSDAY, JUNE 2, 1960

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, as we bow in reverence, we are conscious that all mankind are Thy children. The necessities of our common life on this shrinking sphere which is our home are driving us from self-contained complacency to a vivid sense of partnership with Thy other children everywhere, whose future we share.

In the stern school of discipline, Thou art teaching us that our selfish spite fences shut out more than they shut in, and that upon the East and the West and the North and the South is the compulsion that the best in all lands be shared as good neighbors.

Keep us, we beseech Thee, from the seat of the scornful, where sit those of whom the Holy Book declares, "They speak peace with their neighbors, but mischief is in their hearts."

May our own attitudes contribute to the warmth of the climate of friendship which will yet color every landscape with its magic charm, and at last spread its divine tints across all the areas of human life.

In the name of our Elder Brother, we ask it. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 1, 1960, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 1, 1960, the President had approved and signed the act (S. 2130) to authorize a payment to the Government of Japan.

REPORT ON OPERATIONS UNDER INTERNATIONAL CULTURAL EXCHANGE AND TRADE FAIR PARTICIPATION ACT OF 1956—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the provisions of section 9 of Public Law 860 of the 84th Congress, I transmit herewith for the information of the Congress the seventh semiannual report of operations under the International Cultural Exchange and Trade Fair Participation Act of 1958.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 2, 1960.*

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. 1892) to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 12063) 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, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 12063) 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, was read twice by its title and referred to the Committee on the District of Columbia.

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 VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Civil Service Subcommittee of the Committee on Post Office and Civil Service.

The Committee on Finance.

The Judiciary Subcommittee of the Committee on the District of Columbia.

The Committee on the District of Columbia.

The Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary.

The Internal Security Subcommittee of the Committee on the Judiciary.

The Antitrust and Monopoly Legislation Subcommittee of the Committee on the Judiciary.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports were submitted:

By Mr. CASE of South Dakota, from the Committee on Armed Services:

William H. Junghans, Jr., and sundry other officers, for permanent appointment in the Marine Corps.

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with an understanding and reservations:

Executive C, 86th Congress, 2d session, an international convention for the prevention of pollution of the sea by oil, 1954, signed at London on May 12, 1954, in behalf of certain states, but not the United States (Ex. Rept. No. 6).

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nomination on the Executive Calendar.

ATOMIC ENERGY COMMISSION

The legislative clerk read the nomination of Loren Keith Olson, of Maryland, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1962.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

REPEAL OF PASSENGER TRANSPORTATION TAX—RESOLUTION

Mr. JAVITS. Mr. President I ask unanimous consent to have printed in the RECORD a resolution adopted by the Chamber of Commerce of the Borough of Queens, city of New York, relating to the repeal of the passenger transportation tax.

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

RESOLUTION REQUESTING REPEAL OF PASSENGER TRANSPORTATION TAX

Whereas in 1941 and 1942, as a wartime expediency, the Congress of the United States levied excise taxes upon the transportation of persons and property; and

Whereas the principal purpose for levying the tax upon the transportation of persons was to discourage unnecessary wartime travel; and

Whereas the excise taxes upon the transportation of property and the excise tax

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upon the transportation of persons traveling to and from foreign countries have been repealed; and

Whereas today, 15 years after the cessation of hostilities, the 10 percent wartime tax upon the domestic transportation of persons is still in effect; and

Whereas the tax upon domestic transportation of persons continues to discourage travel within the United States notwithstanding the fact that all forms of common carrier transportation have excess passenger carrying capacity; and

Whereas the tax is levied only upon transportation of domestic passengers, it unfairly encourages vacation and tourist travel to foreign countries rather than U.S. resort areas; and

Whereas the transportation tax discriminates against U.S. domestic airlines since a person traveling from the west coast to Europe or from the east coast to the Orient via polar nonstop routings pays no transportation tax but would be required to pay the tax upon the coast-to-coast segment of the trip if he chose to use a domestic airline to New York or California and then change to a foreign flag or U.S. international carrier; and

Whereas the transportation tax unfairly discriminates against those persons who cannot afford a private automobile and must depend upon common carrier transportation for their necessary travel needs; and

Whereas the sole justification for continuance of the transportation levy is the Federal Government's supposed need of the revenues from tax—revenues which constitute an extremely small proportion of the national budget; and

Whereas Members of Congress predict that repeal of the transportation tax would increase the Federal Government's income tax receipts from private users of common carrier transportation by eliminating deduction of transportation tax paid from income, increase income taxes from the common carrier industry, and increase the income and other excise tax receipts from other business and industries stimulated by increased travel to the point there would be little or no net loss in revenue to the Federal Government; and

Whereas the Senate of the United States voted in 1958 and 1959 to repeal the tax upon the transportation of persons; and

Whereas both of the Federal regulatory agencies established by Congress to exercise jurisdiction over transportation matters, the Interstate Commerce Commission and the Civil Aeronautics Board, have recommended that the tax upon the transportation of persons be repealed; and

Whereas there is presently pending before the Congress of the United States legislation which would repeal the tax on transportation of persons: Now, therefore, be it

Resolved, That the Chamber of Commerce of the Borough of Queens, representing approximately 1,600 individuals, firms, and corporations engaged in the community and business life of the borough of Queens area, does hereby petition and respectfully urge the Congress of the United States to enact into law such legislation as will repeal the wartime excise tax upon the transportation of persons.

RESOLUTIONS OF CENTRAL NEW YORK PATENT LAW ASSOCIATION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD two resolutions adopted by the Central New York Patent Law Association, relating to rights under inventions arising from research conducted under projects financed by the United States, and modification of the act establishing the National Aeronautics and Space Agency.

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

RESOLUTIONS OF CENTRAL NEW YORK PATENT LAW ASSOCIATION

Whereas Senator O'MAHONEY on March 10, 1960, introduced S. 3156 defining rights under inventions arising from research conducted under projects financed by the United States; and

Whereas S. 3156 in effect provides that the Government, rather than private contractors, will in most situations hold title to patents on inventions derived from such research; and

Whereas it is believed that the passage of S. 3156 is against the best interests of a free enterprise system of business for at least the following briefly stated reasons:

1. Inventions constitute the lubricant for our industrial machine. Nationalization of technology and the inventions that are responsible for advances in technology, is a fast road to a nationalized industry in a nationalized state.

2. Government title to patents derived from basic research can lead to the curtailment of healthy competition in industry and the stifling of inventive activity by industry.

3. The provisions of S. 3156 are cumbersome and impractical. At best there is only a token promise that title to patents will reside in the private contractor. The operation of this proposed resolution will effectively result in title remaining in the Government if a contract is to be entered into without costly delays.

4. The present practice of granting a nonexclusive license to the Government is wholly satisfactory, fully protects the Government and the public: Now, therefore, be it

Resolved, That the Central New York Patent Law Association is opposed to the passage of S. 3156 and that its opposition be made known to those directly charged with acting upon the bill as well as other parties concerned therewith.

Whereas the House Committee on Science and Astronautics is considering modification of the act establishing the National Aeronautics and Space Agency by H.R. 9675 to improve its effectiveness; and

Whereas one portion of such bill liberalizes the patent provisions relating to inventions made by contractors of such Agency; and

Whereas the Central New York Patent Law Association favors the passage of such bill for at least the following reasons:

1. The bill, by leaving title with the contractor who makes the invention, stimulates the making of inventions and the searching for new applications of knowledge.

2. It encourages disclosure of new technology by the issuance of patents and tends to discourage secrecy.

3. It provides the Government all the rights it needs—namely, free use of the invention through the world for any governmental purposes, as well as granting discretionary powers to the NASA Administrator to bestow grants of patent title to contractors.

4. It encourages the investment of private capital to finance commercial application of the inventions: Now, therefore, be it

Resolved, That the Central New York Patent Law Association supports the passage of H.R. 9675 and its support be made known to those directly charged with acting upon the bill as well as other parties concerned therewith.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. CANNON, from the Committee on Armed Services, without amendment:

H.R. 5738. An act to authorize the Secretary of the Army to transfer to the Waukegan Port District the commitment of the city of Waukegan, Ill., to maintain a public wharf in Waukegan Harbor on land conveyed to the city in 1914, and for other purposes (Rept. No. 1498);

H.R. 8024. An act to amend the act of May 9, 1876, to permit certain streets in San Francisco, Calif., within the area known as the San Francisco Palace of Fine Arts, to be used for park and other purposes (Rept. No. 1499); and

H.R. 8713. An act to authorize the Secretary of the Navy to convey certain real estate to the Oxnard Harbor District, Port Hueneme, Calif., and for other purposes (Rept. No. 1500).

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. MAGNUSON (by request):

S. 3618. A bill to amend the Interstate Commerce Act, as amended, so as to provide that the transportation of bulk commodities by railroad shall be exempt from regulation; 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. ENGLE:

S. 3619. A bill to make permanent law the provisions of section 408 of the National Housing Act regulating savings and loan holding companies; to the Committee on Banking and Currency.

By Mr. LONG of Louisiana:

S. 3620. A bill to permit the coverage under Social Security of certain policemen and policewomen in the city of Hammond, La.; to the Committee on Finance.

By Mr. BEALL:

S. 3621. A bill to authorize the burial of the remains of Matthew A. Henson in the Arlington National Cemetery, Va.; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S.J. Res. 200. Joint resolution extending an invitation to the Federation Aeronautique Internationale to hold the 1962 world sport parachuting championships at Orange, Mass.; to the Committee on Foreign Relations.

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

By Mr. JAVITS (for himself and Mr. KEATING):

S.J. Res. 201. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Relations.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

EXEMPTION FROM REGULATION OF TRANSPORTATION OF BULK COMMODITIES BY RAILROAD

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Interstate Commerce Act so as to provide that the

transportation by railroad of commodities in bulk, including liquid commodities in bulk, shall be accorded exemption from regulation similar to, but broader than, the exemption now granted water carriers subject to the Interstate Commerce Act.

At present, under terms of the so-called bulk commodity exemption in part III of the Interstate Commerce Act, which governs the Federal regulation of domestic water carriers, transportation is exempted from regulation "when the cargo space of the vessel in which such commodities are transported is being used for the carrying of not more than three such commodities." For these purposes two or more vessels navigated as a single unit are considered to be a single vessel. Exemption, with some qualifications, is likewise given domestic water carriers transporting liquid cargoes in bulk.

The bill I am introducing by request would provide for exemption from Interstate Commerce Commission regulation of transportation by railroad "of commodities in bulk which are loaded and carried without wrappers or containers and received and delivered by the carrier without transportation mark or count, or to the transportation of liquid commodities in bulk in tank cars."

It has been suggested that there are alternative ways to resolve the present differences in exemption from regulation. One is to repeal the exemption outright and to regulate equally movements of bulk goods by rail and water carriers alike. The other is to amend the Interstate Commerce Act and extend a similar exemption to the railroads.

A bill—H.R. 8467—to effect repeal of part of the present bulk commodity exemption, namely the dry bulk exemption, has already been introduced by Representative HARRIS upon recommendation of the Interstate Commerce Commission. I have also introduced an identical bill, S. 1809, by request of the Commission.

With the introduction of this bill, upon request, the Senate has before it the alternative of granting an exemption to the railroads as well as the proposal to remove it from the water carriers. Thus, the matter may be given consideration from both points of view.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3618) to amend the Interstate Commerce Act, as amended, so as to provide that the transportation of bulk commodities by railroad shall be exempt from regulation, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

PARTICIPATION IN SIXTH WORLD SPORT PARACHUTING CHAMPIONSHIP

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, a joint resolution inviting participation in the Sixth World Sport Parachuting Championship in the United States in August 1962.

This joint resolution is simultaneously being introduced in the House of Representatives by Representative SILVIO CONTE, of Massachusetts, since this international competition is scheduled for Orange, Mass.

Actually, the invitation is being extended to the Federation Aeronautique Internationale, which biennially conducts the keen competition in this so-called Olympics of parachuting.

One has only to inquire to learn the phenomenal growth that parachuting, as a sport, has gained during the last decade, thus the importance of holding the 1962 international competition within our Nation.

It is most fitting that Congress join with the Commonwealth of Massachusetts in recognition of this forthcoming event.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 200) extending an invitation to the Federation Aeronautique Internationale to hold the 1962 World Sport Parachuting Championship at Orange, Mass., introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Foreign Relations.

PARTICIPATION BY FEDERAL GOVERNMENT IN NEW YORK WORLD'S FAIR OF 1964–65

Mr. JAVITS. Mr. President, on behalf of my colleague, the distinguished junior Senator from New York [Mr. KEATING] and myself, I introduce, for appropriate reference, a joint resolution to authorize Federal participation in the New York World's Fair of 1964–65. Parallel legislation is being introduced in the House today.

The joint resolution has been endorsed by the New York State congressional steering committee for the 45 Members who comprise the New York delegation in Congress; the steering committee is composed of Representative EMANUEL CELLER, chairman; myself; and Representatives JOHN TABER, WILLIAM E. MILLER, and JAMES J. DELANEY.

This proposal provides for the creation of a Commission similar to that which represented the Federal Government at the 1939 New York World's Fair. Another precedent lies in the legislation previously enacted in connection with the 1958 World's Fair at Brussels and the forthcoming Century 21 Exposition to be held in Seattle, Wash.

The joint resolution, if enacted, will make it possible to arrange for the official U.S. exhibit at the fair, including the design, construction, contents, and operations of the U.S. building.

Eighty million visitors, including 10 million tourists from outside the United States, are expected to visit the New York World's Fair in 1964 and 1965, nearly doubling the number at the 1939 fair. We want the official U.S. exhibit at this fair to have a visual and ideological impact. This will be especially meaningful to foreign visitors, who will thus gain a greater insight into the cultural, educational, and economic values predominant in our free society.

The Commission will be composed of the Secretaries of State, Agriculture, Interior, Commerce, Labor, and Health Education, and Welfare; the Speaker of the House and the President of the Senate are authorized to appoint four Representatives and four Senators respectively to serve as members of the Commission without additional compensation. In addition, a U.S. Commissioner for the fair will be appointed along with such staff as may be required. The sum of $3 million is authorized under the joint resolution to carry out its purposes.

Private enterprise and foreign governments are expected to invest more than $500 million in the 1964 fair. It is estimated that a successful exposition, on the scale now envisaged, will bring in nearly $100 million additional revenue from admissions alone, in addition to the enormous possibility for travel expenditures throughout the United States, including, I might say, the Washington area, with which it is expected a very close liaison will be effected for the purpose of tourism and for the purpose of having visitors to the fair see the National Capital.

The fair should attract 5 million more tourists from foreign countries than would ordinarily be expected. Vigorous participation by the United States through its own Commission could encourage these guests to expand their visit to take in many of our other States and aid the development of the United States as the world's stellar tourist attraction.

Since last fall when the President's Special Commission selected New York City as the best qualified to stage a world's fair in the 1960's, there has been no question of the very great importance which the U.S. Government attached to this event. The Brussels World's Fair served as a prime example of the emphasis every major nation in the world places on such international expositions as an invaluable showcase of its national image. Fifty-one nations, including the United States, participated and their investments ranged from Liechtenstein's $15,000 to the Soviet Union's expenditure of $50 million. At the next New York World's Fair, the experience and the know-how which the U.S. Government has acquired in the field as a result of our stepped-up participation in exhibits all over the world, should be demonstrated in an official U.S. exhibit. Thus a Federal Commission set up and functioning well in advance of the actual opening date, would give us maximum opportunity to integrate our exhibit into the overall theme of the fair and avoid a last minute rush to catch up with the careful advance planning of our most practiced competitors.

The Soviet Union is also a skilled hand at fairmanship, each year increasing the number of foreign trade fairs in which it participates until it took part in 177 in 51 countries in 1959 alone, 4 times

the number the United States was represented at last year. We do not want to run even the remote risk of being outshone at our own world's fair and a U.S. Commission coordinating its efforts with the world's fair staff already being formed is excellent insurance that ours will be one of the outstanding exhibits. This joint resolution offers an opportunity to the U.S. Government which it cannot afford to miss.

Mr. President, I should like to emphasize, as my colleague [Mr. KEATING] and I emphasized to the Senate when this matter was under discussion at the close of the last session, that the joint resolution is not for the support of the fair. It is only for the U.S. exhibition. We made it clear at that time that New York is asking nothing of the Federal Government in respect of mounting the fair. I ask that the joint resolution may be received for appropriate reference.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 201) authorizing Federal participation in the New York World's Fair, introduced by Mr. JAVITS (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. KEATING. Mr. President, I am happy to join with my distinguished colleague [Mr. JAVITS], and with the New York Members of the House in today introducing a joint resolution authorizing Federal participation in the 1964 New York World's Fair.

The joint resolution which we are introducing today is very similar to the joint resolution enacted in conjunction with the 1939 New York World's Fair. It would authorize the expenditure of $3 million on the part of the Federal Commissioner for the New York World's Fair. This money would be spent, among other purposes, for the official U.S. exhibit at the fair. This is but a drop in the bucket compared with the overall budget for the fair, and with the contemplated expenses of both foreign exhibitors and private participation at the fair. The provisions detailing the ways in which these funds may be expended are certainly complete. I call the attention of the Members to section 6 of this joint resolution in which the Commission is given the authorization to provide ice and drinking water for office purposes.

A great deal of concerted effort on the part of many citizens of our State has been devoted to seeing to it that New York City was selected as the site for the 1964 fair. These efforts have been extremely fruitful. Both the executive branch of our Government and the Bureau of International Expositions in Paris have given New York the "green light."

The history of New York City's efforts with regard to the Bureau of International Expositions is interesting and warrants some mention at this time. This Bureau, located in Paris, is composed of some 30 countries, which are responsible for approving and scheduling major international expositions of World's Fair stature. The United States does not belong to the Bureau, but has traditionally participated although somewhat indirectly, in its work.

The Bureau operates under fairly complicated regulations which say that major international expositions cannot be held in any one major world zone—as defined by the Bureau—unless a prescribed period of years has elapsed since the last fair in this particular zone.

At its spring 1960 meeting, the Bureau approved Moscow's application for a 1967 fair. Since Moscow is not in the same B.I.E. zone as the United States, this action left the door open for the New York Fair in 1964. Although the B.I.E. will undoubtedly not actively endorse the New York Fair, we are hopeful that, by not prohibiting member nations from participating, the Bureau will to this extent sanction New York's 1964 fair.

As of the present time, I am informed that the State Department does not anticipate any great difficulty in this area. In the meantime, certain high administration officials are exploring the possibility that the United States should join the Bureau in order to avoid the type of uncertainties which have arisen in connection with the Bureau's attitude toward the forthcoming New York World's Fair.

Mr. President, I am delighted to join today with the entire New York State congressional delegation in introducing the joint resolution for the 1964 World's Fair. I certainly hope that the relevant committees of the Congress will now act in all possible haste so that we will be able to enact this much-needed authorizing legislation before Congress adjourns.

The administration most conclusively indicated its support for the 1964 fair, when on January 21, the Secretary of State, in the name of the President of the United States, sent to the ambassadors of all foreign nations represented in this country, an invitation to participate in the 1964 New York World's Fair.

The invitation keynoted the theme of the fair, "Peace Through Understanding." It was based upon the report of the Presidential Commission on a World Fair, and rightly emphasizes the great and mounting enthusiasm in this country for a dynamic and far-reaching cultural, economic, and scientific expression of America's stature in the world of 1964.

I am confident that the 1964 fair will inspire a full and free sharing of the ideas of all of the nations of the world, and I am extremely proud that New York City, as the home of the United Nations and a great trade and cultural center, has been selected for this high honor.

The 1964 World's Fair is still a long way off. The die has now been cast with the sending out of invitations to the nations of the world. I am hopeful that Congress will now add its approval and furthermore that the participation of foreign nations in this fair will be extensive. I am hopeful also that the newly independent nations of the world will take this opportunity to show us their accomplishments and tell us of their plans. I am confident that our major free world allies will firmly assert their desire for increased international understanding and cooperation in all fields of endeavor.

Mr. President, I commend all of the men and women of the great city of New York who have worked long and hard for the 1964 World's Fair. Their job is by no means over. It is, in fact, just beginning.

U.S. PRIVATE INVESTMENT IN UNDERDEVELOPED AREAS

Mr. JAVITS. Mr. President, I submit, for appropriate reference, an amendment in the nature of a substitute for H.R. 5, "the Boggs' bill" recently passed by the House and now pending before the Senate Finance Committe, to further expand U.S. private investment in the less developed areas of the world including those countries receiving U.S. economic assistance which is needed to bolster young but growing economies.

A major drive should be initiated without delay in the Senate, to implement and thus strengthen H.R. 5, proposed by Representative HALE BOGGS, Democrat, of Louisiana, so that every practicable incentive will be provided U.S. private investment to triple the current level of U.S. foreign private investment in underdeveloped areas of the free world from $500 million anually to at least $1.5 billion yearly. If the Congress is to look forward to a time when there can be provided adequate economic aid from the Federal Government to these areas gradually, it must take the necessary first steps now to increase foreign private investment. We must stimulate a tremendous expansion of U.S. private investment in these very areas to take up the slack which still exists and provide the additional capital necessary to help the economies of newly developing countries grow so they can satisfy the demand for improved living standards by more than 1 billion people.

The Boggs' bill as it was introduced was truly a pioneer piece of legislation. Now, its working base can be broadened to encourage much more private investment by adding to it certain provisions of S. 3251, which I introduced earlier this session to carry out the prime recommendations of the so-called Straus report on "Expanding Private Investment for Free World Economic Growth." This Straus report resulted from an amendment I offered to the Mutual Security Act of 1958.

As passed by the House of Representatives, H.R. 5 supports the establishment of foreign business corporations—FBC's—in less developed nations and provides for a system of tax deferrals on their profits so long as the income is reinvested in the same kind of underdeveloped areas in the free world. The Boggs proposal can be measurably strengthened at this point, in my opinion, if a "cross-investment" provision is included whereby the payment of taxes on profits from all overseas investments is deferred so long as these

same earnings are reinvested in less developed areas. I estimate that this section—a key part of the amendment in the nature of a substitute offered today—could make available some $700 million a year in new investment capital for Africa, South and Southeast Asia, the Middle East, and Latin America.

At the same time there is incorporated in my substitute a provision not originally included in S. 3251, my own bill, which would bar tax deferrals benefits to any corporation which operates plants in these underdeveloped areas with substandard conditions for its labor force. By all means, the Senate should preserve the Boggs bill requirement that the U.S. Secretary of Labor may investigate and determine whether or not workers employed at such plants are being paid less than the minimum standard required by law—or where such minimum standards do not legally exist, whether the pay is below the standard enjoyed by average workers in a locally owned plant in the same line of work, or in a closely related field. As the Straus report made very plain, expanding U.S. private investment is clearly one of the prime national objectives of U.S. foreign policy, for these dollars represent the "seed capital" which can lead to the growth of stable economies based on the private enterprise system. Our national objective would be seriously impaired if we failed to provide adequate safeguards in this legislation against the possible exploitation of the local labor force in the less developed areas—through payment of low wages or by tolerance of unsafe, substandard working conditions.

The other significant additions which my substitute would offer, supplementing the provisions of H.R. 5, include the following:

First. Extending the tax deferral benefits to branches of insurance companies as well as banks; the House version excluded insurance companies which have long been regarded as a most important source of noncompetitive capital investment.

Second. Permitting writeoffs on capital losses of FBC's and their subsidiaries in less developed nations, similar to the provision in the Small Business Act, and allowing losses in such areas to be passed along to stockholders and taken by them; both would increase the amount of investment in admittedly high risk areas of the free world where internal upheavals are not unknown.

Third. Allowing tax deferral for services and property exchanged for stock in an FBC.

Fourth. Granting authority to the President to enter into foreign tax agreements involving reciprocal tax credits and tax deferrals.

It is my hope, that the Senate Finance Committee, recognizing the opportunity of the legislation before it in H.R. 5, will view with favor the amendments in the nature of a substitute which I submit today.

The VICE PRESIDENT. The amendments will be received, printed, and appropriately referred.

The amendments, in the nature of a substitute, intended to be proposed by Mr. JAVITS to the bill (H.R. 5) to amend the Internal Revenue Code of 1954 to encourage private investment abroad and thereby promote American industry and reduce Government expenditures for foreign economic assistance, were referred to the Committee on Finance.

DEPARTMENT OF TRANSPORTATION ACT OF 1960—EXTENSION OF TIME FOR BILL TO LIE ON THE DESK

Mr. CASE of New Jersey. Mr. President, on May 26, 1960, I introduced a bill, S. 3596, to establish a Federal Department of Transportation. On the date of introduction, I requested that the bill lie on the desk, in the event that other Senators wished to cosponsor it, until the close of business 1 week hence, which would be today, June 2, 1960. Senators JAVITS and KEATING, of New York, have agreed to cosponsor S. 3596, and other Senators, too, have indicated an interest. Accordingly, I ask unanimous consent that the bill, S. 3596, now be permitted to lie on the desk until the close of business tomorrow, Friday, June 3, rather than today.

The VICE PRESIDENT. Without objection, it is so ordered.

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:

Statement of Secretary of Defense Thomas S. Gates, before the Senate Committee on Foreign Relations, June 2, 1960.

Address entitled "Citizenship in a Free Society," delivered by Hon. Frederick H. Mueller, Secretary of Commerce, at the 50th anniversary commemorative dinner, Boy Scouts of America, Washington, D.C., June 1, 1960.

U.S. UNITY AND THE SUMMIT CONFERENCE

Mr. JOHNSON of Texas. Mr. President, before the breakup of the summit conference, a joint cablegram was sent to Premier Khrushchev by Speaker Rayburn; Chairman Fulbright, of the Senate Foreign Relations Committee; Mr. Adlai Stevenson, the 1952 and 1956 Democratic standardbearer; and myself. The cablegram expressed our feelings concerning the unity of the United States in a moment of crisis, and urged Premier Khrushchev to continue the negotiations.

We have received an answer to that cablegram. I ask unanimous consent that the text of the cablegram and the answer be printed in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JOHNSON of Texas. Mr. President, personally I believe that Premier Khrushchev's response is an arrogant denial of the facts. He—the man who walked out of Paris, after refusing to negotiate on the basic issues of war or peace—states baldly that the United States torpedoed the summit conference.

Mr. President, the only thing that was torpedoed at the summit conference was any confidence the free world had in the desire of the Communists to put an end to the cold war.

None of us knows just what motivated Premier Khrushchev's action. Perhaps he had internal political problems. Perhaps he was under pressure from some of his allies, at least one of which seems to be on the way to greater strength than that of the Soviet Union itself. Perhaps he never at any time intended to negotiate with this country in good faith.

But no one can seriously believe that the U-2 plane incident—a byproduct of the cold war—was a sufficient excuse for refusing to discuss the basic issues of the cold war itself.

Mr. President, millions of people throughout the world had the opportunity to observe the famous press conference in Paris. At that conference, Premier Khrushchev made it clear that his attitude was not one of conciliation or reconciliation.

At this time we do not have to pass judgment upon whether the United States did or did not make mistakes at the summit conference. That issue we can determine coolly and objectively, after all the facts have been gathered; and they are now being gathered by two distinguished Senate committees, and from time to time they will be gathered by other committees.

The important point is that, regardless of whatever mistakes we may have made, we were ready, willing, and anxious to negotiate on the issues of life or death. The Soviet Union refused to negotiate on these issues; and an anxious world will never overlook that fact.

In his cablegram, Premier Khrushchev takes note of the fact that American foreign policy is bipartisan. Mr. President, it is obvious that he does not understand bipartisanship. It is equally obvious that he does not understand that all Americans, of whatever political creed—Republican or Democratic—will stand united against him in his effort to divide this country and his effort to weaken the hopes of freedom.

We also stand united in our determination to preserve our freedoms and to promote peace for all the peoples in the world.

EXHIBIT 1

[Cablegram of May 17, 1960]

The Honorable DWIGHT D. EISENHOWER,
President of the United States,
American Embassy,
Paris, France:

As leaders of the Democratic Party of the United States, we earnestly urge you to convey to Premier Khrushchev the views of the opposition party in your country that he reconsider his suggestion for postponement of the summit conference until after the national elections in this country.

We feel that total failure of the conference and increasing mistrust on both sides will be serious and deeply disturbing to the whole world.

All of the American people earnestly desire peace, an end to the arms race and ever better relations between our countries. We ask you as the leader of this Nation to see that these views are conveyed to Mr. Khrushchev.

SAM RAYBURN,
Speaker, House of Representatives.
LYNDON B. JOHNSON,
Senate Majority Leader.
ADLAI E. STEVENSON,
Democratic Presidential Nominee, 1956.
J. W. FULBRIGHT,
Chairman of the Senate Foreign Relations Committee.

[An unofficial translation of a cablegram received through the State Department from the Premier of the Soviet Union, Mr. Nikita Khrushchev]

MAY 30, 1960.

The Honorable SAM RAYBURN,
Speaker of the U.S. House of Representatives.
The Honorable LYNDON B. JOHNSON,
Majority Leader, U.S. Senate.
The Honorable ADLAI E. STEVENSON,
Democratic Presidential Nominee, 1956.
The Honorable J. W. FULBRIGHT,
Chairman of the U. S. Senate Foreign Relations Committee, Washington, D.C.

GENTLEMEN: Your message to the President of the United States, in which you asked the President to inform me that the Democratic Party of the United States of America was opposed to the postponement of the summit conference, was forwarded to me through the Embassy of the United States of America in France on May 19, that is after President Eisenhower, by his refusal to recognize the elementary requisites for normal relations between our countries, had wrecked the conference. Nevertheless I wish to express my views on the questions raised in your message.

The Soviet Government regrets that the summit conference was not held. The peoples of the Soviet Union placed great hopes in the conference, regarding it as a big and important step on the way to solving urgent international problems, on the way to relaxing international tension and eliminating the threat of a rocket-nuclear war looming large over the world. The Soviet Government on its part tried to do everything possible to contribute to the convening and success of the summit conference and, in particular, it had prepared constructive proposals on all the major issues to be considered at this conference.

The course of events, however, strayed from the direction desired by the Soviet Government and the peoples of our country. I don't think it is necessary for me to dwell in detail on the question of how and by whom the summit conference was torpedoed—it is known to the whole world now that it was not the Government of the Soviet Union, but the Government of the United States that is responsible. The breakup of the summit conference was caused by a whole chain of acts by the Government of the United States aimed at aggravating the international situation and intensificating the cold war. Among these acts were the speeches by the Secretary of State Herter, his deputy Dillon, Vice President Nixon, overtly hostile toward the Soviet Union and backed by President Eisenhower, which are known to you, as well as provocative military alarms and the President's statement on the resumption of nuclear tests.

The policy of the Government of the United States aimed at torpedoing the summit conference found its most vivid expression in the perfidious and aggressive act against our country: the intrusion of the American reconnaissance planes into the territory of the Soviet Union. No one can deny that those were actions deliberately planned by the Government of the United States of America which were a gross violation of the sovereignty of the Soviet Union, direct acts of aggression against the U.S.S.R., creating a threat to universal peace. And President Eisenhower not only refused to condemn those aggressive actions and punish those directly guilty, but also stated that the flights of American military aircraft over the Soviet territory represented the state policy of the United States of America.

What would the participation of the Soviet Union in the summit conference have meant under these circumstances? It would have meant to endorse the aggressive policy of the militarist circles of the United States of America, to help them to pursue the policy of war under the cover of negotiations for peace, as well as to acknowledge the right of American militarists to impudently defy the sovereignty of the Soviet Union. It would also have meant to agree to participate in negotiations on unequal terms which are humiliating for a sovereign state.

Naturally, in the obtaining situation the conference could not take place, all the responsibility for its disruption resting with the Government of the United States of America.

What lies ahead? How will international situation be developing in the future?

As far as the Soviet Union is concerned, it will henceforward, as always, carry on its foreign policy on the basis of principles of peaceful coexistence, and it will strive for the solution of urgent international problems by peaceful means, by means of negotiations. And we are sure that our policy of peace corresponds to the interests of all mankind for whom there could not be a more horrible catastrophe than a new world war.

But you should understand that not everything depends on the Soviet Union; much will depend on the United States of America and its Government. The present Government of the United States of America, unfortunately, has shown that it seeks not to improve the relations between our two countries, but to destroy those positive results which were achieved in Soviet-American relations within the last year, and especially as a result of our meeting and talks with President Eisenhower during my visit to the United States last September.

We know, however, that the doctrine of aggression and provocation now proclaimed by the Government of the United States of America was not created by the American people; that it is not in line with the great democratic traditions of the American Nation, traditions of Washington and Jefferson, Lincoln and Franklin D. Roosevelt. It is because of this that broad sections of the public and many prominent political figures in the United States are seriously concerned about the foreign policy pursued by the present administration, which is dangerous for peace, and which has brought about the breakup of the summit conference.

Sober-minded circles in the United States realize that the Soviet and the American peoples have one common enemy—danger of war—and that this enemy can be overcome only by joint efforts. The position of these circles is well grounded. Because if this matter is considered seriously there are objectively no contradictions between the American and the Soviet peoples; our great peoples have nothing to clash about; they have vast territories, rich natural resources, and, what is most important, they realize what catastrophic consequences the world would suffer as a result of a rocket-nuclear war, to the preparation of which the efforts of those who torpedoed the summit conference are directed.

The Americans—and this I became convinced of during my visit to the United States—are as anxious for the establishment of peace and security as the Soviet people. You, Messrs. Rayburn, Johnson, Stevenson, Fulbright, also point out in your message: "All of the American people earnestly desire peace, an end to the arms race, and ever better relations between our countries." I single out this statement of yours with satisfaction and welcome it.

We know that there are two major political parties in your country, but the foreign policy of the United States of America is said to be bipartisan. It is difficult for us to fully understand it; it is your internal affair, and we, as is known, do not interfere in the internal affairs of other countries. But we, as well as you, know well that peoples who are vitally interested in maintaining and strengthening peace judge governments and parties first of all by their readiness to really pursue the policy of peace and peaceful coexistence of states with different social-economic systems.

I can assure you, gentlemen, that all the steps on the part of the United States aimed at bettering relations between our countries and at insuring peace and international security will meet with sympathy and every kind of support in the Soviet Union.

With respect,

NIKITA KHRUSHCHEV.

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

Mr. JOHNSON of Texas. I yield.

Mr. COOPER. I commend the distinguished Senator from Texas on his statement. The statement he has made today and the statements he has made heretofore have served to strengthen the unity of our country. I believe they have also kept in proper perspective the events of the last few weeks; and, Mr. President, that perspective is that our basic purposes have been the same, continuously, to reach just settlements with the Soviet Union, and to achieve a just peace. The remarks of the able Senator from Texas have also helped us to keep in mind the fact that the conference was scuttled by Mr. Khrushchev, and not by the U-2 incident. During these weeks the able senior Senator from Texas has performed a most valuable service to our country.

Mr. JOHNSON of Texas. I am grateful to the Senator from Kentucky.

Mr. ANDERSON. Mr. President, will the Senator from Texas yield.

Mr. JOHNSON of Texas. I yield.

Mr. ANDERSON. In view of what the Senator from Kentucky has said, I merely wish to say that I have been very much pleased with the mail I have received from my State and from adjoining areas, praising the able Senator from Texas for the fine things he has had to say about the situation and for the bipartisan way in which he has approached it.

Mr. JOHNSON of Texas. I thank the Senator from New Mexico.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. JOHNSTON of South Carolina. I commend our majority leader for what he has said on the subject of the termination of the summit conference. He is always sound in principle on matters of this kind.

In addition, I should like to go a step further: Speaking of my own feelings, let me say I have always felt that Khrushchev intended to try to break up the summit conference, and had planned to

do so in the future if the conference actually did get under way. When we study all the ramifications, I believe that conclusion is the only one we can reach.

Furthermore, if Khrushchev had wanted to meet in the conference, at that particular time he had the best atmosphere for doing so that he could possibly have had. But, even then, he failed to come in and discuss matters before the summit conference. In my opinion that shows that, all along, he intended to try to break up the conference, and to keep anything for the good of the world from happening at the conference.

Mr. JOHNSON of Texas. I thank the Senator from South Carolina.

Mr. KEATING. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to my friend, the Senator from New York.

Mr. KEATING. Mr. President, again I wish to commend the distinguished majority leader, as I have done heretofore, for the statesmanlike and patriotic way in which he has conducted himself throughout the present crisis.

As one on this side of the aisle, I must say that my mail, like that of the distinguished Senator from New Mexico [Mr. ANDERSON], has reflected the fact that the people feel that the distinguished majority leader understands the situation and knows how to deal with tyrants and dictators; namely, by denying them what they want, and by giving them what they do not want.

So, Mr. President, I am very happy to join in the tributes to our distinguished majority leader for the forthright manner in which he has commented on the answer received from Premier Khrushchev.

Mr. JOHNSON of Texas. Mr. President, I appreciate the sentiments of my friend.

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

Mr. JOHNSON of Texas. I yield to the Senator from Washington.

Mr. MAGNUSON. I did not intend to participate in this debate, but I could not resist, having listened to the colloquy this morning, pointing out that when the President of the United States said, as I think he should have said, that we should continue to keep as much contact as we can with the Soviet Union, we have in a way failed to consider another aspect of the problem. It is my considered opinion that a great deal of the trouble facing us comes out of Red China. It is further my considered opinion that one of the cold, hard, international facts of life is that 700 million people live in Red China, that any prospect for reducing the possibility of war to a minimum must include some kind of contact with Red China, and that we are not facing up to that cold, hard, international fact.

Facing up to that fact does not mean that we would agree with the political views of Red China. I suppose my disagreement with the political views of the people in Peiping is more violent than is my disagreement with the views of those in the Kremlin; but I do not see how we can ever expect to accomplish anything for the future peace of the world until we try to make some kind of contact with Red China. I do not mean recognition of Red China, but some kind of participation with the representatives, bad as they may be, of a country which has almost one-fourth of the world's population.

There will be 1 billion people in China in 1990. Just in the time we have been talking here, since the session opened this morning, 500 persons have been born in that country. Five hundred are born there every 15 minutes. It seems to me that any foreign policy we have must take that factor into consideration.

It is also my considered opinion that 25 years from now Red China will be running Russia, and I think we have to look toward that eventuality.

The President said that, despite the summit failure—which I do not think was his particular fault—we have to keep trying to have contact with Red China in order to work out something for the future of the world. I think historians some day will write that probably one of the grave mistakes that was made in our foreign policy was that we said, in effect, that 700 million people, insofar as we are concerned, just do not exist.

Mr. President, this is a serious matter. So long as the drifting continues, we are not going to be able to depend upon even what the Russians might want to do, because they are not their own masters in many instances, and they are not going to be, as those in Peking assume the power they are now obtaining and control the Sino-Soviet bloc.

I think it is time we reevaluated that aspect of the problem. I do not suggest recognition of Red China at all. I do not suggest that anyone agree with their political philosophy. As I have said, my disagreement with the political philosophy of Red China is more violent than my feeling against Communist Russia, and surely I am in violent disagreement with the philosophy of Communist Russia. But we have to face some of the cold, hard, international facts of life.

I think we should consider that aspect of our foreign policy in a nonpartisan manner. I do not mean that there should not be constructive criticism of the administration when we feel criticism is justified. I refer to criticism for the sake of criticism—in which I do not think the Democratic side has engaged, in any case. I think the burdens of the President of the United States are great enough without making them worse. But some day—and I think it should be soon—we had better wake up to the fact that there are 700 million people living in Red China. As that population increases to an even greater number, they are going to have much more influence on what we like to term as the possibility of peace in the world.

I do not say we can expect to change their vicious form of government, unless somewhere along the line we try to use our persuasiveness in the interest of justice for everybody in the world.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield to the Senator from Montana.

Mr. MANSFIELD. I should like to join my colleagues in commending what the distinguished majority leader has said this morning and, like all my colleagues, I shall be looking forward to reading the reply which Mr. Khrushchev sent to him, to the Senator from Arkansas, Mr. Fulbright, chairman of the Foreign Relations Committee, to Adlai Stevenson, and to the Speaker of the House of Representatives, Sam Rayburn.

It also ought to be brought out that the Senator from Arkansas [Mr. FULBRIGHT], chairman of the Foreign Relations Committee, and the majority leader, the distinguished senior Senator from Texas [Mr. JOHNSON], worked closely together in bringing about the inquiry being conducted by the Foreign Relations Committee, which is now in its final hours, an inquiry which has been conducted on a high plane, on a nonpartisan, impartial basis, not with the idea of assessing blame for what has happened in the past, but with the idea of doing something constructive which will help our country today and in the future.

The Senate owes a debt of gratitude to the Senator from Arkansas for the statesmanship he has shown. I think we also ought to recognize that all the witnesses who have appeared before his committee have been candid, fully cooperative, and frank in the discussions they have had with the members of the committee.

I think we ought, also, to pay attention to what the Senator from Washington has just said relative to the situation involving the Soviet Union and Communist China. There are circumstances which would indicate a possible split between those two great powers. There is the strong possibility that today Mao Tse-tung, rather than Premier Khrushchev, not only is the senior Communist member of the ranking hierarchy, but perhaps the ideological leader of communism throughout the world as a whole.

I recall that in the press yesterday there was a story to the effect that Communist China had loaned $50 million to Outer Mongolia. I call to the attention of the Senate the fact that Outer Mongolia lies between Communist China and the Soviet Union, and that both of these great Communist empires are striving for control over it. I am indeed sorry that, in accordance with the suggestions which have been made, our own Government has not made an attempt to establish contact with Outer Mongolia to the end that we could open our eyes to what is happening in the Soviet Union and Communist China and thereby make progress toward widening that split which will inevitably mark the relations between the Soviet Union and Communist China.

Again I desire to commend the distinguished majority leader for his great contribution in this period of crisis extending over the past several weeks.

Mr. JOHNSON of Texas. I thank my friend.

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

Mr. JOHNSON of Texas. I yield to the Senator from Colorado.

Mr. ALLOTT. I would not want this minute to pass without adding my compliments to the ones which have been paid the majority leader concerning the international situation.

I believe one of the things, which most Americans have trouble doing is recognizing what makes the Communist mind tick. By the same token, I am sure the Communists have as much trouble understanding that although we can be members of different political parties and different political faiths, we are bound together by fundamental beliefs in human rights and human dignities, written laws, things which seem to be incomprehensible to the Communist mind.

In this sort of situation I think the majority leader on numerous instances in the Senate, since the collapse of the summit conference, and also in his remarks around the country, has contributed a great deal toward conveying the idea to the Communists—to Khrushchev in particular—that this country is a unified country and that in respect to the broad purposes and aims which we embrace—our constant desire for enhancement of the dignity of the individual and the expansion of his rights—we stand alone. No country on earth is going to disunite us or have a divisive effect on us.

To this purpose the Senator has contributed greatly, and we give him thanks for it.

Mr. JOHNSON of Texas. I appreciate my friend's attitude.

CONSTRUCTION OF NORMAN PROJECT, OKLAHOMA

Mr. ANDERSON. Mr. President, I ask the Presiding Officer to lay before the Senate a message from the House of Representatives on S. 1892.

The PRESIDING OFFICER (Mr. COOPER in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1892) to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, and for other purposes, which were, on page 3, line 6, strike out "and title III of the Flood Control Act of 1958"; on page 3, line 13, strike out all after "delivered" down through and including "centum" in line 22, and insert "for that purpose"; on page 4, line 2, after "cost." insert "The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue."; on page 4, line 7, strike out "purposes." and insert "purposes, subject, if the project is then operated by the United States, to payment of a reasonable annual charge by the Secretary of the Interior sufficient to pay all operation and maintenance charges and a fair share of the administrative costs applicable to the project."; on page 6, strike out lines 9 through 11, and insert:

SEC. 8. There is hereby authorized to be appropriated for construction of the works authorized by this Act not to exceed $19,042,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuation in construction costs as indicated by engineering cost indices applicable to the type of construction involved herein: *Provided*, That such basic amount shall not exceed $12,920,000 in the event the aqueduct system is not constructed by the Federal Government. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

And on page 6, strike out all after line 11 over through and including line 2 on page 7, and insert:

SEC. 9. Section 5(f) of the Act entitled "An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other puposes", approved April 11, 1956 (70 Stat. 109), is amended effective June 1, 1960, to read as follows: "The interest rate applicable to each unit of the storage project and each participating project for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from the date of issue."

Mr. ANDERSON. Mr. President, this is really one amendment, and involves the interest rate provision which the Senate inserted as a rider as to the Norman project. The House provision is not different in any real degree from the Senate provision, except that the Senate bill would provide a formula which would produce 2.625 percent interest, whereas the House formula will produce about 2.69 percent interest. I do not believe it is worth while arguing the matter in conference. I have suggested, if it is agreeable to the majority leader and to the acting minority leader, that we ratify the House action and accept the House amendments to the bill.

Mr. ALLOTT. Mr. President, I personally am delighted to join in this request. And I am informed the minority leader has cleared this matter.

Mr. ANDERSON. Mr. President, I will say for the RECORD that the able Senator from Colorado [Mr. ALLOTT] has been a member of the Committee on Interior and Insular Affairs for a long time. He has worked very faithfully on these bills. I wish to commend the Senator for the work he has done on the Norman project bill and the Wichita bill, as to which the long experience the Senator has had with water matters in Colorado has been of benefit to our committee.

Mr. President, I would not want the bill to be cleared without a word of commendation to my able friend from Colorado.

Mr. ALLOTT. I appreciate very much the kind remarks of my friend from New Mexico. The great amount of work and devotion that the Senator from New Mexico has made in this area are well known and appreciated by everyone.

Mr. ANDERSON. Mr. President, I move that the Senate concur in the House amendments to S. 1892.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to.

ADDRESS BY COMMISSIONER OF RECLAMATION FLOYD E. DOMINY

Mr. ANDERSON. Mr. President, population increases in the United States will bring about water shortages of varying severity in this country by 1980, according to preliminary studies by the Senate Select Committee on National Water Resources.

Our water demand will double within 20 years and multiply many times over by the year 2000. Except in the West, where water shortage always has been a prospect when it was not reality, such news may come as a surprise. But the fact is inescapable—water is a limited resource. We must bend increasing efforts to use it wisely, to conserve it, to keep it pure, and to provide for its multiple use.

Some techniques and practices to meet these goals have been in use for a long time. The Bureau of Reclamation since 1903 has been at work to store water by which desert lands were reclaimed. Through irrigation and the generation of hydropower, much of the West has prospered. Such prosperity may have reached a ceiling—and it may not have, depending upon our determination to find water to keep all parts of the country growing.

Finding water for the future will be a problem in which the entire country must participate. This fact is recognized in many places, including Government.

One of the latest statements about our future water problem came on May 26 here when Floyd E. Dominy, Commissioner of Reclamation, addressed the 47th annual national convention of the National Rivers and Harbors Congress.

Mr. Dominy's speech displays a fine grasp of the problem facing the Nation, the Congress, the executive branch, and individual States and communities. He explains that rising costs have added a new burden to water shortages—that of dollar shortages in terms of what can be done today compared with what was done 20 years ago.

Mr. President, in view of the growing concern over our water resources and the ever-present interest in the West in reclamation, I ask unanimous consent that the text of Mr. Dominy's speech on May 26 be printed in the body of the RECORD.

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

ADDRESS BY COMMISSIONER OF RECLAMATION FLOYD E. DOMINY, BEFORE THE 47TH ANNUAL NATIONAL CONVENTION OF THE NATIONAL RIVERS AND HARBORS CONGRESS IN WASHINGTON, D.C., THURSDAY, MAY 26, 1960

Your president, Mr. Buckman, in his invitation suggested that I discuss reclamation's

future program. That opens up a pretty wide subject which we can approach from any one of several angles.

There are the needs of the future which can be pointed up by an anticipated national population increase of 70 million people in the next 20 years and an increased per capita use of water which has jumped from 1,500 gallons per day in 1955 to about 1,600 gallons today, and is expected to go higher—much higher—in future years.

Or we could discuss the future program from the dollars and cents viewpoint. How much is it going to cost us? As the demand for water grows, it is going to take whatever it costs to get the job done. But right now the Bureau of Reclamation has a budget before Congress for next fiscal year of nearly $310 million. We are doing what we can to keep our budget for future years within this range, but a great deal depends on the constancy of dollar values. Bear in mind that a $300 million program today is about equal to a $100 million program 20 years ago in terms of accomplishment.

But there is another facet of our future program which bears close examination. That is the changing pattern of water need and development and the steps we are taking or must take to fit this widening concept. It is to that problem that I want to devote my remarks this morning.

Actually, the situation breaks down into two parts. The first concerns our meeting present or short-term needs within the structure of existing laws and economic controls. The second involves our efforts to foresee the complex environment of tomorrow and so tailor our long-range plans to fit that world of the future.

If we are wise, the experience we have gained in the past and that to be gained in the solution of the immediate problem will stand us in good stead in approaching the second. Nevertheless, we cannot be detached about the second problem for, in a certain sense, both the immediate and long-distant future must be approached simultaneously.

Let us examine briefly those things that have been done to facilitate handling of our immediate problem. The last 20 to 25 years of big project construction have seen much progress in the technical fields of water resource development as well. This period has been an era of intensive research, and we are seeing some of its fruits in increased savings and more efficient use of water.

To name only a few in the field of irrigation alone, we can mention innovations in canal linings, water weed control, and the coming of age of sprinkler irrigation. There is increased efficiency in application of irrigation water on the farm. Virtually all crops have benefited from improved varieties and strains, and increased use of fertilizer has maximized crop yields with a minimum of water.

There has been legislative progress as well. The Reclamation Project Act of 1939 gave meaning to the concept of multipurpose development, and the several Flood Control Acts, particularly that of 1944, reaffirmed this concept on a basinwide basis. The Fish and Wildlife Act of 1946 and 1958 clarified the important role of fish and wildlife in our water use complex.

The Watershed Protection and Flood Control Act of 1954 filled a great vital need as did the Small Reclamation Project Act of 1956. The Water Supply Act of 1958 gave specific recognition to the importance of municipal and industrial water in our planning for the future. Great strides have been made toward development and use of interstate streams by compact agreements between the States.

Of equal, if not greater, importance is an increased public national awareness of some of our water problems and the necessity of solving them. In the Western States, where the Bureau of Reclamation functions, there has always been that awareness because water, or the lack of it, has been a problem since the first white-topped Conestoga wagons rolled across the plains a century or more ago.

Now, other areas are realizing that their problem is not confined to flood control or getting rid of the water, but rather the storage and management of an assured year-round supply.

All of these factors have been important. Without them, some of our most notable achievements would have been impossible. And all of them have contributed to what I consider the most important single development of the last several decades—multiuse of our available water resources.

Multipurpose development is a concept which has gradually evolved until it now occupies an uppermost place in our thinking about all that we seek to do. It furnishes a solid basis for optimism and hope that our great responsibilities of the future may be met successfully.

Multipurpose development may be stated simply as the concept of the coordinated approach of optimum development. It is an approach by which the resource is developed to the extent and for the purposes that yield the greatest public good.

Now just merely saying these words does not create a kind of magic that settles all problems of water resource development. Actually, from the short-range point of view, they probably compound them.

There are forces which contrive to defeat and frustrate the aims and objectives of any worthy cause. These are forces of inertia, reaction, or conflicting interest. There are basic philosophical differences as to the role of government. There are vested economic interests. There is sectionalism. And there is tradition—a fine thing in and of itself but not something you can eat or drink.

Overcoming all of these adversities in an atmosphere of constructive, democratic negotiation is our challenge. Education and reeducation of the unenlightened and the misguided are prerequisites to effective implementation of this concept upon which our future progress is based.

This process of education and enlightenment must be carried forward in all areas of our national life. I would be the first to acknowledge that we in the executive branch of the Government are not completely free from these diseases which weaken coordination. It is only natural that Congress, elected by and sensitive to the will of the people, must contend with sectionalism in seeking the common good. Local entities of government, corporate business, and private citizens have a touch of the same affliction.

Progress is noted in combating these forces, but it is a slow process. Much remains to be accomplished. There must be statutory changes to keep pace with changing times and needs. All of us must constantly reappraise our positions. We must be adaptable to change as required to meet our national needs for water and food in succeeding generations.

We are going to have to accept a lessening of importance in some purposes and functions in the general scheme of things. This will occur when the consensus, as revealed by evaluation of overall needs, decides that the historic position of one particular function or another is no longer appropriate in the new economic environment—or at least not to the degree formerly recognized. Let us remain flexible enough to accept such reorientation as is inevitably required to meet the needs of the changing times.

Do not read into this any forecast that any segment of our national water conservation effort shall soon become obsolete. I seek merely to emphasize the point that our total needs will become so great and difficult of satisfaction in future decades that no existing interest can expect to prevail contrary to the best interests of the total good.

On the other hand, I see little danger of total exclusion or elimination of any purpose now served by a water project because multipurpose development will, in most instances, provide for our total needs. But this can be accomplished only by maximum use of the available resource.

Similarly, in this water resource development program of tomorrow, there are functions and responsibilities for all. Private enterprise must participate as must local and State entities of government. I can mention, offhand, a 23-mile tunnel which Denver, Colo., has just pushed through the Continental Divide to divert water for that city's use. Or the billion dollar bond issue California is voting on this fall to finance a State water plan in that State.

It is particularly pleasing to note that Congress has acted favorably on the San Luis unit of the Central Valley project which provides a pattern of joint Federal-State development of a single reservoir site. There is a need for further irrigation water in the great Central Valley of California and this is a normal Federal function as an addition to the Central Valley project. But the legislation will make it possible for the State acting jointly with the Bureau of Reclamation to finance a larger dam and reservoir which can also be used in the State water plan. This is an outstanding example of Federal-State coordination and cooperation in multipurpose development.

The Federal responsibility, of course, also transcends the capacity of lesser entities because at no other level of government can the necessary capabilities and coordinating authority be reasonably expected to exist. It is natural that those with limited interests cannot be depended upon to consider infallibly the total requirement. This is important today and will become increasingly so as the search for a usable water supply becomes more competitive.

The existing Federal legislative structure provides a starting point for the discharge of this responsibility in the sense that the laws under which we collectively operate set forth broad principles that are sound and enduring. In other words, we have a pretty fair skeleton. Unfortunately, the rest of the legislative corpus does not measure up to the same standards.

In the area of legislative or other policy delineation of rules for implementation of these principles there is still some contradiction, confusion, and overlap. For example, considerations of reimbursability or local participation run the full gamut from everything to nothing for an equivalent service, depending upon the law being employed. Two or more agencies remain empowered by law to accomplish virtually identical programs in some areas with differing limitations in law and administrative practices.

Until passage of the Fish and Wildlife Coordination Acts of 1946 and 1958, there was no reliable basis for treating fish and wildlife benefits uniformly by all agencies in the water resources field. That benefit could be a full-fledged purpose of a reservoir constructed by one agency and an incidental byproduct of a similar reservoir undertaken by another agency. We still are learning how to use the new concepts which were written into this act in 1958.

Confusion still exists in the field of recreation development other than that directly involved in fish and wildlife use. One agency builds recreation facilities on all projects with nonreimbursable money. Another builds only the absolute minimum public use facilities and then, more often than not, has to collect for their cost, frequently from water users and others who share only in a limited way in their benefits.

These are only a few of the many inconsistencies, paradoxes, and omissions in Federal water resource legislation that frustrate and confound the developer of projects in our era. We are progressing in today's environment despite these voids and contradictions in policy direction. Possibly we can meet the intensified needs of a generation hence without definitive overhaul and codification of our day-to-day ground rules, but it is not a simple task. There are hopeful indications of some improvement. Increasing awareness of these problems is noted year by year by Congress and others. Stimulation of this awareness and conscientious cooperation with the congressional leadership represent the highest contribution that we as water resource administrators can make.

In summary then, to get back to our original thesis of the immediate job and the long-range effort, I believe those of us in the field of water conservation are keeping up with the first immediate job and have a good running start on the second one.

In too few years, however, tomorrow's future will be today's problem. We must take steps—constructive and enlightened steps—to insure that our successors will be able to say then, as we do now, that we are still keeping up.

BUSINESS-GOVERNMENT PARTNERSHIP SPELLS PROGRESS IN WEST VIRGINIA

Mr. RANDOLPH. Mr. President, the progress of a growing West Virginia telephone company is a dramatic example of how private enterprise and the Federal Government can work together for the betterment of our society.

United Utilities of West Virginia, with headquarters at Davis, was incorporated only 2 years ago. With the help of $1,210,000 in loans from the Rural Electrification Administration, this imaginative company has improved or extended telephone service to 7,000 West Virginians since 1958.

REA's low-interest loans for extending telephone contact to rural areas provided United Utilities with essential capital. Five citizens—with an unshakable faith in West Virginia's future—are providing the imaginative leadership, hard work and necessary investment of their own private funds which has made progress possible and effective.

They are Edward S. Filler, of Thomas, president of United Utilities, who is a World War II and Korean veteran and a major in the Army Reserve; Gerald H. Parks, of Davis, vice president, a past president of the West Virginia Telephone Association, as is Mr. Filler; Robert W. Minear of Parsons, secretary-treasurer, a veteran and a lieutenant commander in the Naval Reserve; Charles H. Coffman Jr., a director, who is associated with the Coffman-Fisher chainstores with headquarters in Baltimore; and Dr. S. M. Lilienfeld, the fifth director and a practicing physician in Parsons.

These five men, who also are directors of the Duncan Telephone Co. which was established in Tucker County in 1912, founded United Utilities of West Virginia, Inc., on August 27, 1958. Their purpose was to utilize REA funds to acquire antiquated rural telephone systems and convert them into a modern, nationwide dial system, thus providing improved service for existing subscribers and extending service to people who had never enjoyed it before.

Those who live in the Nation's great urban centers, where telephones are an indispensable reality, can easily forget that an estimated 4,800,000 farm people—and thousands of other rural, nonagricultural residents—still do not have telephone service.

Congress established the REA telephone loan program in 1949 to enable private companies and cooperatives to meet this telephone gap. Since then the REA program has helped bring telephone service to 1,344,536 subscribers through almost $644 million worth of loans to 696 borrowers.

United Utilities of West Virginia, with its resourceful leadership, has achieved these impressive results in only 2 years:

Brought modern dial telephone service to 4,196 West Virginians, installed direct distance dialing for another 2,565, and ultimately will provide service for the first time to more than 2,500 citizens.

Provided hundreds of jobs throughout the State while helping build a communication system essential to the economic development of West Virginia's rural areas.

United Utilities, with an investment of $3,185,000, now operates in nine West Virginia counties: Barbour, Clay, Lincoln, Marion, Nicholas, Preston, Taylor, Roane, and Wayne.

Its sister firm, the Duncan Telephone Co., operates in Tucker County, where it recently installed the fourth mobile dial service in the world and the first in West Virginia. Mobile dial service, which places telephone installations in automobiles and in remote areas without using landlines, allows customers to dial direct just as they would do under a conventional landline dial system.

These are the impressive achievements being wrought in West Virginia, which are dramatic examples of the progress that can be made when the initiative of private business and the resources of the Federal Government cooperate in building a better and stronger society.

MEDICAL PLIGHT OF OLDER AMERICANS IS REAL EMERGENCY

Mr. PROXMIRE. Mr. President, the tremendous problem our senior citizens face in mounting medical costs is no less an emergency because it did not develop overnight—nor can it be solved with halfway measures.

Many of the letters I receive from older residents of Wisconsin tell the story of people putting off needed operations or treatments or, as an alternative, literally giving up some of the necessities of life to meet their medical bills.

Here is an example of such a letter. I ask unanimous consent, Mr. President, to have it printed at this point in the RECORD.

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

DEAR SIR: Will you please help us to get some decent help from our social security? Our President has a new help plan, but will that help most of us? During the last 4 years I have been in the hospital three times. My hospital bills were each time around $250. Would the President's plan have helped me? I do not think so.

Please try to get some decent help for us.

Very respectfully yours,

_____.

Mr. MANSFIELD. 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. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

THE POWER OF THE COMMUNIST PARTY

Mr. JAVITS. Mr. President, the failure of the summit conference emphasizes, among other things, the difficulty of understanding the motives and forces that lie behind the Soviet Union's actions. One of those forces is undoubtedly the Communist Party of the Soviet Union, which is not a political party in our sense. Indeed, it is not comparable to anything on the American scene.

The Soviet Communist Party is the dominating power of the Soviet Union despite the fact that its membership represents only a fraction of the nation's total population. Its structure, function, and mode of operation should be under constant study, because without the knowledge obtained from such a study, no real understanding of the Soviet Union is possible.

A study of the Soviet Communist Party and its members was published in the New York Times magazine, on May 29. I ask unanimous consent that the article by Max Frankel, entitled "The 8,708,000 'Elite' of Russia," be printed in the RECORD.

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

THE 8,708,000 "ELITE" OF RUSSIA

They are the devoted—and disciplined—members of the Communist Party, a network of organization men for whom the motto, "Country above party," is meaningless.

Any speculation on what Nikita Khrushchev will do next—the big international question—depends on an understanding of the fact that he is first secretary of the Communist Party. That extraordinary party dominates every sector of the Russian state, from the Army to production of Zim automobiles. Here is a study of what the party is and how it works.

(By Max Frankel)

Moscow.—The Soviet Communist was earnest but exasperated. "Now really," he insisted, "you cannot blame us for considering all this election noise a waste of time. What is the difference between Republicans and Democrats?"

"What," teased the American, "is the difference between the Soviet Government and the Soviet Communist Party—a difference just as lovingingly cherished in your country?"

"One officially governs while the other supervises, criticizes, and organizes," the Communist began.

"Our difference precisely," said the American. "Only we alternate."

"No, no, no, no, no."

The discussion got nowhere.

It is easily said that Russians cannot and will not understand the American party system. True enough. But the American is just as poorly prepared to make sense of the Soviet Communist Party.

Early this month when Frol R. Kozlov was moved, in a general shuffle of the Soviet hierarchy, from the post of First Deputy Premier to that of secretary of the party, people in Moscow considered it a stroke of good political fortune for him. The change was not comparable, say, to a transfer of Vice President NIXON to a full-time job on the Republican National Committee.

The reason is that in the Soviet Union the party apparatus which Kozlov joined is superior to the Government apparatus which he left. Relations between the two are generally in delicate flux and the shifts that accompanied the Kozlov transfer are reflections thereof. But the difficult job of discerning how the Communist Party works must begin with fundamentals.

The trouble usually begins with semantics because the name "Communist Party" can be misleading. The Communist Party of the Soviet Union calls itself a party, it has a party charter, a party program, and party headquarters. It nominates candidates and works for their election. It makes propaganda, admits members and raises funds. Once upon a time it actually was a party; more exactly, it was a part of a party, the majority—the Bolsheviki—among the bitterly divided Russian Social Democrats.

Soon after it seized power in 1917, however, the Bolshevik Party became the only party in the Soviet Union. The party, in other words, became the whole, a system unto itself. As such, it not only drafts programs but imposes them. The rules under which it operates are its own.

The 8,708,000 Soviet citizens who belong to the Communist Party of the Soviet Union today were recruited from among a population of 212 million because their apparent character, talent, energy, and zeal were at one time or another deemed appropriate to management of the nation. The owner of a red leatherette Communist Party book is expected to excel his countrymen in the knoweldge of party history, doctrine, and dogma; but, above all, he is expected to know that his party superiors know it even better.

His superiors, his orders, the theory, or the line may change; the member's unquestioning loyalty, obedience, and enthusiasm may not. The Communist goes where he is sent, does what he is told, and is judged by how well he does it. He is the world's first—and most capable—organization man.

The essential difference between the Communist and republican systems of government is the CPSU's recognized and supreme authority over the Soviet Government itself and its long reach into the management of every factory and farm, dance troupe, fire brigade, and infantry battalion. Through a giant network of inspectors general the Communist audit all books and supervise all activity. They control the press and radio. Party members responsible to the party hierarchy have offices beside those of factory directors, university rectors, infantry colonels.

Though the party is, constitutionally, superior to the Government, how it exerts control at every level is not so easily defined. It has legal standing, forceful backing and ideological justification for supremacy, but it must earn its authority with organizational skills and the direct influence of its members.

The first order of government business here at the moment, for instance, is the ambitious 7-year economic plan for 1959–65. Hundreds of Government agencies in Moscow and at every level of government down to village Soviets live by this plan, shape it, and execute it. But not even the mammoth state-planning apparatus or the Council of Ministers control the plan; it is the party's "baby," as are all important projects.

The plan was proclaimed before a party congress, not by the Supreme Soviet, this country's version of a legislature. When more shoes or chemicals are wanted than had been planned or when more scrap has to be saved to make the plan work, it is the party leaders who issue decrees to the cabinet, to all government agencies, and to the governments of the 15 Soviet republics. And the party organizations in the 15 republics are expected to see that the orders are followed.

In the ministries and factories the relationship between party and government men at their desks (and often at one desk) is more complex still. As might be imagined, the union of party and government in the persons of so many leading officials has produced a sensitive network of loyalties that no outsider can properly appreciate.

A partial glimpse comes only in dramatic situations. Two years ago Marshal Georgi K. Zhukov, war hero and Minister of Defense, was thrown out of the party's leading committees and out of the Government on the charge that he had resisted party control over the armed forces. His fellow marshals and generals, all high-ranking party men as well, joined the denunciations of the fallen leader.

The Zhukov case brought into the open again one of the most sensitive and, to the party, one of the most important areas of party supremacy—control of the military. The Soviet leadership has established a political network of officers responsible to the Communist Party. These officers serve alongside regular commanders down to battalion level. The principle of party supremacy has been vigorously reasserted since Zhukov's ouster. There is no Soviet slogan comparable to the American "country ahead of party." Such conflict is said to be unimaginable.

The theoretical rationale for party superiority is disarmingly simple: Marx said that workers were the only producers of wealth and thus should run society; therefore, added Lenin, the ideal form of government is a dictatorship of the proletariat—namely, the Communist Party, which considers itself the "vanguard of the proletariat." Marxism-Leninism this "science" is called.

To know everything best, the CPSU needs the best men in everything. To control everything it needs to control the leaders of everything. The country's problems are its problems. And, of course, as the country changes the CPSU changes.

In 1905, 12 years before it seized power, the party was a band of 8,500 outlaws. The chief qualification of membership was skill at subversion. At the start of the fateful year of 1917 it still had only 23,000 members.

Responsibility brought expansion. Men were needed to seize all property, to keep the factories going, and to fight the civil war. Until it had firm control of the nation, however, the party of conspirators expanded most carefully. It did not admit its millionth member until 1926.

Its rapid growth began with Stalin's 5-year plans. To manage the breakneck industrialization the party now needed not only politicians but planners and economists, engineers, and city builders, gifted diplomats and shrewd propagandists, men to control the growing army and to restore order on the collectivized farms and zealous workers to set the high factory norms of output.

In the next decade the party had a net gain of only another million members but many times that number passed through its ranks to be tested and discarded or purged. Energetic, educated and, above all, disciplined organization men were wanted, not romantic Socialist reformers.

Predictably, not every factory manager and army colonel took kindly to the presence of a comanager or cocolonel next door with his own authority and ideas. All the more reason then to enroll and discipline the managers and colonels themselves as well. Party control came first always—preferably, however, with no loss of efficiency.

The end of the great purge in 1938 brought even greater net gains in membership. And the party's desire to establish a mass base in World War II resulted in mass inductions and a V-day membership of 5,760,000. Then came more sorting out and careful screening. When Stalin died in 1953, there were 6,880,000 names on the rolls.

The doors were flung open again as soon as Nikita Khrushchev felt himself in command. To date he has admitted 2 million new members at a still accelerating rate, in an intensive search for young blood capable of controlling a complex industrial society, now a world power.

The Premier wants imagination and efficiency—and popularity. He must work in the Lenin-Stalin structure but he needs sophistication and new talent. Considerations of efficiency have led him to decentralize Soviet industry and agriculture—which means Soviet politics. He knows that only an alert party can now cement the whole and enforce the central will upon the farflung establishment.

Khrushchev wants party men who will arouse popular support and cooperation. He wants Communists to be Communists, to quit relaxing in dachas, to live modestly and selflessly and earn the respect of the people in their charge. He was delighted last year to hear the protest of collective farm peasants against the promotion of their efficient party chairman because this showed he had been doing his job well and was popular.

Obviously, more than even his predecessors, Khrushchev needs experts and yet he also wants the Communist Party to be a party of workers again. He wants to reverse the trend of decades that has left the party top heavy with deskbound aparatchiki (bureaucrats).

But like Lenin and Stalin, Khrushchev must have discipline. His first and inescapable duty is the preservation of the system—the CPSU. Factions are forbidden; an issue once decided is undebatable. Khrushchev's purpose also remains the same, and it remains the final test of every party member: results—steel and coal, corn and bricks, machines.

The pressure for results runs through the party from top to bottom. More, higher, greater, better, cheaper—more, comrades, there must be more. The party member is the bearer of these exhortations and he is judged by his success at keeping others happily and productively at work. The ordinary party member also has the difficult assignment of listening to and promising to act on gripes, complaints, and criticism from below.

At the base of the party pyramid are machinists and bricklayers, tractor drivers and teachers, musicians and nuclear physicists. They spend long evenings at meetings to be attuned to the party line at every moment and to become fluent in the special rhetoric of the faith—the rhetoric in which a phrase, "cult of personality" can represent volumes of unpleasant history and a word, "revisionism," is shorthand for tomes of undesirable thought.

The party man must exhort, explain, and defend. When volunteers are called, he must rush to volunteer—to work on Sunday or to move to Siberia. He must not get drunk. He must not be seen in church.

And no matter how exemplary his behavior, when things go wrong and hundreds are at fault, he gets the blame.

Because they appreciate the difficulties of life in the party, nonparty Russians judge members as they would anyone else, without special envy or resentment. They know that Communists live well for their station in life but they know also that the Communist is always at work. He is known to sacrifice much of his individuality for the vague satisfactions of organizational triumph. There are strident bossy types in the party, too, of course. But they are disliked for their human qualities, not because they own a party book.

Enlistment in the party is an act of individual faith, a complex act inspired by a desire to serve, to know, to succeed, to lead. The zealous lathe operator, always surpassing the assigned quota, the influential professor, the outstanding milkmaid and the high-ranking army officer need not seek membership. It seeks them, and they rarely refuse.

The road to membership for the ambitious Soviet youngster is through excellence on the job or in school, clean living, enthusiasm for party doctrine, helpfulness at election time or harvest time. A good record in the Young Communist League is especially valuable.

The big step is into candidate membership—a year's probation to test the character, loyalty, and knowledge of the newcomer. Any three party members may propose anyone over 18; approval by a local party cell completes the admission process. To expel a member, formal charges must be filed by the local unit and extensive hearings and a review by the next highest party organ be held.

Party members are divided into about 500,000 cells, with a membership of from three to several hundred each. They operate in plants, stores, ministries, institutes, villages, and even submarines.

The born gladhander and the obvious leader can normally expect to reach at least one higher rung on the party ladder. As a secretary of a large cell or city or county committee, he becomes one of the several hundreds of thousands of full-time party workers responsible for whole districts or industries, for the operation of government, the administration of justice, and the morale of the population.

The stresses—and turnover—are great down there at the bottom of the line, but with success—that is with results—the enterprising person can expect special party schooling and promotion to a regional and eventually even a Soviet republic organization. The job then is to administer not only whole territories but the Communist Party units within them.

As in an army, the routine is strict and party officials are expected to fit in anywhere from the Baltic to the Pacific. Changes of venue keep them on their toes and independent of private coteries. Naturally, the leadership of key industrial or population centers tends to catapult a party man to national influence. Khrushchev was party leader of Moscow and of the Ukraine on his way up.

At the top of the party hierarchy are a central committee (a forum of prominent regional military and special functionaries), the committee's presidium (a senior brain trust or policy panel, at present with 15 full members and 7 alternates) and the committee's secretariat. The secretariat is the party's nerve center, it devises workaday policies and translates them into directives for subordinate secretariats throughout the organization.

Premier Khrushchev is first secretary and the five other secretaries sit with him in the presidium, forming a perfect blend between policy and action. The secretariat is divided into sections—foreign affairs, agitation and propaganda, political administration of the military, education, and culture. How many sections there are, how they are staffed, and how they do their work is not known. But history is a witness to the power and stamina of the secretariat and the party it heads. For both Stalin and Khrushchev it was a small step from leadership of the secretariat to undisputed leadership of the entire nation.

This month's changes in party and Government leadership raised no new faces to the top of the hierarchy, but they placed younger men—who became Communists after the 1917 Revolution and after Lenin's death—in strategic posts.

Kozlov, 52 years old, stands out now in the shrunken secretariat. Another secretary and Presidium member, Leonid I. Brezhnev, 54, has replaced the 79-year-old Marshal Voroshilov as titular chief of state. Elevated to the Presidium were Dimitri S. Polyansky, 43, the Premier of the Russian Republic, former planning chief Aleksei N. Kosygin, 56, and Ukrainian party leader Nikolai V. Podgorny, 57, the last two youthful in ideas and approach to party issues.

From secretariat to tiniest cell, discipline plus agility have enabled the party to survive the enormous stresses of wars, famines, purges, changes of leadership, the collectivization of agriculture and the social upheaval of industrialization.

Grate as it may on his Democratic-Republican conscience, the American must appreciate the viability of this so strange, so different party. And he must understand that this is no lifeless machine but a living body politic evolving with the people from which it sprang.

Demonstrably, the party enjoys the strengths and weaknesses of the Soviet people—the inclination to accept guidance from on high, the desire to impress superiors and inferiors, the worship of the machine, the deification of the plan and the system and the ingenuity to make them work, the will to survive.

In looking over the new blood it has lately recruited, the party recently complained that too much of it was ideologically impure, that the dedication and experience of the new young Communists were too far removed from the steely nerve of their Bolshevik grandfathers. Thus the indoctrination goes on, but so does life. How the party will change depends largely on how it will continue to change Russia.

FOURTEENTH ANNIVERSARY OF THE REPUBLIC OF ITALY

Mr. KEATING. Mr. President, today, June 2, marks the 14th anniversary of the establishment of the Republic of Italy.

All peoples and nations suffered during the last war, but the people of Italy were suffering under the harsh and dictatorial Fascist regime long before the outbreak of that war. For nearly two decades these fine, spirited, and deeply religious people were forced to live under regimentation. With the outbreak of war, the Fascist regime proved its utter inability to act in the best interests of the Italian nation. When the people realized that such was the case, the Fascist regime was overthrown, and gradually a democratic government was instituted. That was done in an orderly manner on June 2, 1946. In a freely and fairly conducted election the Italian people chose to live under a republican form of government, and thus established the Republic of Italy 14 years ago.

That momentous event marks a great turning point in Italy's political history. Under the test of time, democracy has been a shining success in Italy. It has succeeded because the democratic form of government has always offered to the people, often in the face of formidable difficulties, the kind of political system that responds best to their sense of justice and freedom.

Proud of its democratic institutions, and its strong religious traditions, and always ready to guard them against the foes of democracy, Italy has become a pillar of freedom-loving peoples in the West. There is no question today that, despite the presence of a certain Communist penetration, democracy is firmly rooted in Italy, and, under the wise and resourceful leadership of Italy's statesmen, it will be so maintained.

Today, on the 14th anniversary celebration of the Republic of Italy, we extend to the splendid people of Italy our heartfelt good wishes for their continued success, and a firm expression of faith in their loyalty and strength as a bastion of freedom in the epic struggle against the forces of tyranny.

SIXTH ANNUAL CELEBRATION OF ALBERTI DAY

Mr. KEATING. Mr. President, it is eminently worthy of note that this date of June 2 commemorates the arrival in New York State, in 1635, of the first Italian settler, a Venetian, Peter Caesar Alberti.

This historic date, marking the 325th anniversary of Mr. Alberti's arrival in New York, possesses a special significance for all Americans of Italian ancestry, and will be celebrated by the 6th annual Alberti Day observance, to be held today at Battery Park, in New York, near the Verrazano Monument.

In a praiseworthy gesture of commemoration, the city of Venice has donated a beautiful bronze tablet which will be unveiled at the Battery Park ceremony.

While Alberti Day is essentially a day of observance for Americans of Italian origin, the deeper meaning of this historic date touches the lives of all Americans. The millions of Italian people who have followed Peter Caesar Alberti to our shores have, over the centuries of our history, served as one of the great vitalizing forces of this Nation. Their zeal, their hard work, their wealth of intellect and of talent have formed a signal contribution to the growth and prosperity of the United States of America.

In peace and in war, Americans of Italian descent have been a great bulwark of strength in the defense of the principles of freedom upon which our Nation was founded. Thus, in honoring the memory of Peter Caesar Alberti, the first Italian to arrive in New York State, we honor as well the achievements and the patriotism of every American of Italian origin, living and dead, who has helped to build and to protect the America we love.

OCEAN SHIPPING TO SUPPORT THE DEFENSE OF THE UNITED STATES

Mr. BUTLER. Mr. President, as a supplement to my remarks in the Senate on May 18, I ask unanimous consent to have printed in the body of the RECORD, a further exchange of correspondence with Vice Adm. Ralph E. Wilson, Deputy Chief of Naval Operations (Logistics), on the subject of "Ocean Shipping to Support the Defense of the United States."

I should like to stress particularly the following paragraph from Admiral Wilson's letter of May 9:

"You asked what must be done to arouse the Federal Government as to the deficiencies that exist. Many influential segments of the Government are, in my opinion, now well aware of the importance of a modern American-owned merchant marine to our economic well-being and the national defense. I do not believe, however, that our people generally have the same appreciation of its importance. This is an area in which the Government and the industry both can do a better job than has been done."

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

MARCH 24, 1960.

Vice Adm. RALPH E. WILSON,
Deputy Chief of Naval Operations,
Department of the Navy,
Washington, D.C.

DEAR ADMIRAL WILSON: Thank you so much for your letter of March 11 and the accompanying document entitled "Ocean Shipping To Support the Defense of the United States."

What must be done to arouse the American people and influential segments of the Federal Government as to the unpromising deficiencies which exist in our merchant and naval fleets alike? Your statement that "the bulk of our sea transportation resources have undergone depreciation, and little has been accomplished in the way of either modernization or renewal, typified the apathy and procrastination which for too long have shrouded the Nation's maritime needs.

Coupled with the Maritime Status Report of May 1, 1959, prepared by the Joint MarAd-Planning Group, your latest appraisal of the American merchant marine offers little solace and serves only to intensify my continuing concern. Your evaluations and conclusions constitute an indictment of our national maritime policies, and I wonder if the Navy Department is prepared to argue for the needed policy revisions and funded appropriations at the highest possible levels within the administration.

For example, is the Navy Department prepared to insist upon increased appropriations for the merchant vessel replacement program to meet the situation you have cited? Is the Navy Department prepared to take an unequivocal position in demanding that the two superliners as authorized by the Congress should be built without further delay to "improve the quality of our trooplift potential"? Is the Navy Department prepared to demand that a "purification" of the National Defense Reserve Fleet be scheduled immediately in an orderly fashion? In other words, would the Navy Department be willing to give force and meaning to these documents to the extent of insisting that increased appropriations to improve the posture of the American merchant marine be treated with the same celerity and thoroughness as the defense budget?

I realize your steadfast support of the "fourth arm of defense" concept as it relates to our merchant fleet and want, therefore, to assure you that there is no personal implication in these questions. I ask them in all candor, and your seasoned advice and comments in these additional respects would be most helpful.

With high esteem and warm personal regards, I am,

Sincerely yours,
JOHN MARSHALL BUTLER,
U.S. Senator.

APRIL 8, 1960.

Vice Adm. RALPH E. WILSON,
Deputy Chief of Naval Operations,
Department of the Navy,
Washington, D.C.

DEAR ADMIRAL WILSON: One other thought occurs to me with regard to our recent correspondence on the subject of "Ocean Shipping To Support the Defense of the United States." I have in mind the status of the National Defense Reserve Fleet.

In your words, "it can be said that the national defense reserve fleet is gradually deteriorating both in size and in qualitative usefulness." Later, you reiterate what appears to be a conclusion of the Joint MarAd-Navy Planning Group in its Maritime Status Report of May 1, 1959, to the effect that there is a deficiency in dry cargo ships with which to meet the requirements of national security. Few knowledgeable persons would quibble with either of these statements.

My point, therefore, is this—to correct this deficiency, do you believe it would be desirable to proceed promptly with the recommendation of the Joint MarAd-Navy Planning Group calling for the reconversion of 118 amphibious transports in the reserve fleet to VC-2 and C-3 freighters? If so, is the Navy prepared to support strongly legislation to enable such a program and a request for sufficient appropriations?

Any additional comments you might care to share with me in this regard would be appreciated.

With high esteem and warm personal regards, I am,

Sincerely yours,
JOHN MARSHALL BUTLER,
U.S. Senator.

DEPARTMENT OF THE NAVY,
OFFICE OF THE CHIEF
OF NAVAL OPERATIONS,
Washington, D.C., May 9, 1960.

Hon. JOHN MARSHALL BUTLER,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR BUTLER: Thank you for your challenging letter of March 24, 1960. The problem of how to retain and strengthen the merchant shipping capability under our control is one of increasing urgency.

You asked what must be done to arouse the Federal Government as to the deficiencies that exist. Many influential segments of the Government are, in my opinion, now well aware of the importance of a modern American-owned merchant marine to our economic well-being and the national defense. I do not believe, however, that our people generally have the same appreciation of its importance. This is an area in which the Government and the industry both can do a better job than has been done.

The evaluations and conclusions presented in my letter to you were intended to reflect the short fall in application of the existing policy as expressed in the Merchant Marine Act of 1936 rather than as an indictment of that policy. Greater budgetary support for the merchant marine is a matter of national budgetary policy which within the limits of feasible resources must provide for a balance in the degree of financial support to be given to all the important activities of the Government. It would not be proper for the Defense Department to render direct financial support to a private enterprise such as the merchant marine. The Department of Defense would, however, be negligent if it failed to emphasize the importance of the merchant marine to our national defense.

I am happy to inform you that the Department of Defense, assisted by the Office of the Chief of Naval Operations, is currently undertaking to reach a clear understanding with the Department of Commerce on the importance to the national defense of an adequate, active, and modern merchant marine. I anticipate that the result of this undertaking will be a strong and specific affirmation by the two departments of the present and continuing national defense need for high quality merchant shipping.

In answer to your several particular questions, neither the Department of Defense nor the Navy Department is in a position to insist upon increased appropriations for the Maritime Administration. This is properly a matter to be determined by the Department of Commerce in accordance with the national budgetary policies. The Department of Defense, fully supported by the Navy Department, will continue to give strong support in terms of military justification to requests made by the Department of Commerce for appropriations for merchant marine programs.

A greater public awareness of the importance of our merchant marine, both for our economic well-being and for the national defense, is something that we all must strive to achieve.

Sincerely yours,
RALPH E. WILSON.

THE MERCHANT MARINE

Mr. BUTLER. Mr. President, another administration-sponsored study involving American shipping has been concluded and reported to the President and the Congress. Labeled "Federal Transportation Policy and Program," its announced purpose as laid down by the President in his budget message charge to the Secretary of Commerce was "to identify emerging problems, redefine the appropriate Federal role, and recommend any legislation or administrative actions needed to assure the balanced development of our transportation system."

As a longtime advocate of a strong, prosperous American merchant marine, I was gratified—but in no way surprised—to learn that the study finding with regard to our oceangoing commercial fleet was that "a merchant marine and shipbuilding industry are essential to national defense and peacetime commerce. To help these, the present essential trade route concepts and methods of subsidy payment are sound."

A Commerce Department study back in 1954 likewise had approved fully the national maritime policy and directives laid down in the Merchant Marine Act of 1936. This 1954 report had recommended a vessel construction program of 60 vessels per year, to keep both the merchant marine and the shipbuilding industry adequate to the Nation's needs in peace and in war.

Unfortunately, despite commendable efforts by the Maritime Administration,

that proposed vessel construction program is far short of realization—practically every maritime nation is outdistancing the United States in that respect. While Italy, France, Great Britain, West Germany—yes, and Russia, in a big way—are building both cargo and passenger vessels merrily, we cannot even replace our overaged SS *America* in the North Atlantic or build the superliner authorized 2 years ago, to try to match the new vessels operating under the British flag between our west coast and the Far East.

Meanwhile, the American merchant marine is at its lowest ebb, in both number and age of vessels, and in percentage of our own foreign trade carried in U.S.-flag vessels. Our once-flourishing coastal and intercoastal shipping is almost nonexistent. Our shipyards are crying for new contracts. If as a nation we really do subscribe to the national maritime policy so oft proclaimed by the Congress, it is high time we took stock as to where we are, and whither we are heading.

These remarks, and other thoughts along this line, were prompted by an editorial which appeared in the Journal of Commerce of March 25, by Stanley Mantrop, entitled "Transport Committee Needed."

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

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

TRANSPORT COMMITTEE NEEDED

(By Stanley Mantrop)

Now that the Federal Transportation Report has been carefully studied by the maritime industry which finds in it many things it can live with, it would seem appropriate for Congress to put forth some effort to see that the report does not drop into one of the pigeonholes generally reserved for such studies and, thus, quietly disappear, joining other transportation studies.

It is doubtful if any industry outside of the shipping field has been the subject of so many studies which have contributed so little. These reports, certainly, have done little, if anything to solve any of the overall problems facing the shipping industry—problems whose solution have eluded shipowners for some time.

And one of the main reasons for this sad state of affairs after the reports have been published has been the lack of any official blessing that would put their recommendations to work.

The newest report again recognizes the undisputable fact that the United States must have a strong merchant marine for service in peace and war. Since this is so, certainly the time is ripe for the establishment of a committee with power to act and thus avoid the mistakes and omissions of the past. It would be the duty of such a committee to see that the important recommendations are carried out. And it should review the report to see what was not said that needs saying. The shipping industry feels that measures other than those in the report are necessary to maintain a strong merchant marine.

For example, the report would seem to be amiss in its snub of the coastal and intercoastal shipping industry which is virtually being pushed from the seas while awaiting some kind of Federal assistance. The recommendation that the Government should not only continue the user charge system and should establish the practice where such does not exist is somewhat disappointing. The recommendations include the imposition of waterway tolls in the form of fuel taxes, a move described as inflationary and one which could lead to higher transportation costs.

There is no doubt but that such a move, if approved, would hit hard at the inland carriers which already face problems from mounting railroad competition.

These are just some of the points which a committee could further discuss with the industry as a step toward bringing closer liaison between Federal agencies and the shipping industry. This is also recommended in the report.

To find out just how American-flag shipping has fared over the last few years the committee would only have to look back on some of the Government's own figures on U.S.-flagship participation in world trading. There is little doubt but that the industry feeling that it has been "left out in the cold" could find plenty of support in these figures.

In 1955, only 29 percent of this country's imports were carried in U.S.-flag ships. During the first 8 months of 1959 this percentage dropped to a miserable 14 percent for general cargo imports, and 15 percent for exports.

Petroleum imports in American-flag ships totaled 24 percent in 1955, while exports were only 10 percent. During 8 months in 1959, petroleum imports by American-flag tankers dropped to the almost insignificant total of 4 percent, and rose only 1 percent to 11 percent for exports. When the Merchant Marine Act was passed in 1936 this country's ships participated in 30 percent of its exports and imports.

The report's recommendation that greater use be made of U.S.-flag shipping in future is one which the Government should seriously consider. But unless some sort of Government-backed agency is set up to see that this and many other recommendations are carried out then the report, which could aid the industry, is going to become just a lot of wasted effort by its own good-intentioned transportation committee.

While it is not unfair to say that the report could have been more thorough, more searching and thus, more in the interests of the Nation—it is, nonetheless, a step in the right direction. Its contents should—indeed, must—be given serious consideration by the administration and, above all, steps should be taken to see that this report is used as a working tool for needed improvement.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Under the order of yesterday, the call of the calendar is now in order.

Mr. KEATING. 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. ENGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Under the order of yesterday, the call of the calendar, beginning with order No. 1483, S. 1957, is now in order.

BILL PASSED OVER

The bill (S. 1957) to encourage the discovery, development, and production of domestic tin was announced as first in order.

Mr. ENGLE. Mr. President, over by request.

The PRESIDING OFFICER. The bill will be passed over.

JOHN A. SKENANDORE

The bill (S. 285) for the relief of John A. Skenandore was announced as next in order.

NECESSITY FOR PUBLIC ACCOUNTING BY CONGRESSIONAL AGENCIES

Mr. CASE of New Jersey. Mr. President, reserving the right to object, and I shall not object, I ask unanimous consent that I may proceed for about 4 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from New Jersey is recognized for 4 minutes.

Mr. CASE of New Jersey. Mr. President, there is an old saying that "People who live in glass houses shouldn't throw stones."

I suggest, Mr. President, that the time is long overdue for the Congress, which spends a considerable part of its time investigating and calling to account agencies of the executive branch, to put its own house in order.

I refer, of course, to recent press accounts of congressional expense accounts. They are only the latest in a series of "revelations" with which the public is periodically regaled, to the derogation of the dignity and standing of the Congress as a whole.

Mr. President, there is no reason why the Congress should suffer this situation to continue. The remedy is a simple one. Let us adopt for ourselves the same principle we uphold so manfully in other areas of Government—that of full and timely disclosure of the facts to the public.

Last year, the late distinguished Senator Neuberger, of Oregon, joined with me in introducing a bill (S. 1332) which would do this very thing. This bill is virtually identical to one I introduced in the previous Congress. S. 1332 would require our committees not only to file, but also to publish in the CONGRESSIONAL RECORD, itemized expense accounts for all travel expenses and related expenses by committee members or committee staffs. This would include the use of counterpart funds.

We are faced with an unhappy situation about which we can no longer afford to be complacent. All of us know of the excellent and conscientious work done by committees, and the legitimate purposes which require official travel. The attitude of the public has, however, grown increasingly cynical to the point where any and all travel by a congressional committee, however conscientious its members or worthy its purpose, tends

automatically to be dismissed as a "junket." We have contributed to that attitude by permitting committee expenditures to be shrouded in secrecy and reported in such general and incomplete terms as to be virtually meaningless. Such an atmosphere of mystery cannot help but breed suspicion and contempt on the part of the public.

Mr. President, our bill also strikes at the heart of another problem which has been highlighted in recent congressional hearings.

In the course of such hearings, a novel, and to me shocking, doctrine of administrative procedure was espoused by several witnesses. It is that there is nothing wrong in ex parte discussions of pending cases with members of regulatory agencies. True, some witnesses distinguished between private appeals to expedite proceedings and discussions of the merits of a particular case. At least one, however, admitted they could not always be separated.

Here again, Mr. President, our bill provides the answer, I believe. Again the answer is disclosure; and our bill would require that all communications in regard to a pending case, whether by letter or by word of mouth, to a member or members of a regulatory or semi-judicial agency, be made part of the public record of the case.

I venture to assert, Mr. President, that every Member of this body has at some time or another been importuned to intercede on behalf of a constituent interested in a case pending before some agency. We could haggle for days over the line between a proper and an improper approach to the agency. The short and simple answer, I believe, is to assure that any ex parte communication, whether from a Senator or from anyone else, shall become known immediately to other interested parties and shall be available to the public generally.

S. 1332 contains other provisions also based on this principle of disclosure. There is not time to discuss them now. Rather, my plea is for action now in the interest of the Congress as a whole, as well as in the interest of the public. A sleuthing job by the press should not be required, in order to find out how a committee of Congress spends the public funds allotted to it. The inevitable result of burying such facts in obscurity is a reflection on every Member and on the body as a whole, and the public confidence in the whole workings of our political system is damaged far beyond what the facts actually warrant.

Mr. JAVITS. Mr. President, I should like to compliment the Senator from New Jersey for his remarks.

I am well aware of the provisions of his bill. He is among the number of Senators who have introduced code of ethics bills. Included among them was our dear, departed colleague, the distinguished Senator Neuberger. Those bills call for equalizing the responsibility of Members of Congress with that of the members of the executive branch of the Government.

I am proud to state that I have joined my colleague in introducing a code of ethics bill which carries out the same principle—not necessarily in exactly the same way as does the bill of the Senator from New Jersey, but with the same general purposes.

It may be said that the recent disclosures relate only to Members of the House of Representatives. However, it is well known that Senate committees also spend money, both in dollars and in counterpart funds. Furthermore, many of us hesitate to join in taking committee trips, because someone might object to a lack of accounting. We would much rather have such matters made public.

Mr. President, this is a problem not only for the other body, but also for the Senate itself. However, it seems that we always wait for some incident to break over our heads—such as the hotly debated matter of publishing the names of our employees. The Senator from Tennessee and a number of other outstanding Senators took the lead in the fight to have those names published.

So, Mr. President, I hope very much that the splendid initiative the Senator from New Jersey has taken will prompt our committee to report a code of ethics bill—whether his bill or mine or that introduced by my colleague the Senator from New York [Mr. KEATING] or that introduced by any other Member of the Senate, or a combination of them—so that we in the Senate will at least do our duty and will take action in this respect.

Mr. CASE of New Jersey. I thank the Senator from New York. I appreciate his support.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from New Jersey yield to me?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from New Jersey yield to the Senator from Delaware?

Mr. CASE of New Jersey. I yield.

Mr. WILLIAMS of Delaware. I wish to join the Senator from New Jersey in urging full and open disclosure of the expenditures made by Members of Congress in connection with committee trips or other official business.

As the Senator from New York [Mr. JAVITS] has said, we at this end of the Capitol cannot avoid our responsibility. On at least three occasions the Senate has adopted to various House bills amendments of the sort to which the Senator from New Jersey has referred; and those amendments have gone to the House of Representatives. But unfortunately the House has not accepted them.

Mr. CASE of New Jersey. I should like to point out that the Senator from Delaware is the author of those amendments, and he is to be commended highly for what he has done. I should also like to point out that in each instance I supported him.

Mr. WILLIAMS of Delaware. That is correct.

Approximately 30 days ago such an amendment was adopted unanimously by the Senate on a yea-and-nay vote rather than a voice vote, and that amendment called for full public disclosure of all such expenditures whether made in dollars or made in counterpart funds.

In the light of recent disclosures certainly we have no alternative but to take prompt action on this proposed legislation prior to the adjournment of this session of Congress.

The amendments to which I have referred, which orginally were bills introduced by myself and by other Members of the Senate will certainly be brought up again during this session. I believe it matters little whose amendment is adopted, but it is imperative that we deal adequately with this subject before the end of the session. Such expenditures—whether in dollars or in foreign currencies—must be accounted for; we must insist that that be done. The American people have a right to have that information.

Mr. CASE of New Jersey. I thank the Senator from Delaware.

Mr. RANDOLPH. Mr. President, will the Senator from New Jersey yield to me?

Mr. CASE of New Jersey. I am glad to yield to the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the legislation proposed by the able Senator from New Jersey is definitely in the public interest. The public not only is concerned about this situation, but also has a right to have the information.

It will be a privilege to aid in the passage of such a measure.

Mr. CASE of New Jersey. I am most grateful to my colleague, and I appreciate very much his words of support.

Mr. KEATING. Mr. President, will the Senator from New Jersey yield to me?

Mr. CASE of New Jersey. I yield to the Senator from New York.

Mr. KEATING. Mr. President, I wish to commend the Senator from New Jersey for bringing this matter to our attention, in his usual timely fashion, by means of the eloquent remarks he has made today about the need for the enactment of legislation in this field.

As the distinguished Senator from Delaware [Mr. WILLIAMS] has pointed out, the Senate adopted unanimously, on a yea-and-nay vote, an amendment to give effect to much of what the Senator from New Jersey has advocated. However, the difficulty is—and I hope the Senator from Delaware will correct me if I am in error about this matter—that although we have taken such action before, the Senate approved language has been stricken out in conference, and thus our labors have gone for naught.

As has been pointed out, there are a number of conflict of interest bills pending before the Committee on Rules and Administration and the Committee on the Judiciary of which I have the honor to be a member, and the Committee on Labor and Public Welfare. I have previously urged that there be some hearings and action on these measures. In the light of developments which have taken place in the other body, I believe it is more obvious than ever that attention must be given to this subject.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. KEATING. Mr. President, reserving the right to object, and I shall not object—and I shall not take 5 minutes, but shall take only 1 minute to complete what I have been saying—one of the bills sponsored by the senior Senator from New York [Mr. JAVITS] and myself, is the result of a long and thorough study by the Association of the Bar of the city of New York under a grant by the Ford Foundation. It is a very carefully thought out bill. It is not complete, and it needs amplification, because it leaves undealt with the problem of ethics governing members of the legislative branch, who should be, in my judgment, subject to the same requirements and regulations that apply to officers and employees of the executive branch.

Mr. JAVITS. Mr. President, will the Senator from New York yield at that point for an inquiry?

Mr. KEATING. Yes.

Mr. JAVITS. I have, myself, proposed a bill dealing with both the legislative and the executive. That is what I was referring to.

Mr. KEATING. We have cosponsored several bills on this subject. In the consideration of the problems in this field, however, I believe the fine job that was done by the association of the bar ought to be given full consideration. I am sure that is the view of the senior Senator from New York, because the association made some very constructive recommendations.

I hope we can get some action at this session in this body. We are not responsible, of course, for what happens in the other body. I am sure they will deal with the problem there in a forthright manner. But we certainly have our own responsibility to deal with it here without further delay.

Again I want to say how much we are indebted to the leadership of the Senator from New Jersey [Mr. CASE] in this important field.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. CASE of New Jersey. I wish to thank the Senator from New York. I have been well aware of his interest, as well as that of his colleague, in this matter, and of our mutual interest in the work the Bar Association of the City of New York has done in this field, as well as the work we have done here.

JOHN A. SKENANDORE

The bill (S. 285) for the relief of John A. Skenandore, was announced as next in order.

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 Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John A. Skenandore, the sum of $5,000, in full satisfaction of his claim against the United States for compensation for permanent personal injuries which he sustained (loss of his hand) while he was working in a United States Government laundry at the Oneida Indian School, Oneida, Wisconsin: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BILL PASSED OVER

The bill (S. 1321) to authorize the Attorney General to consent on behalf of the Library of Congress Trust Fund Board to a modification of a trust instrument executed by James B. Wilbur was announced as next in order.

Mr. ENGLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

GRACE L. PATTON

The bill (S. 1600) for the relief of Grace L. Patton 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 Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Grace L. Patton, the sum of $3,595.16, in full satisfaction of her claim against the United States for reimbursement (1) for expenses incurred as a result of wrongful removal from her position as a civilian employee of the Department of the Army, to which position she was subsequently restored after the charges against her were disproved, including expenses incurred in contesting such wrongful removal, and (2) for loss of increases in the salary of her position during the period of such wrongful removal for which she was not compensated upon restoration to such position.

DEFENSE OF SUITS AGAINST FEDERAL EMPLOYEES

The Senate proceeded to consider the bill (H.R. 7577) to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles, and for other purposes, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 24, after "(d)", to strike out "Any" and insert "With the consent of the plaintiff in any", and in line 25, after the word "court", to strike out "shall" and insert a comma and "such action or proceeding may".

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.

EVELYN ALBI

The bill (H.R. 1653) for the relief of Evelyn Albi was considered, ordered to a third reading, read the third time, and passed.

PLACID J. PECORARO AND OTHERS

The Senate proceeded to consider the bill (H.R. 6121) for the relief of Placid J. Pecoraro, Gabrielle Pecoraro, and their minor child, Joseph Pecoraro, which had been reported from the Committee on the Judiciary, with an amendment on page 2, line 4, after the word "Act", to insert a colon and "*Provided,* That the passage of this Act shall not be construed as an inference of liability on the part of the Government of the United States.".

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.

YOUTH APPRECIATION WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 181) providing for the establishment of an annual Youth Appreciation Week.

Mr. KEATING. Mr. President, as the original sponsor of this measure to designate an annual Youth Appreciation Week, I am delighted the Senate is being given this prompt opportunity to approve it. I believe by means of this observance we can pay appropriate tribute to the great majority of our young people who are maturing into fine, useful citizens. We can demonstrate that juvenile delinquents, while they may command the headlines, are very much in the minority among our youth. We can salute the many dedicated Americans who are working day and night to help our young people through their difficut formative years, and we can focus attention on the various positive means by which our youth can be given encouragement and assistance.

I recognize, of course, that annual observances of Youth Appreciation Week will not, in and of themselves, solve the problem of juvenile delinquency. It is not any kind of a panacea. But it does represent a solid recognition by the Congress that there are many, many young people who are growing up to be outstanding citizens. It is a means for mounting a national effort to assist our young people in their difficult task of becoming adults. It can supplement the fundamental answers which, of course, must be found primarily in the churches, the homes, and the schools of America.

In connection with this resolution, I want to pay special tribute to Optimists International, the fine organization

which for a number of years has sponsored observances all over the country of Youth Appreciation Week. They strongly support Senate Joint Resolution 181, and their backing has been instrumental in promoting action on this measure.

Mr. President, vigorous implementation of Youth Appreciation Week by Optimists Clubs and others concerned about the future of our young people can make this annual observance an important part of America's effort to strike back at juvenile delinquency. During this week we can emphasize the good things our young people, and the people who are helping them in their activities, are doing. Such positive recognition is an essential part of this Nation's effort to mold the good and useful citizens of tomorrow.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, by the Senate and House of Representatives of the United States of America in Congress assembled, That the seven-day period beginning on the second Monday of November in each year is hereby designated as Youth Appreciation Week, and the President is requested to issue annually a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The preamble was agreed to.

REFERENCE OF S. 1153 TO THE COURT OF CLAIMS

The resolution (S. Res. 327) referring S. 1153 to the Court of Claims was considered and agreed to, as follows:

Resolved, That the bill (S. 1153) entitled "A bill to compensate the State of Oregon for firefighting costs", now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimants.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 108) 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 pursuant to the provisions of section 244(a)(5) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254(c)):

A-4337830, Balian, Hetoum.
A-3796156, Cocchiara, Francesco.
A-5805886, Diachuk, Anton.
A-3217992, Donati, Dante Joseph.
A-5957256, Friesen, Jacob T.
A-10367234, Goethals, David.
A-6683188, Gustafson, Elmer Knute.
A-5398546, Hing, Lee.
A-3753202, Kirsch, Helen Ann Hudson.
A-4678924, Knaisky, Alex.
A-2916574, Krasinski, Felix Frank.
A-1843781, Kulesza, Stanley.
A-5062680, Lebel, Morris.
A-4084621, Leto, Gaetano.
A-3479810, Loeb, Harry.
A-2278968, Matusiak, Walter.
A-5958294, Morten, William Richard.
A-3399434, Padilla, Joe.
A-5164925, Parsin, Nicholas.
A-5761121, Reyes-Perez, Manuel.
A-6953945, Rosen, Reuben.
A-2833184, Ventrera, Rocco.
A-4535016, Vlahos, Anastasio.
A-6948450, Zarate, Lorenzo.
A-3785377, Vitagliano, Feleciano.
A-10949520, Cicchetti, Biaggio John.
A-6782676, Vielkind, Joseph Rudolph.
A-6401740, Willumeit, Otto Albert.
A-10087628, Cheung, Pat Kwock.
A-1853197, Ignotis, Leonas Louis.
A-5070555, Kulakowski, James.
A-5751283, Lara, Lupe Rincon.
A-4454891, Nestroy, Joseph.
A-3207150, Plevinsky John J.
A-10845906, Woon, Huey Gim.
A-1291890, Andrade-Marrero, Francisco.
A-2950893, Bigras, Norman John Leonard.
A-8874149, Hurtado, Raymond.
A-5206377, Ketzenzis, Basilios Demos.
A-5175516, McKay, Julia Elizabeth.
A-3028956, Moy, Yee.
A-8190474, Nadzam, John Andrew.
A-2561599, De Hernandez, Angelina Diaz.
A-3183469, Pagnozzi, Joseph Pepe.
A-5652064, Bagliore, Frank.
A-5731475, Folkers, Herman Richard.
A-11166168, Guillen-Porras, Marcos.
A-3173438, Herskovitz, Lajos.
A-1734315, Yeargle, Roy A.
A-5750516, Deutsch, Frank.
A-2079872, Glasser, Charles.
A-5480212, Hiracheta-Rodriguez, Anacelto.
A-10198028, Losa, Primitivo.
A-4682905, Russo, Guy Thomas.
A-10432443, Walter, George.
A-2323922, Phiskunoff, Peter.
A-2753700, Lopez, Manuel.
A-4963677, Andrews, Michael.
A-5938328, Hollander, Per Erik Gunnar.
A-5206147, Stern, Herman.
A-2610759, Alvanos, Blias.
A-10392830, Leppa, Michael.
A-1090977, Velasquez-Refugio, Francisco.
A-2539330, Mikkelsen, Hans Christian Gunnar.

REFERENCE TO COURT OF CLAIMS OF SENATE BILL 1284

The resolution (S. Res. 98) to refer to the Court of Claims the bill (S. 1284) for the relief of William E. Stone was considered and agreed to, as follows:

Resolved, That the bill (S. 1284) entitled "A bill for the relief of William E. Stone", now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practical date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

REFERENCE TO COURT OF CLAIMS OF SENATE BILL 1651

The resolution (S. Res. 107) to refer to the Court of Claims the bill (S. 1651) for the relief of Archie L. Dickson was considered and agreed to, as follows:

Resolved, That the bill (S. 1651) entitled "A bill for the relief of Archie L. Dickson, Junior", now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims, and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

REFERENCE TO COURT OF CLAIMS OF SENATE BILL 2243

The resolution (S. Res. 140) referring to the Court of Claims the bill (S. 2243) for the relief of Feffer and sons was considered and agreed to, as follows:

Resolved, That the bill (S. 2243) entitled "A bill for the relief of Ralph Feffer and Sons", now pending in the Senate, together with all accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

ANTE TONIC (TUNIC) AND OTHERS

The bill (S. 1396) for the relief of Ante Tonic (Tunic), his wife Elizabth Tunic, and their two minor children 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, Ante Tonic (Tunic), his wife, Elizabeth Tunic, and their two minor childrn, Ante Tunic, Junior, and Joseph Tunic, 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 fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required number from the appropriate quota or quotas for the first year that such quota or quotas are available.

HENRY K. LEE (HYUN KUI)

The bill (S. 2089) for the relief of Henry K. Lee (Hyun Kui) 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, Henry K. Lee (Hyun Kui) 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.

ANTONIO ABELE TARABOCCHIA

The bill (S. 2176) for the relief of Antonio Abele Tarabocchia 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, Antonio Abele Tarabocchia 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 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.

KARL ULLSTEIN

The bill (S. 2571) to amend the act entitled "An act for the relief of Karl Ullstein" 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 Act entitled "An Act for the relief of Karl Ullstein", approved July 15, 1954 (68 Stat. A119), is amended by striking out "1960" and inserting in lieu thereof "1965".

LLOYD C. KIMM

The bill (S. 2646) for the relief of Lloyd C. Kimm 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, Lloyd C. Kimm shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 31, 1925.

MRS. FLORIANA VARDJAN

The bill (S. 2717) for the relief of Mrs. Floriana Vardjan 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, Mrs. Floriana Vardjan 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.

FREDERICK T. C. YU AND HIS WIFE, ALICE SIAO-FEN CHEN YU

The bill (S. 2768) for the relief of Frederick T. C. Yu and his wife, Alice Siao-Fen Chen Yu 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 Frederick T. C. Yu and his wife, Alice Siao-Fen Chen Yu, may be naturalized upon compliance with all of the requirements of title III of the Immigration and Nationality Act, except that—

(a) no period of residence or physical presence within the United States or any State shall be required in addition to their residence and physical presence within the United States since October 31, 1947; and

(b) their petitions for naturalization may be filed with any court having naturalization jurisdiction.

JOSEPH R. PAQUETTE

The bill (S. 2817) for the relief of Joseph R. Paquette 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 Joseph R. Paquette of Homer, Alaska, is hereby relieved of all liability to repay to the United States the sum of $1,394.20, representing travel and transportation expenses incurred by the said Joseph R. Paquette in traveling with his dependents from Annette, Alaska, to Mexico City, Mexico, pursuant to travel order numbered 558-6801 issued by the Department of Commerce on June 25, 1957, authorizing such travel in accordance with the home leave provisions of the Act entitled "An Act to amend section 7 of the Administrative Expenses Act of 1946, as amended", approved August 31, 1954 (68 Stat. 1008), such travel order having been erroneously issued by reason of an administrative error.

SEC 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Joseph R. Paquette, the sum of any amounts received or withheld from him on account of the administrative error referred to the in the first section of this Act.

TOSHIKO HATTA

The bill (S. 2892) for the relief of Toshiko Hatta 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, Toshiko Hatta 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.

BORIS PRIESTLEY

The bill (S. 2918) for the relief of Boris Priestley 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, Boris Priestley shall be deemed to have been born in Great Britain.

ZELDI BORNSTAYN

The bill (S. 2940) for the relief of Zeldi Bornstayn 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, Zeldi Bornstayn 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.

MRS. MING-CHEN HSU (NEE FAI-FU MO)

The bill (S. 2941) for the relief of Mrs. Ming-Chen Hsu (nee Fai-Fu Mo) 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 section 6 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), Mrs. Ming-Chen Hsu (nee Nai-Fu Mo) shall be held and considered to be the beneficiary of a visa petition approved by the Attorney General pursuant to section 203(a)(3) and section 205 of the Immigration and Nationality Act prior to January 1, 1959.

JAMES (DEMETRIOS) DOURAKOS

The bill (S. 2946) for the relief of James (Demetrios) Dourakos 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, James (Demetrios) Dourakos 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.

HUAN-PIN TSO

The bill (S. 2967) for the relief of Huan-pin Tso 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 203(a) (3) and 205 of the Immigration and Nationality Act, Huan-pin Tso shall be held and considered to be the natural-born son of Mr. and Mrs. Ting Hsien Wang, aliens lawfully admitted to the United States for permanent residence: *Provided*, That the natural parents of the said Huan-pin Tso shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

ADDRESS BY SENATOR ERVIN, OF NORTH CAROLINA

Mr. RUSSELL, Mr. President, as every member of this body is well aware, our distinguished colleague the senior Senator from North Carolina [Mr. ERVIN] is a man of many high attainments and great achievements.

He is, all will agree, one of the ablest Members of this body which can justly lay claim to many able Members. He is a legal giant and a constitutional scholar without peer; he is an eloquent, articulate, and effective champion of any cause he may espouse.

In addition to these outstanding characteristics, the Senator from North Carolina has endeared himself to us and to all who know him by his unfailing good humor, his rich wit, and his quiet modesty.

But there is yet another attribute that marks the Senator from North Carolina as a man among men. That is the wise, just, and unassailable philosophical approach he has adopted toward life and toward his fellow men.

Mr. President, a keen insight into the philosophy of the Senator from North Carolina is contained in a remarkable commencement address he made last Monday to the graduating class of Converse College in Spartanburg, S.C.

The Senator's remarks stand in stark but refreshing contrast to the cold and cruel cynicism that characterizes so much of modern-day life. They deal simply with those eternal virtues of life: Truth, faith, and courage. These are simple words, true, but they symbolize, as the Senator from North Carolina put it, "the everlasting things" of life.

Mr. President, I have heard and read many outstanding commencement addresses in my life, but few of them can compare with the address of the Senator from North Carolina. I commend it to every Member of this body, and ask unanimous consent that it may be printed in the body of the RECORD at this point of my remarks.

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

THE EVERLASTING THINGS

(Address by Senator SAM J. ERVIN, JR., at commencement exercises of Converse College on Monday, May 30, 1960)

I am grateful for the privilege of sharing with you the precious day which marks your graduation from Converse College, which has woven much strength and beauty of mind and spirit into the warp and woof of our land.

I wish to make two affirmations at this point.

The first is that I join the daughters of Converse in assigning Miss Mary Wilson Gee to her rightful place among those rare and grand persons whom the Mississippi poet, William Alexander Percy, calls "the bulwarks, the bright spires, the strong places."

The second is that when the gods elect to bestow upon a mere man their highest favor they permit him to wed a Converse girl.

I base this second affirmation upon both my personal experience and my observation of the good fortunes of other lucky men. The gods gave me a Converse girl as wife and ministering angel.

Tradition decrees that the commencement speaker must undertake to give the graduate wise counsel, no matter how lacking in wisdom he may be. But it leaves him at liberty to select the subject of his remarks. As a consequence, he may relate what he says to either the transient issues of the hour or the everlasting things.

MY SUBJECT

I wish to talk to you about the everlasting things, such as truth and faith and courage. My reason for so doing is simply this: If I should happen by some happy chance to say anything of value, I want it to be equally valid today and in the afteryears when time has turned your auburn hair, your golden locks, and your brown curls to grey and silver and white.

I will add, by way of honest confession, that virtually everything I know about the everlasting things has been taught me by example rather than precept by the Converse girl I married.

One of the best prescriptions for playing one's part in life well is embodied in this simple prayer:

"God grant me the serenity to accept the things I cannot change; the courage to change the things I can, and the wisdom to know the difference."

The essential ingredients of this prescription may be expressed in these short admonitions: seek truth, keep faith, have courage.

TRUTH

It is impossible to overmagnify the importance of seeking truth. This is so because truth alone can make us free.

The wise men who established constitutional government in America knew this. They likewise knew the verity which Justice Oliver Wendell Holmes subsequently stated in this way: "The best test of truth is the power of the thought to get itself accepted in the competition of the market." They knew, moreover, that false opinions cannot possibly be dangerous to a country if truth is left free to combat error.

For these reasons, they wrote into the Bill of Rights the great freedoms which secure to each American the right to think and speak his thoughts concerning all things under the sun. Their ultimate purpose in so doing was to create the only kind of society in which individual personality can develop and survive.

We discover truth in fragments and must piece it together like a picture puzzle. As a consequence, the search for truth requires much study and observation and meditation. It also requires that attitude of mind which makes us wish to be on the side of truth as well as to have truth on our side. We can best attain this attitude by taking and keeping the oath phrased by Thomas Jefferson in these challenging words: "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

The path to truth is knowledge of the fundamental things which give us the vision to see life steady and whole. This being so, we must acquire knowledge of these things, cost what it may in effort and time.

The soothsayers of ancient India exalted an unending search for knowledge in this cryptic phrase: When thou attainest a hundred years, cease to learn. I entreat you to let nothing on this side of the grave put an end to your pursuit of knowledge.

Let books be your friends, for, by so doing, you can summon to your fireside the choice spirits of all the ages. Study mankind, for, by so doing, you will discover anew the oft forgotten fact that earth is peopled with many gallant souls. Observe nature, and walk at times in solitude beneath the starry heavens, for, by so doing, you will absorb the great lesson that God is infinite and that your life is just a little beat within the heart of time.

Cling to the ancient landmarks of truth, but be ever ready to test the soundness of new ideas. Accept whatever your mind finds to be true, and whatever your conscience determines to be right, and whatever your heart declares to be noble, even though your act in so doing may topple an old belief from its throne.

I urge you to seek knowledge of fundamental things with such constancy that you will be able to say in modesty and in truth at sunset each day: I am wiser today than I was yesterday.

While you may fear that knowledge will become proud because it learns so much, you may be sure that wisdom will always remain humble because it knows so little.

And wisdom may bring to you out of its humbleness the grace which one of earth's wisest sons, Judge Learned Hand, calls the spirit of liberty.

I quote his words:

"The spirit of liberty is the spirit which is not too sure that it is right; the spirit of liberty is the spirit which seeks to understand the minds of other men and women; the spirit of liberty is the spirit which weighs their interests alongside its own without bias; the spirit of liberty remembers that not even a sparrow falls to earth unheeded; the spirit of liberty is the spirit of Him who, near 2,000 years ago, taught mankind that lesson it has never learned, but has never quite forgotten, that there may be a kingdom where the least shall be heard and considered side by side with the greatest."

FAITH

If we seek truth with diligence and the right attitude of mind, we will make a surprising discovery. It is this: There are some truths, which human reason cannot pry open or explain.

We must not reject these truths because we are unable to answer all questions about them. They are the truths which enable men and women to walk by faith in those areas of life which lie outside the bounds of knowledge.

The canny Scotchman, Thomas Carlyle, made a profound observation when he said "a man lives by believing something; not by debating and arguing many things." Faith, which is the evidence of things not seen, proves to men and women the reality of the positive beliefs by which they live and for which they are willing to die.

Faith is not a storm cellar to which men and women can flee for refuge from the storms of life. It is, instead, an inner force which gives them the strength to face those storms and their consequences with serenity of spirit. In times of greatest stress, faith has the miraculous power to lift ordinary men and women to greatness.

Faith is exhibited at its best in the lives of those men and women who trust the promises of God. At a time when her physical eyes were failing, Annie Johnson Flint saw these promises with the eyes of faith,

and described them for us in her inspiring little poem entitled "What God Hath Promised":

"God hath not promised
Skies always blue,
Flower-strewn pathways
All our lives through;
God hath not promised
Sun without rain,
Joy without sorrow,
Peace without pain.

"But God hath promised
Strength for the day,
Rest for the labor,
Light for the way,
Grace for the trials,
Help from above,
Unfailing sympathy,
Undying love."

COURAGE

Fear has been the devastating enemy of mankind in all generations.

In considering this subject, we must be careful to distinguish between fear, which is foolish, and a somewhat related emotion, anxiety, which is wise. Anxiety causes one concern about future events likely to occur and induces him to take provident steps to prepare for them, whereas fear fills one with dread of dangers which are imaginary or dangers which cannot be avoided.

People are probably more fearful today than they were at any time in the past. They are assailed on all sides by the old fears, such as fear of economic insecurity, fear of loss of status, fear of sickness, and fear of death. Moreover, they are haunted by a new terror, the fear of annihilation in a war fought with atomic or hydrogen weapons. As a consequence, the state of many people is similar to that of the singing stevedore in Oscar Hammerstein's lyric "Ol' Man River."

"I gits weary and sick of tryin'
I'm tired of livin' an' feared of dyin'."

If we are to overcome the fears which beset us, we must have courage.

Joanna Baillie described courage aright in this verse:

"The brave man is not he who feels no fear,
For that were stupid and irrational;
But he, whose noble soul its fear subdues,
And bravely dares the danger nature shrinks from."

Courage falls into two categories. These are physical courage, which enables one to brave physical dangers, and moral courage, which empowers one to carry the burdens and take the heavy blows of life without losing heart.

Let us consider briefly how we can develop courageous personalities that will enable us to scorn dangers which are imaginary and defy dangers which cannot be avoided.

One way is to live a day at a time. As Robert Louis Stevenson said:

"Anyone can carry his burden, however hard, until nightfall. Anyone can do his work, however hard, for 1 day. Anyone can live sweetly, patiently, lovingly, purely, till the sun goes down. And this is all that life really means."

Another way is to make duty the supreme obligation of life. As Robert E. Lee wrote to his son, Custis Lee:

"Duty then is the sublimest word in our language. Do your duty in all things. You cannot do more. You should never wish to do less."

A third way to develop a courageous personality is to realize that the alternative to the impending danger is more dreadful than the danger itself. Elmer Davis had this thought in mind when he said:

"Atomic warfare is bad enough; biological warfare would be worse; but there is something that is worse than either. * * * It is subjection to an alien oppressor."

And, finally, the best way for us to develop courageous personalities is to have faith in ourselves, faith in the righteousness of our cause, and faith in the promises of God. This is true because faith is a sure antidote for fear.

If you will seek truth, keep faith, and have courage, life will grant you release from little things and give you peace of mind and heart.

Mr. JOHNSTON of South Carolina. Mr. President, I intended to have printed in the RECORD the same address by the Senator from North Carolina [Mr. ERVIN]. The Senator delivered the address at the Converse College, which is in my hometown of Spartanburg, S.C. While I was home, immediately after the address, I heard many commendations made concerning the address the Senator delivered at Converse College. I wish to join the Senator from Georgia in saying that the Senator from North Carolina is an able colleague of ours in every respect, and delivered a wonderful address.

WALTER F. BEECROFT

The bill (S. 3016) for the relief of Walter F. Beecroft 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 Walter F. Beecroft may be naturalized upon compliance with all of the requirements of title III of the Immigration and Nationality Act, except that—

(a) no period of residence or physical presence within the United States or any State shall be required in addition to his residence and physical presence within the United States since July 31, 1952; and

(b) the petition for naturalization may be filed with any court having naturalization jurisdiction.

SAMIR ANABTAWI

The bill (S. 3027) for the relief of Samir Anabtawi 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, Samir Anabtawi shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 20, 1951.

PASQUALE MIRA

The bill (S. 3091) for the relief of Pasquale Mira 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 provision of section 212(a)(9) of the Immigration and Nationality Act, Pasquale Mira may be issued a visa and be admitted to the United States for permanent residence of otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

MARIA LUISA MARTINEZ

The bill (S. 3142) for the relief of Maria Luisa Martinez 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, Mari Luisa Martinez 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.

ANGEL ARDAIZ MARTINEZ

The bill (S. 3143) Angel Ardaiz Martinez 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, Angel Ardaiz Martinez 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.

CONSTANTINOS GEORGIOU STAVROPOULOS

The bill (S. 3168) for the relief of Constantinos Georgiou Stavropoulos 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, Constantinos Georgiou Stavropoulos shall be held and considered to be the minor natural-born alien child of Mr. and Mrs. John D. Stavropoulos, citizens of the United States: *Provided,* That the natural parents of Constantinos Georgiou Stavropoulos shall not, by virtue of such parentage be accorded any right, privilege, or status under the Immigration and Nationality Act.

CECILIA RUBIO

The bill (S. 3235) for the relief of Cecilia Rubio 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, Cecilia Rubio shall be deemed to have been born in Spain, and the provisions of sections 201(a), 202(a)(5), and 202(b)(2) of that Act shall not be applicable in this case.

REMISSION OF INDEBTEDNESS OF ENLISTED MEMBERS OF THE NAVY UPON DISCHARGE

The bill (H.R. 471) to amend chapter 561 of title 10, United States Code, to provide that the Secretary of the Navy shall have the same authority to remit indebtedness of enlisted members upon discharge as the Secretaries of the Army and the Air Force have, was considered, ordered to a third reading, read the third time, and passed.

BUCK YUEN SAH

The bill (H.R. 2588) for the relief of Buck Yuen Sah was considered, ordered to a third reading, read the third time, and passed.

JACOB NAGGAR

The bill (H.R. 4549) for the relief of Jacob Naggar was considered, ordered to a third reading, read the third time, and passed.

GIUSEPPE ANTONIO TURCHI

The bill (H.R. 4834) for the relief of Giuseppe Antonio Turchi was considered, ordered to a third reading, read the third time, and passed.

OUR LADY OF THE LAKE CHURCH

The bill (H.R. 5150) for the relief of Our Lady of the Lake Church was considered, ordered to a third reading, read the third time, and passed.

NELS LUND

The bill (H.R. 5880) for the relief of Nels Lund was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 6712) for the relief of Sam J. Buzzanca, was announced as next in order.

Mr. PROUTY. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 7895) for the relief of Gloria Anne Loveday, was announced as next in order.

Mr. ENGLE. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

GRAND LODGE OF NORTH DAKOTA, ANCIENT FREE AND ACCEPTED MASONS

The bill (H.R. 8417) for the relief of the Grand Lodge of North Dakota, Ancient Free and Accepted Masons was considered, ordered to a third reading, read the third time, and passed.

JOHN E. SIMPSON

The bill (H.R. 9106) for the relief of John E. Simpson was considered, ordered to a third reading, read the third time, and passed.

JOHN J. FINN, JR.

The bill (H.R. 9170) for the relief of John J. Finn, Jr., was considered, ordered to a third reading, read the third time, and passed.

MARLENE A. GRANT

The bill (H.R. 9249) for the relief of Marlene A. Grant was considered, ordered to a third reading, read the third time, and passed.

CHARLES BRADFORD LA RUE

The bill (H.R. 9442) for the relief of Charles Bradford La Rue was considered, ordered to a third reading, read the third time, and passed.

JOSEF ENZINGER

The bill (H.R. 9563) for the relief of Josef Enzinger was considered, ordered to a third reading, read the third time, and passed.

VALIDATION OF CERTAIN PAYMENTS OF ADDITIONAL PAY FOR SEA DUTY TO MEMBERS OF THE U.S. COAST GUARD—BILL PASSED OVER

The bill (H.R. 9921) to validate certain payments of additional pay for sea duty made to members and former members of the U.S. Coast Guard, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. WILLIAMS of Delaware. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the appropriate place it is proposed to insert a new section as follows:

(a) Section 502, which relates to use of foreign currency, is amended as follows:

"(1) Subsection (b) is amended as follows:

"'(i) Insert after the word "expended" in the proviso the words "and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States".

"'(ii) Amend the second sentence to read as follows: "Within the first sixty days that Congress is in session in each calendar year, the Chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member and employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate).'

"On page 19 in lieu of lines 21 and 22, insert the following:

"'(2) At the end of the section, add the following new subsection:'."

Mr. WILLIAMS of Delaware. Mr. President, I wish to point out that the amendment contains the identical language found in the amendment which was unanimously adopted about 3 weeks ago by the U.S. Senate on a yea-and-nay vote. There were 68 Senators present voting in the affirmative. There were no negative votes. Twenty-six of the Senators who were absent later indicated in the RECORD they were in favor of the amendment. Others took no position.

This is an amendment to which I do not think there can be any objection in the Senate. It does not cover anything which was not voted upon on the previous occasion.

All the amendment would do is to provide for a public accounting of expenditures on the part of Members of Congress and of congressional committees while on official travel abroad. The amendment would require an itemized accounting both in respect to counterpart funds and dollar expenditures.

We in the Senate have said we are in favor of this public accounting. Unfortunately, the amendment was rejected in the Conference Committee by the House conferees. However, I have a feeling in the light of recent disclosures that there will be more sympathy for the amendment when it goes to the House this time. I believe the House will accept it at this time.

Certainly, as has been indicated by many Members of the Senate who spoke earlier in the morning hour, we cannot sit back and overlook the disclosures of abuses in these expense accounts. We cannot tell the American taxpayers we will not give them an accounting and, if we want to give them an accounting the way to do it is to accept the amendment. Let us not object to the amendment on any idle excuse.

I emphasize that this does not go beyond what was approved by a unanimous vote of the U.S. Senate. I certainly hope the Senate will agree to the amendment. It is an amendment to a House bill, and I am hopeful and confident that the House will concur in the amendment at this time.

I wish to compliment the two writers, Mr. Don Oberdorfer and Mr. Walter Pincus, of the Knight newspapers, for

the excellent job they have done as reporters in calling this abuse to the attention of the American people and in emphasizing the need for corrective legislation.

Mr. ENGLE. Mr. President, I object to the amendment and ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

EMIKO NAGAMINE

The Senate proceeded to consider the bill (S. 2106) for the relief of Emiko Nagamine, 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 the Immigration and Nationality Act, Emiko Nagamine shall be deemed to be within the purview of section 101(a)(27)(B) of that Act.

The amendment was agreed to.

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

MICO DELIC

The Senate proceeded to consider the bill (S. 2237) for the relief of Mico Delic, which had been reported from the Committee on the Judiciary, with an amendment, in line 6, after the word "States", to strike out the colon and *"Provided,* That no natural parent of Mico Delic, by virtue of such parentage, shall be accorded any right, privilege, or status under 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 purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Mico Delic shall be held and considered to be the natural-born minor alien child of Mr. Eli Delich, a citizen of the United States.

The amendment was agreed to.

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

KANG SUN OK

The Senate proceeded to consider the bill (S. 2964) for the relief of Kang Sun Ok, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 5, after the word "provisions", to insert "of sections 242 and 243", 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, in the administration of the Immigration and Nationality Act, Kang Sun Ok, the fiancée of Sergeant Norman W. Lade, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months, if the administrative authorities find (1) that the said Kang Sun Ok is coming to the United States with a bona fide intention of being married to the said Sergeant Norman W. Lade and (2) that she is otherwise admissible under the Immigration and Nationality Act. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Kang Sun Ok, 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 Kang Sun Ok, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Kang Sun Ok 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.

EDUARDO GIRON RODRIGUEZ

The Senate proceeded to consider the bill (S. 2982) for the relief of Eduardo Giron Rodriguez, 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 the Immigration and Nationality Act, Eduardo Giron Rodriguez 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.

The amendment was agreed to.

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

AH SEE LEE CHIN

The Senate proceeded to consider the bill (S. 2991) for the relief of Ah See Lee Chin, 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, Ah See Lee Chin shall be held and considered to be within the purview of the first proviso to section 312(1) of that Act and may be naturalized upon compliance with all of the other requirements of title III of that Act.

The amendment was agreed to.

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

ENTRY OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H.J. Res. 678) relating to the entry of certain aliens, which had been reported from the Committee on the Judiciary, with an amendment, on page 9, after line 2, to insert a new section, as follows:

SEC. 36. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Ritsuko Mori (Susan Belinda Luther), shall be held and considered to be the natural-born alien child of Mr. and Mrs. Richard A. Luther, citizens of the United States.

And, at the beginning of line 8, to change the section number from "36" to "37."

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

JESUS CRUZ-FIGUEROA

The Senate proceeded to consider the bill (H.R. 2645) for the relief of Jesus Cruz-Figueroa, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrant of arrest, and bonds, which may have issued in the case of Jesus Cruz-Figueroa.

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.

AMENDMENT OF SECTION 57a OF THE BANKRUPTCY ACT

The Senate proceeded to consider the bill (H.R. 6816) to amend section 57a of the Bankruptcy Act (11 U.S.C. 93a) and section 152, title 18, United States Code, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 10, after the word "the", where it appears the second time, to strike out "creditor." and insert "creditor. A proof of claim filed in accordance with the requirements of the Bankruptcy Act, the General Orders of the Supreme Court, and the official forms, even though not verified under oath, shall constitute prima facie evidence of the validity and amount of the claim."

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.

ANGELA MARIA

The Senate proceeded to consider the bill (H.R. 8888) for the relief of Angela Maria, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 11, after the word "Act", to insert a colon and *"And provided further,* That the exemptions granted herein shall apply only to grounds for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this Act."

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.

MANUEL ALVES DECARVALHO

The Senate proceeded to consider the bill (S. 762) for the relief of Manuel Alves DeCarvalho, which had been reported from the Committee on the Judiciary, with amendments, in line 4, after the name "Alves", to strike out "DeCarvalho" and insert "de Carvalho"; and in line 6, after the word "of", where it ap-

pears the first time, to strike out "the date of his last entry into the United States, upon payment of the required visa fee" and insert "March 13, 1957", 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, Manuel Alves de Carvalho shall be held and considered to have been lawfully admitted to the United States for permanent residence as of March 13, 1957.

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 Manuel Alves de Carvalho."

TONG MO LOUI

The Senate proceeded to consider the bill (S. 2639) for the relief of Tong Mo Loui, which had been reported from the Committee on the Judiciary, with amendments, in line 3, after "sections 101(a)(27)(A)", to strike out "and 205"; in line 4, after the word "Act", to strike out "Tong Mo Loui" and insert "Mo Tong Lui"; and in line 5, after the word "b", where it appears the second time, to strike out "the alien minor child of Shew Kay Lui, a United States citizen" and insert "under 21 years of age: *Provided,* That a petition is filed in his behalf under section 205 of the said Act within one year from the date of enactment of this 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 purposes of sections 101(a)(27)(A) of the Immigration and Nationality Act, Mo Tong Lui shall be held and considered to be under 21 years of age: *Provided,* That a petition is filed in his behalf under section 205 of the said Act within one year from the date of enactment of this Act.

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 Mo Tong Lui."

PAK JUNG HI

The Senate proceeded to consider the bill (S. 3038) for the relief of Pak Jung Hi, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the word "child", to strike out "Pak Jung Hi" and insert "Jung Hi Pak"; and in line 8, after the word "of", to strike out "Pak Jung Hi", and insert "Jung Hi Pak", 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, Jung Hi Pak, shall be held and considered to be the natural-born alien child of Captain and Mrs. William S. Herrington, citizens of the United States: *Provided,* That no natural parent of Jung Hi Pak, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

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 Jung Hi Pak."

DEPORTATION OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H. J. Res. 638) relating to the deportation of certain aliens, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 7, after the name "Carmi", to strike out "Marie Haladjian,"; in line 10, after the name "Spikilis", to insert "Alvin Ergin (Ahmet Hamdi Ergin),"; and on page 2, line 4, after the word "issued", to insert a colon and *"Provided,* That nothing in section 1 of this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act in the case of Alvin Ergin (Ahmet Hamdi Ergin)."

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

PARTICIPATION BY THE UNITED STATES IN THE WEST VIRGINIA CENTENNIAL CELEBRATION

The joint resolution (H.J. Res. 208) providing for participation by the United States in the West Virginia Centennial Celebration to be held in 1963 at various locations in the State of West Virginia, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. RANDOLPH. Mr. President, it was my privilege to present for the consideration of the Senate a joint resolution, Senate Joint Resolution 105, which is similar to the measure now pending before this body.

West Virginia, in 1963, will have appropriate celebrations in connection with the centennial of our great State. I am delighted to have consponsored this legislation, and I hope the Senate will give it a unanimous stamp of approval.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to say for the benefit of the senior Senator from West Virginia that the only reason we reported the House joint resolution instead of the Senator's joint resolution was that it was a House joint resolution, and would not have to go back to the House. The Senator's measure would have to go back to the House.

I commend the able senior Senator from West Virginia for his alert, loyal, and devoted service to his people. West Virginia is indeed fortunate in having such a person represent them in the Senate. The Senator had an outstanding record during his service in the House of Representatives and in compiling a fine record in the Senate.

Mr. RANDOLPH. I am grateful to the Senator for this explanation and his kind remarks.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R.11045) to amend section 704 of title 38, United States Code, to permit the conversion or exchange of policies of national service life insurance to a new modified life plan was announced as next in order.

Mr. PROUTY. Mr. President, I have no objection to this bill, and would vote for it if it were taken up on motion. However, I do not believe it is Consent Calendar business, and therefore I ask that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

RESTORATION OF SIZE AND WEIGHT LIMITATIONS ON FOURTH-CLASS MATTER TO OR FROM ALASKA AND HAWAII

The bill (S. 2869) to restore the size and weight limitations on fourth-class matter mailed to or from Alaska and Hawaii which existed prior to their admission as States 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 first section of the Act entitled "An Act to readjust the size and weight limitations on fourth-class (parcel post) mail", approved October 24, 1951, as amended (39 U.S.C. 240a), is amended by inserting after "Pacific Islands," wherever such words appear, the words "or in the States of Alaska and Hawaii,".

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement explaining the bill.

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

Existing law establishes size and weight limitations on fourth-class matter moving between the States and territories and possessions which are more liberal than the limitations on similar matter moving between post offices in the States.

With certain exceptions, the basic limitations in the States is 72 inches in girth and length combined with a weight of more than 16 ounces but not to exceed 40 pounds in the first and second zones and 20 pounds in the third to eighth zones. In the territories and possessions, the limit on girth and length is 100 inches and on the weight it is 70 pounds. As possessions, Alaska and Hawaii enjoyed these latter provisions. However, as States they are subject to the

comparatively restrictive provisions applicable to the third to eighth zones in the States.

The bill would restore to them the exact provisions that prevailed before they became States.

BILL PASSED OVER

The bill (S. 2893) to permit weekly publications to suspend publication for not more than two issues in any 1 calendar year without loss of 2d-class mail privilege was announced as next in order.

Mr. ENGLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

UNIFORMITY OF CERTAIN POSTAL REQUIREMENTS

The bill (H.R. 6830) to provide for uniformity of application of certain postal requirements with respect to disclosure of the average numbers of copies of publications sold or distributed to paid subscribers, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a brief statement explaining the bill.

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

Under the present law, editors, publishers, business managers, or owners of every newspaper, magazine, periodical, or other publication are required to file sworn statements with the Postmaster General each year. In the case of newspapers, it is required that there be included in such statement "the average of the number of copies of each issue of such publication sold or distributed to paid subscribers during the preceding 12 months."

As this provision is effective in the newspaper field, it also should be extended to all publications, and especially to the periodical field where there is a tendency toward abuses in the practice of free circulation. In practice, the present law is being applied to all publications issued weekly or more frequently, and this includes many magazine-type publications.

This legislative proposal will accomplish the desired results.

USE OF CERTIFIED MAIL BY GOVERNMENT AGENCIES

The bill (H.R. 10996) to authorize the use of certified mail for the transmission or service of matter required by certain Federal laws to be transmitted or served by registered mail, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a brief statement in explanation of the bill.

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

The general purpose of this measure is to authorize the various Government departments and agencies to use the certified-mail procedure of the Post Office Department in lieu of registered mail. The certified-mail procedure in many instances will serve the Government's needs equally as well as the more costly registered mail.

Certain official documents and papers are required, by various statutes, to be transmitted by registered mail when sent by the Government departments or agencies set forth in the statutes.

In a survey of the departments and agencies, the Bureau of the Budget found that the use of certified mail, in place of registered mail, would be both effective and economical.

The bill, therefore, amends existing laws so as to permit each department and agency the option of using either registered mail or certified mail as deemed suitable to the occasion.

BILL PASSED OVER

The bill (S. 3545) to amend section 4 of the act of January 21, 1929 (48 U.S.C. 354a(c)), and for other purposes was announced as next in order.

Mr. KEATING. Mr. President, I am advised that no report has been received from the Department of the Interior, although it has been requested. I understand that the report is in the process of preparation, and is on its way to the Senate. Therefore, for the time being, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

SUSPENSION OF DUTIES ON METAL SCRAP

The Senate proceeded to consider the bill (H.R. 11748) to continue until the close of June 30, 1961, the suspension of duties on metal scrap, and for other purposes, which had been reported from the Committee on Finance, with amendments, on page 2, line 3, after "Sec. 2.", to strike out "This" and insert "The first section of this"; after line 5, to insert a new section, as follows:

SEC. 3. (a) Paragraph 758 of the Tariff Act of 1930 (19 U.S.C. 1001, par. 758) is amended by inserting "(a)" after the paragraph number and adding the following new subparagraph:

"(b) Coconut meat, fresh or frozen, and shredded or grated, or similarly prepared, unsweetened or sweetened with sugar not to exceed 10 per centum by weight, 1 1/10 cents per pound."

(b) The amendment made by this section shall apply in the case of articles entered for consumption, or withdrawn from warehouse for consumption, after the thirtieth day after the date of enactment of this Act.

After line 17, to insert a new section, as follows:

SEC. 4. (a) Paragraph 1805 of the Tariff Act of 1930 (19 U.S.C. 1201, par. 1805) is amended to read as follows:

"PAR. 1805. Pickets, palings, hoops, staves of wood of all kinds, and tight barrelheads of softwood."

(b) The amendment made by this section shall apply in the case of articles entered for consumption, or withdrawn from warehouse for consumption, after the thirtieth day after the date of enactment of this Act.

And, on page 3, after line 2, to insert a new section as follows:

SEC. 5. (a) Section 309(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1309(a)), is amended in the following respects:

(1) By inserting ", or between Hawaii and any other part of the United States or between Alaska and any other part of the United States" immediately after "possessions", wherever it appears.

(2) By adding the following paragraph thereto:

"The provisions for free withdrawals made by this subsection (a) shall not apply to petroleum products for vessels or aircraft in voyages or flights exclusively between Hawaii or Alaska and any airport or Pacific coast seaport of the United States."

(b) The amendment made by this section shall apply only with respect to articles withdrawn as provided in section 309(a) of the Tariff Act of 1930, as amended, on or after the date of the enactment of this Act.

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.

BILLS PASSED OVER

The bill (H.R. 2565) to promote effectual planning, development, maintenance, and coordination of wildlife, fish and game conservation and rehabilitation on military reservations was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3102) to strengthen the domestic and foreign commerce of the United States by providing for the establishment of an Office of International Travel and Tourism and a Travel Advisory Board was announced as next in order.

Mr. PROUTY. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 3375) to encourage and stimulate the production and conservation of coal in the United States through research and development by authorizing the Secretary of the Interior to contract for coal research, and for other purposes was announced as next in order.

Mr. ENGLE. Mr. President, although I favor the bill, it is not calendar business, and I ask that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ENGLE. Mr. President, I ask that the next 3 measures on the calendar be passed over, because no committee reports are available.

The PRESIDING OFFICER. The bills will be passed over.

The bills passed over are as follows:

S. 3383, to amend section 4 of the Watershed Protection and Flood Prevention Act.

H.R. 4595, to clarify and make uniform certain provisions of law relating to special postage rates for educational, cultural, and library materials, and for other purposes.

H.R. 10840, to amend Public Law 85-626 relating to dual rate contract agreement.

Mr. MAGNUSON. Mr. President, was Calendar No. 1554, Senate bill 3102, passed over by request?

Mr. ENGLE. Yes. The distinguished Senator from New York [Mr. KEATING[requested that the bill be passed over.

Mr. KEATING. No; it was the Senator from Vermont [Mr. PROUTY].

Mr. MAGNUSON. Was that done by request, or is there some objection?

Mr. PROUTY. The bill involves a $5 million authorization. I feel that it is not calendar business.

Mr. MAGNUSON. What is the situation with respect to Calendar No. 1553, House bill 2565?

Mr. KEATING. I asked that that bill be passed over.

Mr. MAGNUSON. Was that by request?

Mr. KEATING. That is by request of the New York State authorities, I may say to my distinguished friend. I think it is an appropriate matter for debate at greater length. I do not think it is appropriate calendar business.

Mr. MAGNUSON. What was done with respect to Calendar No. 1558, House bill 10840?

Mr. ENGLE. The last three bills on the calendar were passed over because committee reports are not available.

Mr. MAGNUSON. Does that apply to Calendar No. 1558, House bill 10840?

Mr. ENGLE. That is correct. Committee reports are not available with respect to order Nos. 1556, 1557, and 1558, being, respectively, Senate bill 3383, House bill 4595, and House bill 10840.

Mr. JOHNSTON of South Carolina. Mr. President, I think it should be made clear that those bills will be on the calendar at the beginning of the next call of the calendar. They are being passed over because no committee reports are available at present.

Mr. ENGLE. I ask unanimous consent that they be called on the next call of the calendar. They are being passed over at this time because of the absence of committee reports.

Mr. JOHNSTON of South Carolina. I think that should be made clear.

Mr. ENGLE. That is what I intended. I ask that those bills be placed at the beginning of the next call of the calendar.

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

Mr. ENGLE. 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.

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

CONSIDERATION OF U-2 FLIGHT

Mr. WILEY. Mr. President, the U-2 flight, on which Mr. Khrushchev took a propaganda "high ride" at Paris, is also serving political opportunists in this country.

Despite the dangers, the possible reflections on our national prestige—the risk of dividing our country—we find that some individuals regrettably are still attempting to make political hay out of the situation.

For their benefit—and, I hope, edification—let us review the facts in the case.

One would think, of course, that in our domestic national life, when we have been insulted by a guy with an international criminal record extending around the globe, it would not be necessary to caution against providing him further ammunition for his propaganda blasts.

In view of the continued efforts to pin the failure of the Paris meetings, torpedoed by Khrushchev, on somebody in this country, however, let us take a look at the facts of life.

First. For several years the United States has carried on data-gathering, nonaggressive, U-2 flights over Soviet territory to provide us with information necessary to protect ourselves, and the free world, from sneak attack resulting from clandestine military buildups within the Soviet Union. These flights have been considered essential by our military and intelligence experts for our security. Even the politically motivated critics admit the necessity of such information-gathering activities.

Second. Did Khrushchev know about the flights prior to the Paris conference? Yes. Following up the meeting in Berlin, he admitted such knowledge.

Third. Why, then, did the Soviet Premier torpedo the meeting?

For several reasons:

The Western Powers stood shoulder to shoulder against making one-sided concessions favoring the Communists in Berlin or anywhere else.

Behind the Iron Curtain, Mr. Khrushchev has his own troubles which include economic problems and unrest among the intellectuals; in addition, the military chaperon for Khrushchev at Paris—Soviet Defense Minister Malinovsky—in all likelihood reflects a strong military voice—supporting a tough, anti-West policy—in Soviet internal affairs.

Mao Tse-tung, from all reports, also has been prodding Khrushchev for a tougher line against the West.

The Soviet Premier, too, was, I believe, afraid of the favorable impact which President Eisenhower would have on the people of the Soviet Union if he visited them, as he had been invited to do. Consequently, Mr. Khrushchev "drummed up" an excuse to withdraw the invitation.

And, finally, after all his bragging about the rocket-missile power of the Soviet armed services, Mr. Khrushchev was probably red faced—the way we, not the Soviets, mean it—by the freedom with which we have been overflying the country.

Fourth. What about the alert ordered by Secretary Gates in Paris during the charades of Khrushchev. Personally, I was gratified to know that our defenses were alert and that our guardians of our security were "on the job"—particularly in the face of the violent, almost erratic, conduct of the Soviet Premier, spewing about insults, threats, and condemnation.

Fifth. What about the U.S. handling of the flight?

Was NASA to blame for providing a "cover story" when it was known that the U-2 was off schedule—but there was no definite knowledge as to its whereabouts, or that it had come down in Soviet territory? No. Under such circumstances, the providing of a cover story is standard procedure.

Was CIA to blame for conducting such flights? Definitely not. The Central Intelligence Agency, created by Congress after World War II, to provide intelligence essential to our security—would indeed be derelict in its duty if it failed to provide us with the necessary information for our security.

PRESIDENT EISENHOWER ADOPTS COURAGEOUS POLICY

Was President Eisenhower to blame, first, either for authorizing the flights originally; or, second, for publicly assuming responsibility for the decision to permit such overflying.

In acknowledging his responsibility, President Eisenhower—in my humble opinion—took a courageous step, establishing a new candidness, on a previously hush-hush topic in international affairs.

Only history, of course, will portray the real significance of the decision.

Personally, however, I believe it is high time the nations of the world quit playing nuclear missile hide and seek. Why? The stakes are too high. The fate of nearly 3 billion people around the globe hangs in the balance.

As a world seeking to avoid a devastating nuclear missile war, we can no longer afford to fake about, or sweep under the rug, the necessity of protecting nonaggressive nations against surprise attack, as long as war-oriented, domination-bent countries, like the Communist-dominated ones, exist on earth.

Obsolete, also, are the so-called rules of the game for carrying on such information-gathering activities; these require that a nation, if detected in information-gathering activities, deny them at high levels or shunt responsibility to lower echelons.

Historically, almost all nations—in the spirit of self-preservation, particularly in the face of threats—have found it necessary to collect data essential to their security.

At the United Nations, Ambassador Lodge reviewed only a few of the many ways in which the Communists are engaged in sabotage, espionage, subversion, and other activities.

Overall, however, I believe it is high time to stop playing this dangerous game that could spell disaster in the world.

In a forthright effort to make the Soviet Union face up to these facts of life, the President "laid it on the line," to the Soviet Union, to the United Nations, and to the world. Again, he stressed the need for open skies surveillance.

Now, the U.N. has a great responsibility for attempting to get approval of the open skies plan or alternative proposals to create a world in which no country need fear surprise attack. The purpose would be to enable nations to sleep nights peacefully—rather than expect a rain of nuclear-capped missiles to drop down on them out of space.

If the U.N. fails to act—if the Soviet Union fails to comply with an almost universal opposition to toying with or threatening the lives of millions of people—then history may well hold them accountable for gross negligence and perhaps wholesale massacre.

HEARINGS BY THE FOREIGN RELATIONS COMMITTEE

During the past days, the Foreign Relations Committee has been conducting hearings under the auspices of reviewing U.S. policy relating to the U-2 flight and the unfortunate outcome of the Paris conference.

At the outset, I supported the idea of hearings on the topic. As a principal, I felt the Members of Congress—particularly of the Foreign Relations Committee—and the American people—have a right to know the facts behind the case. Moreover I felt certain the executive branch would cooperate fully—as they have—in providing the necessary information. Unfortunately, the complexion of the hearings—instead of attempting to get at the facts—sometimes has taken on the features of a search for political needles in a globally explosive haystack. We recognize, of course, that 1960 is a campaign year. However, the eyes and ears of the Communist world—overtly and covertly—are attuned to the hearings, as well as to the public discussions, particularly by political candidates—on our role in the U-2 incident; too, they are ready and willing to capitalize on such information for propaganda purposes.

Consequently, the challenges of our time demand of all of us—particularly in public life—a heroic, self-disciplined effort to serve national, ahead of personal, objectives.

Recently the Washington Star published an editorial entitled "Tass on the Job." Reflecting the way the official Soviet news agency is attuned to our conduct here in this country, particularly on the subject of the U-2 flight, I request unanimous consent to have the editorial printed at this point in the RECORD.

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

TASS ON THE JOB

The Washington Bureau of Tass, the official Soviet news agency, is not letting any grass grow under his feet. Certainly the man in charge—Mikhail R. Sagatelyan—has shown splendid initiative in connection with the Senate Foreign Relations Committee and its inquiry into the whys and wherefores of the downing of our U-2 spy plane deep inside Russia.

At any rate, having heard of the committee's decision to publish censored copies of the testimony before it, Mr. Sagatelyan has lost not a minute in ordering the official transcripts. These promise to be highly informative, and they should cost the Kremlin only a few dollars, relatively speaking. The whole thing, obviously, will be a tremendous bargain in that sense—so much so that Mr. Sagatelyan, if he has the heart of a sport, or is under instructions from the blow-hot-blow-cold Kremlin to ease tensions temporarily in Washington, ought to order drinks on the house for everybody he happens to find in the Press Club bar.

Anyhow, an American correspondent would do the same in Moscow if the Kremlin served up little tidbits of information about a similar investigation into Nikita Khrushchev's conduct of affairs before, during, and after the abortive summit conference in Paris. Why can't we have this sort of reciprocity? We pause for reply from Moscow, and also from Mr. Sagatelyan right here in our own hometown.

BORINQUEN HOME CORP.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1452, S. 2770. I understand that the objection to its consideration, raised on the call of the calendar, has been withdrawn.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2770) for the relief of Borinquen Home Corp.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after "$19,204.14", to strike out the comma and "together with interest on such sum at the rate of 6 per centum per annum from August 7, 1948, to the date of the enactment of this 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 the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Borinquen Home Corporation of San Juan, Puerto Rico, the sum of $19,204.14. The payment of such sum shall be in full satisfaction of all claims of such Corporation against the United States for compensation or work performed by such Corporation pursuant to an agreement entered into between the Corporation and the Tenth Naval District, Department of the Navy, for the construction of two storm sewers for the use of the San Patricio Naval Project: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

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

MODIFICATION OF TRUST INSTRUMENT EXECUTED BY JAMES B. WILBUR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1485, S. 1321.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1321) to authorize the Attorney General to consent on behalf of the Library of Congress Trust Fund Board to a modification of a trust instrument executed by James B. Wilbur.

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 (a) the Attorney General of the United States is authorized and directed to take such action, on behalf of and in the name of the Library of Congress Trust Fund Board, as he may determine to be necessary to give the consent of that Board to the entry of an appropriate decree for such modification of the terms of a supplemental indenture executed on March 5, 1928, by James B. Wilbur, creating a trust fund known as the University of Vermont Trust Fund, as may be required to remove therefrom a limitation contained therein providing for the payment of the corpus of that fund to the Library of Congress Trust Fund Board if the enrollment of the University of Vermont should exceed a number determined in conformity with the provisions of that instrument.

(b) The authority so conferred upon the Attorney General includes authority to (1) accept service of process, (2) enter an appearance, and (3) participate in any proceeding instituted in any court of the State of Vermont for the purpose of removing from the instrument described in subsection (a) the limitation referred to in that subsection. Such authority may be exercised through any legal officer of the United States designated by the Attorney General.

(c) This Act shall not be construed to authorize the Attorney General to give consent to any modification of the supplemental indenture described in subsection (a) other than the removal of the limitation to which reference is made in that subsection.

The preamble was agreed to.

CONVERSION OR EXCHANGE OF POLICIES OF NATIONAL SERVICE LIFE INSURANCE

Mr. LONG of Louisiana. Mr. President, I should like to inquire if it would be possible to call up Calendar No. 1546, H.R. 11045. This is the matter which I discussed with the Senator from Texas. As he knows, the part of the bill which has not been agreed to by the House was passed by the Senate unanimously. I had hoped that this bill could be called up.

Mr. JOHNSON of Texas. I am about to make that request. The Senator from Louisiana is not only the author of good legislation at all times, but he is certainly one of the most cooperative Sen-

ators, along with other Senators, in connection with the consideration of legislation. I am always glad to accommodate him, if it is at all possible to do so. If I cannot do so, I always find that the Senator from Louisiana will accommodate himself to the plans of other Senators. I appreciate his cooperative spirit.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 11045) to amend section 704 of title 38, United States Code, to permit the conversion or exchange of policies of national service life insurance to a new modified life plan.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments on page 4, after line 6, to insert a new section, as follows:

SEC. 2. That subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 725. Limited period for acquiring insurance

"(a)(1) Any person heretofore eligible to apply for participating national service life insurance between October 8, 1940, and April 24, 1951, both dates inclusive, shall, upon application made in writing within one year after January 1, 1961, submission of evidence satisfactory to the Administrator showing such person to be in good health at the time of such application, and payment of the required premiums, be granted insurance under the same terms and conditions as are contained in standard participating policies of national service life insurance.

"(2) All premiums paid and other income received on account of National Service Life Insurance granted under the authority contained in this subsection and on any total disability income provision which may be attached thereto shall be segregated in the National Service Life Insurance Fund and, together with interest earned thereon, shall be available for the payment of liabilities under such life and disability insurance.

"(3) Notwithstanding the provisions of section 782 of this title the Administrator shall determine annually the administrative costs which in his judgment are properly allocable to such life and disability insurance and shall thereupon transfer the amount of such costs from any surplus otherwise available for dividends on such life and disability insurance from the National Service Life Insurance Fund to the general fund receipts in the Treasury. The Administrator of Veterans Affairs is directed to submit to the Senate Committee on Finance and the House Committee on Veterans Affairs, at the end of each fiscal year, a detailed report on additional costs occasioned by issuance of new policies under section 2 of this bill.

"(b) Any person heretofore eligible to apply for insurance under section 620 of the National Service Life Insurance Act of 1940, as amended, or subsection (a) of section 722 of this title, shall, notwithstanding any time limitation for filing application for insurance contained in such sections, upon application made in writing within one year after January 1, 1961, be granted insurance under subsection (a) of section 722 of this title, subject to the other limitations and conditions applicable to such insurance.

"(c) Any person heretofore eligible to apply for insurance under section 621 of the National Service Life Insurance Act of 1940, as amended, shall, upon application in writing made within one year after January 1, 1961, and submission of evidence satisfactory to the Administrator showing such person to be in good health at the time of such application and payment of the required premiums, be granted insurance under subsection (b) of section 723 of this title subject to the limitations and conditions applicable to such insurance, except that (1) until January 1, 1962, limited convertible term insurance may be issued but not renewed after the applicant's fiftieth birthday, and (2) the premiums charged for such insurance and for any total disability income provision which may be attached thereto shall include an additional amount for administrative costs as determined and fixed by the Administrator at the time of issue. The Administrator is authorized to transfer annually an amount representing such administrative costs from the revolving fund to the general fund receipts in the Treasury.

"(d) Notwithstanding the provisions of section 782 of this title, a medical examination when required of an applicant for issuance of insurance under subsection (a) or (c) of this section shall be at his own expense by a duly licensed physician.

"(e) No insurance shall be granted under this section to any person referred to in section 107 of this title."

And, on page 7, after line 2, to insert a new section, as follows:

SEC. 3. The analysis of subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"725. Limited period for acquiring insurance."

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that we are not to exceed 1 hour of debate on any amendment and on the bill, to be equally divided, under the usual terms of a unanimous-consent agreement.

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

Mr. LONG of Louisiana. Mr. President, I shall ask for the yeas and nays on the amendment to the bill, not because of any known objection to it, but because this is a matter which has been passed several times by the Senate, and we have not been accorded a yea and nay vote in the House. It is my hope that if the House votes on the committee amendment, which is very much desired by the veterans, the House will agree to the committee amendment.

The bill as sent to the Senate by the House was a measure to make it possible for veterans who have National Service Life Insurance, particularly on term plans at a certain age to take only half as much insurance as they had, because as their age advances, the rate also advances, and in some cases the rate becomes almost prohibitive for those in advanced years.

The Senate committee amendment would permit such veterans to continue their insurance at the existing amount, if they cared to do so. But unless they wanted to do it, they would have their insurance reduced by half the policy amount. That part is recommended by veterans organizations, and that is what I favor.

The committee amendment involves a simple proposition to permit veterans of World War II and veterans of the Korean war to have a second opportunity to take out National Service Life Insurance. A great number of those young men, when they separated from the service, had no substantial family obligations. Many of them could not afford to continue their insurance at that time because they needed their money for employment, to assist them in getting jobs, to help them readjust themselves, and for matters of that kind. Many of them did not realize the importance of maintaining their insurance at that time. Thus many of them permitted their National Service Life Insurance to lapse, or else they failed to take the insurance.

After World War I, the privilege of taking National Service Life Insurance was permitted for a period of 33 years following the termination of hostilities.

After World War II, without many veterans knowing about it at all, this privilege was terminated following a period of several years.

The committee amendment is simply a proposal to grant those who may not have taken out life insurance an opportunity to do so. If they take it out, they will be required to pay for the physical examination and any other costs which can be attributed to the taking out of national service life insurance.

There is a very substantial saving to veterans who take out national service life insurance as compared with the cost of taking out insurance with private companies.

Private companies have objected to the bill. But let me say that I know of no committee in the Senate which is more sympathetic to private business, be it big business or small business, than the Committee on Finance.

Notwithstanding the objections of the insurance companies, those companies have yet to muster a single vote against the bill within the Committee on Finance. The committee has been very sympathetic to insurance companies in the writing of tax laws affecting the insurance industry, and in writing laws affecting almost any other kind of business.

Furthermore, in the Senate as a whole, when this matter has come up on three separate occasions, there has not been, so far as I know, a dissenting vote. Still, notwithstanding that fact that an opportunity to present the argument and then to vote has not been accorded on the House side.

The last time the House rejected our proposal, Representative TEAGUE, the chairman of the Committee on Veterans' Affairs, assured me that if the Senate would go along with the House action on a bill that we had amended, he would agree to let the House have an opportunity to vote on the measure. So far as I was concerned, that was a fair proposition, and I agreed to it at that time.

So we are assured that such an opportunity will be accorded the House, rather than to have the bill stymied by the House rule under which a single Member can prevent a measure from coming to a vote by his objection.

Mr. President, I was impressed by an article entitled "Fight To Bar NSLI Reopening Looms As Toughest One Yet," published in the National Underwriter for May 28, 1960. This periodical is a national weekly newspaper of the life insurance industry. I believe one or two quotations from the article would be in order.

No hope is seen by life insurance people for blocking the measures in the Senate, where the Finance Committee approved it in executive session after refusing requests for public hearings.

Mr. President, those people did not ask for hearings. The bill had passed three times. They asked for no hearings on it, knowing very well that the proposal would be reported, and knowing that when a similar proposal had earlier been reported unanimously, it had been passed by the Senate unanimously.

The article then goes on to say:

Senator LONG has 53 cosponsors with him on the bill, so its passage is assured—in fact, it may have been passed by the time this issue of the National Underwriter reaches readers.

Following the Finance Committee's action, State and local associations received this week from NALU general counsel Carlyle Dunaway a special bulletin alerting all the grassroots workers to the urgent necessity of stopping the NSLI reopening measure, especially in the House, since it has apparently been impossible to make a dent in the solid Senate front.

Mr. President, I think that statement is a tribute to the Senate—the suggestion that it is useless for private insurance companies to exert pressure on Senators in the attempt to prevent veterans from having an opportunity to obtain insurance which they would have an opportunity to take out. Thus far, according to their own admission, the private companies have not been able to make a dent on the U.S. Senate—not on a single Member. I continue to read:

What makes the proposal more dangerous this time than in its previous three times at bat is that Senator LONG says he has been assured by Chairman TEAGUE of the House Veterans' Affairs Committee that if the proposal comes back to the House he will see that the House gets a chance to vote on it. Apparently this means that instead of rejecting the Long amendment more or less routinely on the adverse recommendation of Representative TEAGUE and his committee, the House will be given a chance to discuss and vote on the Long proposal on its merits.

Mr. President, is not that terrible? That makes it dangerous—that the House will be given an opportunity to debate and vote on the measure. The article goes on to say that insurance companies are being urged to stand firm to protect their businesses.

Mr. President, I ask unanimous consent to have printed in full the article to which I have referred, taken from the National Underwriter of May 28, 1960.

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

FIGHT TO BAR NSLI REOPENING LOOMS AS TOUGHEST ONE YET—PROSPECT OF DISCUSSION IN HOUSE ADDS A HAZARD NOT PRESENT IN EARLIER TRIES

WASHINGTON.—Senator LONG's proposal to reopen the sale of national service life insurance is coming up for its fourth try and it looks as if NALU will need to do more grassroots work than ever before to keep the measure from getting through Congress.

No hope is seen by life insurance people for blocking the measures in the Senate, where the Finance Committee approved it in executive session after refusing requests for public hearings. Senator LONG has 53 cosponsors with him on the bill, so its passage is assured—in fact it may have been passed by the time this issue of the National Underwriter reaches readers.

GOT BULLETIN FROM DUNAWAY

Following the Finance Committee's action, State and local associations, received this week from NALU General Counsel Carlyle Dunaway a special bulletin alerting all the grassroots workers to the urgent necessity of stopping the NSLI reopening measure, especially in the House, since it has apparently been impossible to make a dent in the solid Senate front.

What makes the proposal more dangerous this time than in its previous three times at bat is that Senator LONG says he has been assured by Chairman TEAGUE of the House Veterans' Affairs Committee that if the proposal comes back to the House he will see that the House gets a chance to vote on it. Apparently this means that instead of rejecting the Long amendment more or less routinely on the adverse recommendation of Representative TEAGUE and his committee, the House will be given a chance to discuss and vote on the Long proposal on its merits.

TEAGUE STILL AGAINST IT

There is no indication that Representative TEAGUE has changed his mind about the Long proposal or that he will vote for it, but if the House is going to be asked to make up its mind about the plan instead of merely taking the Veterans' Affairs Committee's word that it is a bad thing there is obviously much greater danger of Senator LONG's proposal getting through the House.

The Long proposal would open the door to NSLI sales to an estimated 14 million veterans who served in the Armed Forces at any time between October 8, 1940, and January 1, 1957. The vast majority have no service-connected disabilities that would keep them from getting regular life insurance from the companies. The Long plan would enable any who are eligible to buy up to $10,000 of NSLI if they have none now, or to bring up their present NSLI coverage to $10,000 if it is shy of that.

NALU NOT AGAINST H.R. 11045

In effect, Senator LONG has added his proposal as an amendment to H.R. 11045, a bill giving NSLI policyholders conversion options to a so-called modified form of contract combining term and permanent insurance. NALU is not objecting to H.R. 11045 as such.

What happened when the House-passed H.R. 11045 went to the Senate was that the Finance Committee reported out the Long bill, S. 2675, which is identical with H.R. 11045 except for the addition of the amendment reopening the sale of NSLI for 1 year.

While the amendment provides for only a 1-year reopening of the sale of NSLI, the fear among life insurance people is that there would be irresistible pressure to keep it open an additional year, and perhaps indefinitely.

Some local associations have moved quickly to meet the Long amendment threat. For example, the Syracuse association Monday bulletined its members urging them to write their Senators and write their Representatives, pointing out that there is no necessity or justification for Government competition with taxpaying private insurance industry through subsidized life insurance for veterans whose insurability has not been impaired by service-connected disabilities.

"Fellows, let us pull out the stops and get going with this," the Syracuse bulletin urges. "Spend a couple of dollars to protect your business. There is no sound reason why the Government should now compete with private life insurance with subsidized rates for 14 million people."

Mr. LONG of Louisiana. Mr. President, there is no subsidy involved in the bill. The bill carries its entire cost. It is called subsidized insurance, but it is not. The insurance industry is not an industry which is being discriminated against or hurt. By most business standards, insurance companies are regarded as paying taxes of 12 percent compared with the 52 percent for most companies.

Recently Congress passed legislation to permit life insurance to be used as a measure to avoid the payment of inheritance taxes. That law was passed as H.R. 8300 in 1954. Furthermore, private insurance companies are making more money now than they ever made before. This is partly due to the fact that risks or liabilities are based on outdated mortality tables, and the rate of adjustments for insurance policies has not caught up to the current high level of interest rates.

So there is no real indication that this measure might injure insurance companies. On the contrary, it might be helpful. Many persons in the insurance business tell me that a man who has insurance is a better prospect to buy more insurance than a man who has no insurance at all. Upon that basis, it is very possible that this little measure, if it results in having more veterans take out policies of insurance, might also result in having them take out with private insurance companies additional insurance for their families, rather than less.

Mr. President, in order that the House may know how the Senate feels about this measure, and in the hope that the House will, if there is objection, permit the matter to come to a yea-and-nay vote, I ask for the yeas and nays on the committee amendment when we vote. So far as I am concerned, I am prepared to vote, but I shall reserve the remainder of my time in case any Senator wishes to oppose the committee amendment.

The PRESIDING OFFICER. Does the Senator from Louisiana make that request?

Mr. LONG of Louisiana. I should like to make the request, but I do not see the majority leader in the Chamber at the moment. On occasion, he has objected to having the yeas and nays ordered by unanimous consent. If there is objection to having the yeas and nays ordered by unanimous consent, I shall be compelled to suggest the absence of a quorum.

Mr. PROXMIRE. Mr. President, before the Senator from Louisiana suggests the absence of a quorum, will he yield to me?

Mr. LONG of Louisiana. I yield to the Senator from Wisconsin, who is one of the sponsors of the amendment. I have been joined in offering the amendment and in proposing it as legislation by 55 other Senators, a majority of the Senate. One of those is the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], who has been helping to support the proposed legislation. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I commend the Senator from Louisiana on the fight he is making for this proposal. He has made a very compelling, concise, and convincing case for it.

With his permission, I should like to ask unanimous consent to have printed at this point in the RECORD what I believe is as brief and convincing a case as I have seen on this kind of bill. I think it has been distributed and is on the desks of all Senators. It states the question briefly and concisely. I ask unanimous consent that it be placed at this point in the RECORD.

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

VETERANS VERSUS INSURANCE SALESMEN

The question: Should veterans of World War II and Korea be given a second chance to take out their national service life insurance?

Precedent: Veterans of World War I were accorded this privilege for 33 years after hostilities.

Advantages to veterans: Rates are much lower.

Cost to Government: Nothing.

Argument against: Private companies want the business.

Rebuttal:

1. Private companies are making profits at an all-time high.

(a) Private companies estimate their risks and fix rates on admittedly outdated mortality tables.

(b) Rate adjustments have not caught up to high current interest rates.

(c) Tax rate on insurance companies work out to approximately 12 percent compared to 52 percent on most companies. For the most part, this industry has been permitted to write its own tax bill.

(d) Since H.R. 8300 in 1954 it has been easy to escape gift and inheritance taxation by way of insurance.

2. This small exception, estimated at 1 million new policies, would possibly even stimulate more sales for private companies because a man who has insurance is a better prospect for more than a man who has none.

Mr. PROXMIRE. I enthusiastically commend the Senator from Louisiana on the strong fight he has made. I know he will win the contest.

Mr. LONG of Louisiana. I thank the Senator from Wisconsin.

ENACTMENT OF PROVISIONS OF REORGANIZATION PLAN NO. 1

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 7681) to enact the provisions of Reorganization Plan numbered 1 of 1959, with certain amendments.

CONVERSION OR EXCHANGE OF POLICIES OF NATIONAL SERVICE LIFE INSURANCE

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, so that the Senate may complete the consideration of H.R. 11045.

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

The Senate resumed the consideration of the bill (H.R. 11045) to amend section 704 of title 38, United States Code, to permit the conversion or exchange of policies of national service life insurance to a new modified life plan.

Mr. KUCHEL. Mr. President, reserving the right to object—although I shall not object—I shall ask my good friend, the able Senator from Louisiana, not to request a yea-and-nay vote by unanimous consent. If he did, I would be compelled to object.

Mr. LONG of Louisiana. I shall not do so.

Mr. KUCHEL. I want a yea-and-nay vote taken, and I shall assist the Senator from Louisiana in having one taken, when there is a sufficient number of Senators on the floor.

Mr. LONG of Louisiana. If a sufficient number of Senators were on the floor at this time, I would ask that the yeas and nays be ordered on this question. But I do not believe the number of Senators now present is sufficient.

If the Senator from California will help me to get a yea-and-nay vote, I shall appreciate it.

Mr. KUCHEL. I shall do so.

I have been glad to put my name alongside that of the Senator from Louisiana in connection with every one, I think, of the conferences which have taken place in past years, in which I have been privileged to serve; and I hope this measure will be passed.

Mr. LONG of Louisiana. I thank the Senator from California.

Mr. President, I ask unanimous consent to have printed in the RECORD the list of the names of the Senators who joined in cosponsoring this proposed legislation when it was introduced.

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

Mr. LONG of Louisiana, for himself and Mr. BARTLETT, Mr. BEALL, Mr. BIBLE, Mr. BUSH, Mr. BUTLER, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CARLSON, Mr. CARROLL, Mr. CHAVEZ, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. DODD, Mr. DOUGLAS, Mr. ENGLE, Mr. ERVIN, Mr. FULBRIGHT, Mr. GREEN, Mr. GRUENING, Mr. HENNINGS, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON of South Carolina, Mr. JORDAN, Mr. KEATING, Mr. KEFAUVER, Mr. KENNEDY, Mr. KUCHEL, Mr. LANGER, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MARTIN, Mr. MCCLELLAN, Mr. MCGEE, Mr. MCNAMARA, Mr. MORSE, Mr. MOSS, Mr. MUNDT, Mr. MURRAY, Mr. MUSKIE, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. PROUTY, Mr. PROXMIRE, Mr. RANDOLPH, Mrs. SMITH, Mr. SPARKMAN, Mr. SYMINGTON, Mr. THURMOND, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of North Dakota.

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

Mr. LONG of Louisiana. I yield.

Mr. LAUSCHE. Will the Senator from Louisiana explain to me what the amendment will do?

Mr. LONG of Louisiana. I hand to the Senator from Ohio a brief fact sheet in regard to the amendment. This fact sheet has been placed on the desk of each Senator.

The amendment will offer to veterans of World War II and to veterans of the Korean war an opportunity for 1 year to take out national service life insurance at their attained age.

All of the cost, including the cost of the physical examination, will be borne by the veterans. They would have to give evidence of insurability; the only exceptions would be veterans who were disabled in the war. Those exceptions are to be made because existing law provides that a disabled veteran cannot be excluded from the opportunity to be insured, if such opportunity is accorded others.

Mr. LAUSCHE. Do I correctly understand that the veterans of World War I were given a period of 33 years in which to purchase the insurance?

Mr. LONG of Louisiana. That is correct. Their right was terminated in 1951.

Mr. LAUSCHE. When did the right of veterans of World War II, which the Senator from Louisiana is trying to restore, come to an end?

Mr. LONG of Louisiana. It came to an end on April 25, 1951, thus giving veterans of World War II less than 6 years to purchase this insurance which was available to World War I veterans for 33 years, their right having terminated on the same date—April 25, 1951. For the Korean veterans, whose time also expired on April 25, the period of enrollment was even shorter.

Mr. LAUSCHE. The amendment will give the veterans of World War II substantially the same right as that which was given to veterans of World War I—namely, the right to purchase the insurance upon a showing of insurability; is that correct?

Mr. LONG of Louisiana. Yes, and at their attained age.

Mr. LAUSCHE. I see.

Mr. LONG of Louisiana. The amendment will allow a period of 1 year during which these veterans will have this opportunity—from January 1 of the coming year to the following January 1.

There are many reasons why this should be done. One is that a great many veterans permitted their policies to lapse, perhaps because they could not afford the insurance, or perhaps because they did not have the same family responsibilities that they have today, or because many of them did not know their insurance was terminating.

I have received virtually thousands of letters from veterans who are very much interested in having this provision made for their benefit. I have not received any letters in opposition to this provision. Furthermore, this measure is supported by every major veterans' organization.

Mr. LAUSCHE. During World War II the Congress deemed it advisable to make it possible for the members of the Armed Forces to purchase insurance, did it not?

Mr. LONG of Louisiana. Yes. It was insurance which the insurance companies did not care to sell.

Mr. LAUSCHE. Yes.

Mr. LONG of Louisiana. And after the war Congress saw fit to give the veterans a chance to take out some good insurance at cost; that is what it amounted to. The Government was selling the insurance to veterans at the Government's cost and permitting war risk insurance to be converted into peacetime life insurance.

Mr. LAUSCHE. Basically, Congress felt that right should be given to World War II veterans, just as it had been given to the veterans of World War I; is that correct?

Mr. LONG of Louisiana. That is correct.

Mr. LAUSCHE. Some veterans permitted their insurance to lapse, because of the passage of time, did they not?

Mr. LONG of Louisiana. Yes. This measure simply gives the veterans a chance to purchase the same insurance which the Government has provided in wartime at cost to members of the armed services. This right was terminated some time ago.

This measure would extend the opportunity for 1 year. If a 1-year extension is made, I believe that will be all that the veterans would expect in order to apply to have such insurance.

Mr. LAUSCHE. This is not a new concept of service to veterans; but this measure merely will reproduce what was done in the past; is that correct?

Mr. LONG of Louisiana. Yes. This follows the precedent which was established by the action Congress took in favor of the veterans of World War I.

Mr. LAUSCHE. I thank the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to place in the RECORD a table published by the American Legion's "National Legislative Bulletin" based on figures furnished by the Veterans' Administration showing the rates of comparable term insurance issued by private insurance companies in comparison to rates under the NSLI program.

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

Commercial rates of comparable insurance are much higher. Here is a table showing net rates of NSLI (dividends considered), compared to the four giants of the insurance industry, one of which has the reputation of being the largest low-cost commercial insurance organization in the Nation. The figures cover $10,000—5-year term policies.

	Age 25	Age 35	Age 45
Insurance company A	$51.11	$67.90	$117.70
Insurance company B	51.90	66.90	110.40
Insurance company C	40.20	57.60	101.50
Insurance company D [1]	63.10	73.20	117.60
National service life insurance [2]	10.90	12.00	50.00

[1] Nonparticipating—no dividends paid.
[2] Cost of administration ($5 per policy, VA estimates, to be added under Long proposal).

These figures were compiled by the Veterans' Administration and are as reported in the latest National Legislative Bulletin issued by the American Legion.

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

Mr. LONG of Louisiana. I yield.

Mr. FREAR. If the proposed legislation becomes law, will it in any way impair the reserve of the national service life insurance fund?

Mr. LONG of Louisiana. No, not in any way.

Mr. FREAR. Do I correctly understand that the premium that will be charged to the veterans who will take advantage of this measure, when it is enacted, will be sufficient to pay for their proportionate share of its cost?

Mr. LONG of Louisiana. Yes.

Mr. FREAR. I understood the Senator from Louisiana to say that they will make their payments on the basis of their attained age.

Mr. LONG of Louisiana. Yes.

Mr. FREAR. Do I also correctly understand that the premium that will be charged to the veterans will be sufficient to cover any assessment which might be levied because of the lapse between the extended period of time during which the veterans could have taken out the insurance and the period of time when they do take it out?

Mr. LONG of Louisiana. That is correct.

The veterans will be required to carry all additional costs of administration and of handling the policy applications and of physical examinations, and so forth.

Mr. FREAR. That was my understanding.

Mr. LONG of Louisiana. As a matter of fact, the bill, as drafted, would have done just that, in the beginning. But the Finance Committee received from the Veterans' Administration a report which was so confusing that the committee amended the bill in such a way as to doubly insure that this measure will pay its own way.

Mr. FREAR. I thank the Senator from Louisiana.

Mr. LONG of Louisiana. I thank the Senator from Delaware for his questions.

Mr. President, I am prepared to vote on the pending question; and I should like to have the yeas and nays ordered.

In the absence of a quorum, I believe I am compelled to suggest the absence of a quorum at this time. I ask unanimous consent that the time required for a quorum call at this time shall not be charted to the time available to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LONG of Louisiana. Then, Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. 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.

Mr. LONG of Louisiana. Mr. President, I ask for the yeas and nays on the committee amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Louisiana yield back the remainder of his time?

Mr. LONG of Louisiana. I do, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Pennsylvania [Mr. CLARK], the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY], the Senator from Maine [Mr. MUSKIE], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Pennsylvania [Mr. CLARK], the Senator from Connecticut [Mr. DODD], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senators from Minnesota [Mr. HUMPHREY and Mr. MCCARTHY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Wyoming [Mr. O'MAHONEY], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Mississippi [Mr. STENNIS] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] would each vote "yea."

The result was announced—yeas 75, nays 0, as follows:

YEAS—75

Aiken	Fong	Mansfield
Allott	Frear	Martin
Beall	Fulbright	Monroney
Bennett	Gore	Morse
Bible	Hart	Morton
Brunsdale	Hayden	Mundt
Bush	Hickenlooper	Murray
Butler	Hill	Prouty
Byrd, W. Va.	Holland	Proxmire
Cannon	Hruska	Randolph
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Johnson, Tex.	Saltonstall
Case, N.J.	Johnston, S.C.	Schoeppel
Case, S. Dak.	Jordan	Scott
Cooper	Keating	Smathers
Cotton	Kefauver	Smith
Curtis	Kerr	Talmadge
Dirksen	Kuchel	Thurmond
Douglas	Lausche	Wiley
Dworshak	Long, Hawaii	Williams, Del.
Eastland	Long, La.	Williams, N.J.
Ellender	McClellan	Yarborough
Engle	McGee	Young, N. Dak.
Ervin	McNamara	Young, Ohio

NAYS—0

NOT VOTING—25

Anderson	Green	Moss
Bartlett	Gruening	Muskie
Bridges	Hartke	O'Mahoney
Byrd, Va.	Hennings	Pastore
Chavez	Humphrey	Sparkman
Church	Kennedy	Stennis
Clark	Lusk	Symington
Dodd	McCarthy	
Goldwater	Magnuson	

So the committee amendment 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 bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. YARBOROUGH subsequently said: Mr. President, I rise to congratulate the junior Senator from Louisiana on his distinguished service to the veterans of the United States in again securing Senate passage of a bill establishing a 1-year period in which World War II and Korean veterans may acquire national service life insurance. This is the reopening of a right which these veterans once had, but were unable to take advantage of, and does not give them new or extended veterans' benefits.

Many of these veterans missed their opportunities to secure national service life insurance after the war because of unemployment and other financial difficulties during this readjustment period. Others did not acquire it or let it lapse because of too many family responsibilities, or conversely, because they had not yet acquired family responsibilities. Whatever the reason, millions of these veterans were inequitably deprived of the privilege of acquiring this insurance. It has long been recognized that the Government should give these men another chance at exercising their choice. This or similar legislation has been passed by the Senate three times in the past, and I share the hope of my colleagues that it will become law this year. The veterans will owe this opportunity, if granted, to the perseverance of the junior Senator from Louisiana. This is sound legislation, of small cost to the Government, but of great benefit to the veterans who served their country in World War II.

THE RETIRED PERSONS MEDICAL INSURANCE ACT

Mr. McNAMARA. Mr. President, the Senate Subcommittee on Problems of the Aged and Aging has completed another series of hearings—the first of its activities of the 2d session of the 86th Congress—as authorized by Senate Resolution 266.

These hearings dealt with a topic which the majority of the subcommittee stated, in a report on the first year of its investigation, to be the No. 1 priority item for action by the Congress in the field of aging.

I refer to the topic of adequate health services for the aged, and the problems they and their families face, in finding an effective means of financing such health services.

Detailed analysis and statistical documentation of the need for action in this area of social legislation are set forth in the report of the subcommittee and in the 6 days of hearings in April.

THE SPECIAL HEALTH PROBLEMS OF THE AGED

From a narrow point of view, it might be said that there are no unique health problems of the aged, that many children have had diseases that many old persons have had, and vice versa.

But this is really quibbling. The aged do have special health problems.

For example:

First. In 1957, nearly 8 out of 10 noninstitutionalized aged persons, over 11 million, that is, had one or more chronic ailments.

A large part of such ailments consisted of heart trouble, arthritis, diabetes, and kidney disease.

Putting chronic ailments in terms of all ages, only 4 out of 10 are so afflicted. Compare this with the 8 out of 10 among the aged.

Second. Of the 10 million cases of heart disease—including high blood pressure—4 million, or 40 percent, are among people 65 years of age and older.

In other words, the aged make up less than 9 percent of the total population but 40 percent of all cases with heart trouble.

More than one-fourth of all the aged have such conditions.

Third. More than half of the aged with chronic conditions are limited in their activity.

Fourth. While only 3 percent of the total population have limitations in mobility, 19 percent of the aged—six times greater than the general population—find it difficult to get around. And I am referring only to the noninstitutionalized aged.

Fifth. The aged suffer mostly from long-term chronic conditions, not from short-term acute ones, a point frequently neglected in most health insurance programs today.

As a result, they stay in hospitals two to three times longer than the younger age groups.

Sixth. Ironically, many of the aged have handicaps which could have been prevented—if the disease or injury had been treated properly from the beginning.

Mr. President, I ask unanimous consent to include at the end of my remarks tables which indicate, in detail, the extent to which the aged do have special health problems of their own.

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

(See exhibit 1.)

THE FINANCIAL PLIGHT OF THE AGED

Mr. McNAMARA. I believe that organized medicine is doing a disservice by manipulating the data on the financial status of the aged, in such a way as to give the impression that our retired Americans are financially able to meet their medical bills, and pay for insurance premiums without any legislation along the lines I am about to propose today.

According to some publications of medical organizations, one would almost believe that our aged fellow citizens are really the wealthiest people in America. But let me set the record straight. If we look at our senior citizens as individuals, a method developed by that most reliable agency, the Census Bureau, we find that in 1958, among men 65 and over the median income was $1,488.

Taking men and women together, about 80 percent of them have less than $2,000 annual income, and about 60 percent have less than $1,000 income.

Keeping in mind that the Secretary of Health, Education, and Welfare has indicated that, on the basis of a very low-cost food budget, an income of less than $2,560 for an elderly couple is "uncomfortably low," we find the following:

In 1958 about 3 million families headed by individuals over 65 received less than $2,500 in income. This makes at least 6 million men and women with such income or less.

Then we have to add at least 2 million unrelated aged individuals who received less than $1,500, a figure which is considered quite low in terms of adequacy.

In other words, at least 8 million aged citizens living in what, at today's prices, can only be poverty.

Opponents of health insurance legislation try in desperation to cloud the issue by claiming that income is not the best, or only way, to measure the financial ability of the aged; that even though their income is low they have plenty of assets.

It is claimed that in the past several years their asset status has been better than that of all other age groups. Again, let us get the record straight. The economists for the AMA might be getting a pat on the back from their employers, but I can assure Senators that their professional reputation among fellow economists has not been improved.

To begin with, people with low incomes happen also to have low liquid assets, by and large.

For example, in the Federal Reserve Board's Consumer Finance Survey for early 1959, among spending units with aged heads who had incomes of less than $3,000, 56 percent had liquid assets of less than $500. But among those units with incomes of $3,000 to $5,000, only 30 percent had liquid assets of less than $500.

Second. In the 10 years since 1949, there has been no important progress in the proportions of aged heads of spending units with no liquid assets at all.

In 1949, the percentage was 32 percent. In 1959, the percentage was 29 percent.

In absolute figures, of course, there was actually a retrogression. In 1949, at least 3.9 million spending units with aged heads had no liquid assets. But by 1959, 10 years later, there were at least 4.6 million of such spending units with no liquid assets at all. An additional 3 million had liquid assets of less than $500.

In other words, at least 7.6 million elderly persons had liquid assets of less than $500.

I have used the term "at least" because, in reality, the Survey of Consumer Finances does not get to those aged with the definitely lowest financial status. The survey therefore excludes the less favorably situated older Americans in its tables.

In other words, there are more than 7.6 million aged spending units with liquid assets between zero and $500.

Furthermore, the statistics of the Survey of Consumer Finances do not take into account the changes in the purchasing power of these assets—nor the increase in medical costs for the aged—since 1949.

Now, what about income from assets? The best material we have on this is from the 1957 social security beneficiary survey, which reported that 41 percent of the married couples had no income from assets, and that the median for those married couples with some asset income was the grand sum of $180 for the entire year of 1957.

Among single retired workers, 55 percent had no asset incomes, while the median for those with some income from assets was $102 for 1957.

For widows receiving OASI benefits, 48 percent had no asset incomes, and those with any asset income had a median of $149.

For that same year only one out of every six couples had asset incomes of $600 or more. One out of every 8 aged widows and 1 out of every 14 single retired workers received the same amount or more.

Let me repeat the point made earlier, that people with low incomes generally have low liquid assets. We cannot ignore this fact. This fact tends to be neglected by those who say that even if the aged have low incomes they have other means of financing their medical care, that they have savings, that they have equities in their homes, that they have cash values in their life insurance policies.

But even the Health Information Foundation, sponsored by the drug companies of the country has reported recently that among the aged interviewed by their pollsters, no more than slightly over one-half had more than one source of asset income to help meet an expensive medical bill. The remainder, about 47 percent, had only one such source, or none at all.

The research director of the Health Information Foundation, Dr. Odin Anderson, in speaking 5 years ago about the use of assets to pay for medical bills of all ages had this to say:

> A very crucial assumption—and also self-evident—is that adequate services for the care of long-term illness cannot be wholly financed from savings such as liquid assets, personal property, and other personal effects and assets which are regarded as the normal birthright of a hardworking and provident American. (From paper presented at 1955 meeting of American Public Health Association.)

If it is self-evident for the general population, how much more obvious and self-evident it is that the care of long-term illness for the aged cannot be financed from such sources.

If we do not agree with this proposition, then the logical alternative is to require that senior citizens sell or borrow on their homes.

We would also have to require the aged to use up their savings, sell their modest amount of bonds, and cash in their life insurance.

The AMA has publicized a survey which asked older persons how they would pay a $500 medical bill, and then explained the answers to mean that only 9.6 percent could not pay such a bill.

However, the research director of the survey, Dr. Ethel Shanas, has stated:

> Almost half of all people could not manage a medical bill as large as $500 (in Public Welfare, April 1960).

The real meaning of the AMA's own interpretation is that they apparently would expect the other 90-plus percent of older Americans to finance such bills through using up their assets.

This amounts to about 12 million men and women over the age of 65 who would be expected to finance all or part of their medical bills by using up such assets.

Mr. President, am I wrong in stating this great and wealthy Nation had declared, by passing the Social Security Act a quarter of a century ago, that the means test was a degrading and reprehensible concept in providing for the general welfare?

If we follow the implied advice of the AMA, are we not going back, not a quarter of a century, but rather three whole centuries, to the poor laws of medieval England?

That is what we would be doing if we follow such backward counsel: after the aged dry up their assets for one illness, they would then have to apply for charity medical care, if they are not too proud to subject themselves to such a humiliating process.

If all our aged fellow Americans were willing to do this, then and only then could it truly be said, as the AMA does say, that no aged person needs to go without medical attention—regardless of financial ability.

Must I elaborate on the glaring defects in such a philosophy of medical care in the 20th century? On the quality of charity medical care? On its omission of any preventive approach? On the greater burden that would be placed on the physicians now already giving free and reduced-fee services? On the hospitals, the local communities, and the States, all of which can hardly be expected to meet the health needs of an ever-increasing population of aged men and women?

Mr. President, at this point I should like to refer to some of the findings of the University of Michigan's study of hospital and medical economics bearing on income, assets, insurance coverage, medical expenses, and so forth, of different age groups and families of varying sizes.

> There is good reason to believe—
>
> Quoting from the testimony—
>
> that the relationships shown between age, income, need for medical services, and resources available to meet these needs are probably applicable to the balance of the country without significant deviation.

Here are some of the basic findings in this highly refined analysis of the problem:

First. Income is the overwhelming determinant of the ability to get needed medical care.

Second. Income is inversely correlated with age. The older the person, the less his income.

Third. This significant correlation holds true even when an allowance is made for the smaller family size of aged households.

Nearly three-fifths of the low-income aged individuals in Michigan have no health insurance, as compared with less than one-third of the low-income younger individuals.

Even among the higher income aged individuals, more than two-fifths have no insurance, which is double the figure for all individuals, regardless of age.

Let me give another type of contrast. Keeping in mind that a higher proportion of the younger age groups than of the 65-and-over population is better off when it comes to income, even when allowing for larger family size, the following is highly pertinent:

First. For high income individuals aged 45–64, only 16 percent would have zero to one-half of their hospital medical bills paid for by insurance.

Second. In sharp contrast, 66 percent of the low-income aged individuals would have no more than one-half of their hospital medical bills paid for by insurance.

The two figures to compare are the 16 percent and the 66 percent—quite a gap. And these statistics do not even take into account that the average per capita hospital bill for the low income aged in Michigan was two to three times the bill for the 45 to 64 year olds.

In other words, their hospital bills are higher, but they have less protection against such bills through hospital insurance.

Taking into account the smaller size of the families with aged heads, two-fifths of such families in Michigan had incomes under $1,050, but less than one-fifth of younger families had such low incomes.

For low-income aged individuals, less than one-third have available any home care in case of sickness, whereas for low-income younger individuals, one-half to three-fifths would be able to have home care, that is, another able member of the family not regularly working outside the home.

THE ROLE OF VOLUNTARY HEALTH INSURANCE

The University of Michigan study leads me naturally to another basic point involved in the controversy over the financing of medical care for the aged; namely, the role of voluntary health insurance in meeting the problem.

Here, perhaps, we come to the heart of the matter. And in discussing this aspect of the controversy, I want to concentrate on four crucial questions:

First. The estimates of how many aged persons now have protection through hospital insurance.

Second. The adequacy of such coverage.

Third. The projections of how many aged will be covered in the future.

Fourth. The potential effect of Federal legislation on the private health insurance companies.

1. CURRENT COVERAGE

First of all, let me emphasize that despite all efforts on the part of the subcommittee staff we have not been provided with reliable information from the insurance companies on how many aged persons they now have on their rolls.

Even under direct questioning during our hearings, the insurance companies who testified declined to give the subcommittee any precise data.

In the questionnaires mailed to the companies scanty information was provided, even though the subcommittee promised to keep the names of the companies confidential.

The significance of such lack of figures is that there is no basis, therefore, for the widely advertised claims of the companies that they are meeting the problem today, or that they will have almost completely solved the problem at some date in the distant future.

Nevertheless, the Secretary of Health, Education, and Welfare has provided us with some estimates as to how many are covered as of 1960.

I emphasize the word "estimates." They are based on the assumption that the increases in older persons covered by insurance have continued at the same rate as prevailed between 1951 and 1957.

Let me repeat: the current estimates are based on an assumption. It is just as plausible to reason that a plateau may have been reached by 1957 and that the number with such insurance is decreasing because of the increasing cost of the premiums.

But even accepting the assumption of the Secretary of HEW, there are now perhaps 6½ million elderly Americans who have some type of health insurance coverage.

Mr. Flemming testified during our hearings to this effect. This means that about 9½ to 10 million persons over 65 still do not have any insurance.

This figure includes about 2½ million persons on old-age assistance, some of whom are eligible for varying amounts and qualities of medical care.

2. ADEQUACY OF CURRENT COVERAGE

This brings me to the next point, for the estimated 6½ million persons now covered, just how good is the protection they have? There are several ways of measuring the adequacy of coverage.

For example, the social security survey of beneficiaries in 1957 reported that among hospitalized insured couples, 73 percent had zero to one-half of their medical costs met by insurance.

Only 27 percent had more than one-half of costs met by insurance.

In the same survey, only 14 percent of all beneficiary couples had some of their medical costs covered by insurance.

In other words, as of 1957 insurance policies met very little of the medical costs of the social security beneficiaries, and these beneficiaries are better situated, financially, than other retired Americans.

A second way of measuring adequacy is to examine the premium costs relative to the benefits provided by such premiums.

For example, an individual would have to pay 80 percent more in premiums, often 100 or even 300 percent more, when converting a group policy after retirement for a policy with the same benefits as before retirement.

In other words, the retiree would be required to pay more in dollars for the same benefits.

Other examples involve not only slightly higher premiums, but a sharp decrease in benefits.

This is a crucial point to the retiree, because he suffers a sharp decrease in income when he leaves employment, only to find himself faced with an increase in the cost of his hospital insurance—and his risks of illness are increased as he gets older.

A third way of measuring adequacy is to inquire into what kinds of benefits he would get, for example, through a typical $6.50 per month policy.

To cite an example, one important company in this field provides for $6.50 for an individual per month the following benefits: Up to $10 per day for 31 days; up to $200 for surgery in or out of the hospital; up to $100 for miscellaneous hospital expenses.

There is, we should note, a 6-month waiting period for protection against any illness or accident previously experienced by the policyholder.

The company guarantees against cancellation of the policy, or raising the premium, unless it does the same for all policies in the individual's State as a group.

One of the basic weaknesses, if not the basic weakness of such policies, is that they are not based on a philosophy of preventive medicine.

A truly balanced approach to the health problems of the aged must include provisions for diagnosis, followup, and restorative medicine.

Furthermore, these policies are not geared enough to the chronic illness problem of the aged.

More specifically, we should note that "up to $10 a day" is far short of the typical $25-to-$30-a-day charge by hospitals around the country.

Also the 6-month waiting period for protection against preexisting medical conditions is a great obstacle to meaningful protection.

Furthermore, the guarantee against cancellation is not universal for all policies, and "cancellation" is not the same as nonrenewal. Actual cancellation can occur at the end of the period for which the policy covers the insured person, except the word "cancellation" is not used in such cases. They call it, instead, "nonrenewal."

In this connection let me cite the testimony of Frank van Dyke, a professor of administrative medicine of Columbia University, based on his study for the New York State Department of Insurance:

> An infinitesimal fraction of nongroup policies were lifetime, noncancelable—guaranteed renewable—and a small fraction were noncancelable—guaranteed renewable—up to a specified age limit.
>
> In the course of 1 year several thousand policies were canceled, restricted by rider, rescinded, or compromised by cash settlements upon agreement of the policyholder to terminate the policy.

The other findings of this study of New York insurance practices were that most group policies ended with the individual's retirement from a job, and that most of those group policies which did not end with retirement provided only reduced benefits to the policyholder.

Less than one-fourth of group policyholders had the right, in 1958, to convert their policies. And of this small percentage, four out of five had to take reduced benefits.

That is, less than 5 percent of all group policyholders could convert with no reduced benefits.

Six dollars and fifty cents a month, or $156 a year for an aged couple, is, furthermore, quite a burden for millions of aged Americans.

There is a contrast between the nature of the medical needs of the aged, such as diagnoses and long-term illness and the emphasis in current insurance programs on short-term illness and acute emergencies.

Mr. President, in this analysis of the private insurance approach to the problem, it is not my intention to criticize the motives of the insurance industry, nor their willingness to solve the problem.

My fundamental point is that I have very strong doubts about their ability to solve the problem.

Why is that the case? It comes down to the undeniable fact cited by Business Week magazine in its recent article on the subject:

The problem basically is that the aged are high-cost, high-risk, low-income customers. Their health needs can be met only by themselves when they are young or by other younger people who are still working. The only way to handle their health problem, therefore, is to spread the risks and costs widely. And that can best be done through the social security system to which employers and employees contribute regularly.

In other words, the essential weakness of the private insurance approach is that it must necessarily be based on experience rating.

That is, it discriminates against high-risk groups of men and women, even in the case of converted group policies.

One footnote should be added to this analysis of private insurance:

While the insurance companies have advertised and testified as to the great progress they are making, and to the wide variety of benefits they are just beginning to make available, it is also true that many of these companies do not operate in certain States; that many of the policies are available for only a specified, limited time of application, in only certain States.

3. PROJECTIONS OF COVERAGE IN THE FUTURE

Let us assume for the moment that the weaknesses I have outlined do not prevail, that existing and proposed benefits continue in the field of private, or so-called "voluntary" health insurance, that such insurance is adequate for those who have it.

Under these conditions, just how many aged Americans can we expect to have health insurance in the future?

Secretary Flemming's excellent staff of technicians have projected a figure of 56 percent—that 56 percent of our aged citizens might have coverage by 1965.

Even if this estimated 56 percent had adequate coverage, which is stretching it a bit, we would still have, as of 1965, 8 million senior Americans without any type of insurance.

This is far too many human beings who would be left out in the cold, dismal area of basic human needs.

Let us remember, the 56 percent figure is only a projection based on many optimistic assumptions such as those I mentioned earlier.

Mr. President, the Constitution charges Congress with providing for the general welfare.

The traditional and authorized purpose of government is, to quote Lincoln, "to do for a community of people whatever they need to have done but cannot do at all, or cannot do so well for themselves, in their separate and individual capacities."

The aged of America cannot do at all, or cannot do very well, for themselves, when compelled to meet the increasing costs of medical care—in their separate and individual capacities.

The so-called "compulsory" feature of our proposal is no more onerous than social security deductions, Federal deposit insurance, or taxes to pay firemen and policemen.

The Federal Government, by collecting a modest amount from each member of the younger working population and his employer against the costs of hospitalization and other medical services in retirement, will be meeting its legitimate purpose and duty.

No democratic government—

Writes Business Week—

can refuse to grapple with a problem of such demonstrated urgency and importance. The issue cannot be evaded and, before it becomes a political football, the politicians of both parties should accept responsibility for finding the best possible answer in the shortest possible time.

In the same article the editors of Business Week conclude, after studying last year's report of the Secretary of HEW, that the social security approach is the best way of facing up to this urgent problem.

What the early advocates of the social security approach have been saying for the past several months has now been accepted by this leading publication in the business world.

And why not? This is not a matter of ideology. It is a case of just plain common sense—and dollars and cents.

I ask unanimous consent that the text of the Business Week editorial, and a similar one from Life magazine, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 2.)

Mr. McNAMARA. Mr. President, given the need, given the income status of the aged, given the limited potential of private health and hospital insurance, given the proven practicality of the tried-and-true social security mechanism for providing basic retirement income and disability benefits, there is simply no other alternative but the one we are espousing here.

In just a short 2 to 5 years after this program is in operation, I am sure we will be listening to speeches from our friends in the American Medical Association, the American Hospital Association, and even the Indiana Funeral Directors Association, proclaiming how life is so much better in America as a result of this and similar legislation. Until then, however, we will hear the usual arguments against social progress.

Many of the insurance companies, along with the AMA, have been using the argument that this legislative proposal would constitute a permanent solution to a temporary problem.

Just how long is temporary, anyway? Are they aware of the fact, for example, that a 65 year old American today can expect, on the average, to live another 14 or more years?

Are they, therefore, suggesting that we wait 1½ decades before considering such legislation?

Call it political motivation if you will, but I see it as responding to a need for a practical solution to this human problem now.

Now, and not in 1975, or even 1961.

4. THE EFFECT OF FEDERAL LEGISLATION

The charge has been made that this legislation would adversely affect the financial standing of insurance companies and nonprofit plans offering policies for old-age health protection.

I doubt very much that the insurance industry would wither on the vine, no more than it has withered as a result of our old-age benefit program under social security.

In fact, private pension insurance has grown tremendously in the last 25 years.

I think the charge should be turned around and put in the form of a more important question: What will be the effect on current health insurance programs if there is no Federal legislation?

Certainly, in the case of the nonprofit insurance plans, the ones that currently insure the majority of the aged who are covered, such as Blue Cross, such legislation would be their salvation.

Let me cite one example. The Arkansas Blue Cross-Blue Shield plan, as of the end of 1959 had only a little more than 5,000 persons 65 and over covered by its policies.

But even with this small number of aged subscribers, the Arkansas plan was forced to absorb a loss of over $83,000 in 1959 to pay for their hospital and surgical expenditures.

This amounts to slightly more than $16 loss beyond income from premiums for each of its aged policyholders.

Is anyone suggesting that the Arkansas Blue Cross-Blue Shield plan add to its rolls all of the 187,000 elderly citizens of Arkansas?

At the rate of loss the plan is now enjoying, that would put the Arkansas Blue Cross-Blue Shield only $3 million in the red.

Is it really so horrible that Federal legislation would prevent such results?

I could cite other examples in detail. Let me, however, merely call attention the fact that in 1959 the Texas Blue Cross-Blue Shield plan in Dallas, with nearly 44,000 aged enrollees, experienced a $1,600,000 loss as a result of insuring the elderly.

In 1958, the New Jersey Blue Cross-Blue Shield, with over 72,000 aged subscribers, had a loss of $1.9 million as a result of insuring the elderly.

As a result, in 1959, New Jersey Blue Cross was forced to raise drastically the premiums on their policies.

The examples I have cited of Blue Cross experience are not exceptions, I assure the Senate. These experiences should immediately raise the question: If the private nonprofit insurance plans, which are the cheapest and the best and which cover the largest portion of insured aged, like Blue Cross, if they continue to suffer such deficits, how can the commercial companies provide adequate coverage at a decent cost for the aged and still make a profit?

The answer is that they cannot. If they are going to stay in business and still insure the aged, they must raise the premium and reduce the benefits.

Therefore, if we continue the Blue Cross approach we will encourage greater and greater deficits.

If we continue the commercial policy approach we will have to tolerate fewer benefits at a higher cost.

The result of either approach is chaos, along with a limit to the number of aged covered by voluntary insurance.

I do not think, either, that a Federal-State subsidization of the voluntary insurance plans is the answer. This suggestion does not meet the test of practicality, to cite Business Week.

We would not get all of the States to participate adequately, and even if we could it would take too long for all of the States to finally get around to legislating such participation.

Furthermore, there is no guarantee of adequate benefits under one of the most recent proposals along these lines.

Prof. J. Douglas Brown, an economist and dean of the faculty at Princeton University, has put the criticism more bluntly:

> At best a clumsy, hybrid arrangement, involving overwhelming administrative difficulties and excessive costs. For the Government and the beneficiary, the economies and convenience of a large and uniform system of protection would be lost.
>
> The Government would pay more, the beneficiaries would get less, and the private carriers would trade freedom for little profit and thankless regulation.

Under the program which would provide Federal-State subsidization of private insurance carriers—there would also be a means test—although the advocates of the proposal insist on calling it an income test. Despite the name, it is still degrading.

Finally, I do not see why the Federal and State governments should have to subsidize premiums of which a large part is lost for the consumer of medical services because of the relatively low loss ratios experienced by private carriers. Under the social security approach, the provision of health services could be obtained for no more than 5 percent of the total amounts received by the system; in other words, a 95-percent loss ratio.

But today, under individual policies sold by the commercial carriers, the loss ratios are no more than 50 percent; under group policies, about 80 to 85 percent.

We need and want, instead, a program in which the people would get the maximum amount of their contributions returned in the form of actual health benefits.

Only under social security is this possible; only under social security.

I want to stress another point that has been lost in the shuffle: An adequate Federal old-age health insurance plan actually can be a stimulus for a positive contribution by voluntary health insurance plans.

I say this in the face of arguments by the insurance companies, to the contrary. I say this because, for one thing, such legislation would make possible a reduction in private group insurance premiums for those labor-management policies which now include retired workers.

In addition, for many nongroup policyholders below 65, premium reductions or benefit increases would thus be possible.

Finally, even for our aged covered by the legislation, many of them would then be able to purchase, through voluntary insurance, additional benefits. To cite one example provided the subcommittee by Professor van Dyke of Columbia University, the Rochester, N.Y. Blue Cross plan would be able, under a 60-day Federal benefit program, to reduce the nongroup premium to no more than 10 percent higher than the group premium for the under-65 population.

Such legislation would also allow Blue Cross to provide supplementary benefits to the over-65 population for about $1 per month.

Thus, as a result of the type of legislation being proposed here, commercial health insurance could offer reduced-premium plans to those groups now paying for high-risk older men and women, and also supplementary benefits plans for those already retired but protected basically through OASI health insurance.

Nonprofit plans like Blue Cross would thus be saved from the deficit-creating burden of insuring the high-risk, high-cost aged and also, like the commercial plans, they could offer better and supplementary programs for employees and retired persons.

These comments concerning the impact upon insurance companies, especially Blue Cross plans, apply with even greater weight to the effects on hospitals.

The deficits in the budgets of hospitals around the country are too well known for me to document here.

But I wonder how many of my colleagues are aware of the fact that the operating deficits of the hospitals are, in large part, due to the financial inability of their aged patients to pay their bills?

In Boston, for example, the Massachusetts General Hospital reports that in just a 6-month period in 1958 one-third of all the ward admissions were 65 and over and that they were responsible for about $500,000 of that hospital's operating deficit, actually more than one-third of the total deficit.

Let me present the breakdown on the total payments of the nearly 2,000 elderly patients involved in this particular hospital's experience:

First. The total hospital bill was more than $800,000.

Second. The hospital provided free service amounting to $150,000, or over 18 percent of the total amount.

Third. Public assistance paid for nearly $240,000, or nearly 30 percent of the total amount.

Fourth. There was an unpaid balance of $135,000, or nearly 17 percent of the total amount.

Fifth. Insurance plans paid for nearly $108,000, or only 13 percent of the total amount.

Sixth. And the elderly patients themselves paid directly $173,000, only 21.5 percent of the total amount.

The lessons to be drawn from this example should be clear first, that through insurance and direct payments the aged were able to pay the hospital only 35 percent of the total hospital bill they incurred altogether; second, for nearly three-fourths of the remaining hospital bill public assistance and the hospital itself footed the expenses.

Of course, there is a strong possibility that the unpaid balance—or a large part of it—might remain unpaid with the hospital having to absorb the debt.

The Massachusetts General Hospital story is not unusual. It is, furthermore, a reflection of the inability not only of the aged and their families to pay for such medical costs but also of the local communities and the States to meet this growing problem.

One of our distinguished witnesses, Dr. James P. Dixon, formerly commissioner of the Philadelphia Public Health Department, and now president of Antioch College, has put the problem in a nutshell:

> The experience of the hospital field in dealing with local and State governments to obtain sufficient funds to underwrite the care of economically disadvantaged groups has not been an entirely happy one even for the care of clearly indigent persons.
>
> It seems necessary to turn to the Federal Government in order to find a broad enough base of tax support, and a sufficiently generalized definition of eligibility, to be successful in meeting the needs of our highly mobile older population.
>
> There is a growing feeling among hospital people that neither Blue Cross nor commercial insurance now meets, or can meet, the financial needs of older people with respect to hospital care. There is an increasing conviction that Federal participation will be necessary.
>
> There is lack of agreement as to the form that Federal participation should take—although there is a tendency at this time to favor an OASI mechanism (from "Medical Care for the Aged: The Hospital's Viewpoint," American Journal of Public Health, February 1959).

To repeat, the legislation we are considering now will go a long way toward improving the financial status of insurance plans in the business of protecting the employed population of our country and toward helping the Nation's hospitals to reduce the back-breaking deficits they are now forced to assume.

PROVISIONS OF AN ADEQUATE HEALTH INSURANCE PROGRAM FOR RETIRED AMERICANS

Mr. President, in my opinion, the time has long passed beyond the point of establishing the need for Federal action on the problem of financing the basic health care of our aged through the Social Security System.

The real issue is to make sure that in deciding these benefits we alert ourselves to the wisest counsel of authorities in the fields of medicine, hospital care, public health, and medical economics.

The real issue is to assure the Nation that the philosophy of modern medicine will be applied in meeting the health needs of our senior Americans.

In the bill I am presenting there are included the following provisions:

First of all, the group of citizens covered by the bill consists of retired aged persons, 65 and over for men, 62 and over for women.

These are retired persons only. It is this group among all the aged who have an undeniable need for such protection.

The numbers involved amount to about 14.8 million people: 11.3 million men and women now receiving OASI benefits, 1.7 million now receiving old-age assistance and nothing from OASI, and 1.8 million other retired persons. The bill provides for a definition of "retirement."

I consider this feature of the proposed legislation one of the most important. It puts to rest the criticism of such bills as the Forand bill that it excludes too many of our aged citizens now eligible for benefits under social security.

Here is the opportunity for the opponents of such legislation, including the Vice President, to show exactly how sincere they really are in objecting to the omission of such persons as the 2 million old-age assistance recipients. The Retired Persons Medical Insurance Act would include these and other non-OASI retired men and women.

If the charge by the opponents of the Forand bill has been leveled in a truly sincere effort and in the spirit of constructive criticism, they should be pleased to learn that we have accepted their criticism at face value and thus have proposed the inclusion of the aged men and women for whom all of us, even the opposition, have a deep concern.

The primary source of financing is through the Social Security System increasing the present tax one-fourth of 1 percent from employees and one-fourth of 1 percent from employers.

For those retired aged not now eligible for OASI benefits, a contribution from the general revenue will be necessary.

Not all of such a contribution would be new costs, however, since the Federal Government is already paying large sums in the form of grants to the States, payments to the Veterans' Administration, and so forth, for the aged's medical care.

While the proposed legislation would provide up to 90 days a year of hospital care, I am firmly convinced that hospitalization also needs to be accompanied by alternative possibilities and followup facilities such as skilled nursing home care and supervised home medical care.

The bill therefore provides for direct admission into skilled nursing homes and direct use of home medical services without having to first enter into a hospital.

The number of days of such services would depend on the number of unused hospital days, but the maximum number of skilled nursing home days would be 180, and for home visits 240 in a year.

Modern medicine basically aims at keeping people out of hospitals; and, therefore, the bill includes the very important provision of outpatient diagnostic services such as laboratory tests and X-rays.

These basic provisions—hospitalization, skilled nursing home service, home health services backed up by diagnostic services—constitute, in the expert opinion of authorities in the health field, the basic package of any truly adequate health services program for the aged.

Hospitalization by itself is not the answer. For one thing, after basic treatment in a hospital the aged patient often needs only skilled nursing care in a qualified nursing home.

Or once recovered from a stroke, he remains in need of physical therapy which can be applied in his home.

Without these alternatives and follow-through possibilities, hospitalization by itself can lead to over-usage of beds and, more important, to disappointments among the aged who stand in need of restorative medicine.

Such alternatives also can amount to a 10- to 15-percent reduction in hospital care.

Hospitalization by itself is only a link in the chain of medical attention which can restore many aged men and women to a more active life.

It requires other links such as diagnostic services and home care.

Another section of this bill is an attempt to provide another necessary link in an adequate foundation for the health care of our retired aged Americans.

The data of the Health Information Foundation, sponsored by the drug firms of our country, show that the aged have had a greater increase than the general population in expenditures for drugs and medicines.

They spend a higher portion of their medical dollar on drugs and medicines than the general population, and the amount they spend is more than twice the amount spent by people of all ages.

Old age brings with it a greater, and a constant rather than an intermittent, use of drugs and medicines.

Time after time the subcommittee heard of cases of older persons putting off going to a doctor, not so much because of the cost of physicians' services, but, rather, because of their fear of the cost of that prescription which automatically goes with a doctor's diagnosis.

The bill, therefore, provides for payment of a portion of very expensive drugs prescribed by a doctor using generic names, with the amounts and kinds of drugs to be determined by the Secretary of Health, Education, and Welfare, after a year's study.

The opponents of such legislation naturally will raise the cry of "how much will it cost?" First, let me make the general reply that the costs are geared to the human needs for an adequate health program for the retired aged citizens of the United States, a nation which boasts of its wealth and its great genius in solving social problems.

In a society like ours the issue is not: can we pay for progress in health? The issue is: Do we want to pay for such progress? The decision we have to make, therefore, is a moral one.

The public opinion polls indicate that most Americans are willing to accept such an approach.

Once having made the moral decision, the problem is then to decide on the most practical, reasonable manner in which to carry out the decision.

This, too, has been pretty well determined through the machinery of the social security system, basically.

Given these particular conclusions, of course, there is the question of how much do we want to spend on a program of basic medical care for the retired aged.

There is widespread agreement that any program now will have to be confined to the income gained through a one-fourth of 1 percent tax by the employer and by the employee on the first $4,800 of wages.

And an increase, three-eighths of a percent for the self-employed.

On an individual basis, this comes to a maximum of $1 a month or about 24 cents a week from the employer and from the employee.

The benefits I have outlined do not all become available all at once.

In the bill I am introducing, hospitalization diagnostic services become available as of July 1, 1961, or not later than January 1, 1962, if the Secretary of HEW deems it necessary.

Nursing home care and expensive drug costs would be phased in over a period of 1 to 1½ years.

Nursing homes, for example, need to be brought up to standards before we start paying for their services.

Therefore, payments for nursing home care would start on January 1, 1963, and not later than July 1 of the same year.

Home health services would start on January 1, 1962, or not later than July 1 in the same year.

Partial payments for very expensive drugs would start on July 1, 1962, and not later than July 1 of the following year.

The Secretary of HEW would be authorized to designate the dates within these periods, when these benefits would be available.

Thus, keeping in mind the practical aspects of introducing what is considered to be an adequate health program for the retired aged, we have thus allowed for a gradual introduction of such a program. This also, again being realistic, means a lower cost at the outset.

The two first provisions—hospitalization an diagnostic services—would cost $1.1 billion.

By the end of the entire waiting period, with all the services made available, including nursing homes, home medical care, and expensive drugs, the total cost would be $1.5 billion a year. About $1.1 billion would come from the social security payroll deduction, the remainder from general revenue. I repeat the point made earlier, that the Federal Government is already contributing the bulk of such a remainder.

I must, at this point, make clear again that very little of these amounts can be said truthfully to constitute costs to the Government.

Remembering that the basic financing comes through the payroll tax of the employed population, this can hardly be called "Government costs."

Furthermore, as I said before, a large part of the expenditures on the non-OASDI retired aged under this bill is already being met through the Treasury.

The Federal share of vendor payments for medical care under old-age assistance, for example, is about $153 million, not to mention large amounts already being expended on hospitalization and related services for other groups, about $85 million.

These, then, are the major provisions of the legislation. Its passage will be an accomplishment of which the entire Nation would be proud.

A few other aspects of the bill should be briefly mentioned:

While the benefits included do not provide payment for surgical care by physicians, they do include payments for all other hospitalization expenses associated with surgery, such as the use of the operating room, anesthetics and so forth.

The Secretary of HEW may use the accrediting service of the American Hospital Association for assuring quality of care.

Only those nursing homes will be included which meet truly adequate standards for care and rehabilitation.

An Advisory Council, consisting of the Commissioner of Social Security, the Surgeon General of the Public Health Service, and representatives of the general public and of the hospital and health fields, shall advise and assist the Secretary of HEW in the formulation of policy.

If the Secretary deems it advisable, he may use the services of nonprofit organizations skilled in dealing with hospitalization of patients in the whole or any part of the United States.

Although the provisions do not apply to retirees under the Railroad Retirement Act, or to retirees of the Federal Government, they could come under the program by their funds "buying into" the act's medical insurance trust fund at a later date.

Finally, as a way of deliberating, seeking to improve the health status of our aged citizens, the act calls for research and demonstration programs by the Department of HEW on how to improve health services.

Mr. President, the passage of the Retired Persons Medical Insurance Act"—S. 3503—would be a major accomplishment of which the entire Nation, and the Congress, will be proud.

A brief study of the history of related legislation will show that a few years after its passage even the opponents of this current proposal will be praising its beneficial effects upon the millions of Americans directly involved, and upon the larger millions of other Americans indirectly affected by the problem of financing adequate health care of the aged.

Mr. President, in conclusion I ask unanimous consent that the names of Senator McCarthy, Senator Engle, Senator Green, Senator Bartlett and Senator Mansfield be added as cosponsors of S. 3503.

For the record I should like to say that Senator McCarthy was an original cosponsor but his name was left off the bill through inadvertence.

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

Exhibit 1

Cardiovascular conditions, by age groups [1]

Under 25	536,000
25 to 44	1,451,000
45 to 54	1,666,000
55 to 64	2,416,000
65	4,048,000
Total under 65 (3.8 percent of age group)	6,069,000
Total 65 and over (26 percent of age group)	4,048,000
Total in all age groups (5.77 percent)	10,117,000

[1] From testimony of Deputy Surgeon General Porterfield.

Number of patients discharged, number per 1,000 persons per year, and percent distribution; number of hospital days, number per 1,000 persons per year, and percent distribution, and average length of stay of patients discharged, excluding deliveries, by sex and age: Short-stay hospitals, United States, July 1957–June 1958

Sex and age	Discharges (excluding deliveries)			Hospital days (excluding deliveries)			Average length of stay (in days)
	Number (in thousands)	Number per 1,000 persons	Percent	Number (in thousands)	Number per 1,000 persons	Percent	
BOTH SEXES							
All ages	13,231	78.6	100.0	127,437	756.9	100.0	9.6
Under 15	2,796	53.1	21.1	15,515	294.8	12.2	5.5
15 to 24	1,508	71.5	11.4	12,974	615.1	10.2	8.6
25 to 44	3,775	82.7	28.5	32,229	705.9	25.3	8.5
45 to 64	3,397	98.5	25.7	40,910	1,186.8	32.1	12.0
65 to 74	1,148	119.2	8.7	16,363	1,699.7	12.8	14.3
75+	606	124.0	4.6	9,446	1,933.3	7.4	15.6
MALE							
All ages	6,090	74.4	100.0	66,743	814.9	100.0	11.0
Under 15	1,591	59.3	26.1	8,456	315.1	12.7	5.3
15 to 24	610	62.2	10.0	7,310	745.8	11.0	12.0
MALE—continued							
25 to 44	1,408	64.3	23.1	15,291	698.7	22.9	10.9
45 to 64	1,670	99.8	27.4	22,877	1,366.7	34.3	13.7
65 to 74	547	121.3	9.0	8,663	1,920.4	13.0	15.8
75+	263	123.4	4.3	4,145	1,945.1	6.2	15.8
FEMALE							
All ages	7,141	82.6	100.0	60,694	702.0	100.0	8.5
Under 15	1,205	46.7	16.9	7,059	273.6	11.6	5.9
15 to 24	898	79.5	12.6	5,664	501.6	9.3	6.3
25 to 44	2,367	99.6	33.1	16,937	712.5	27.9	7.2
45 to 64	1,727	97.4	24.2	18,033	1,017.0	29.7	10.4
65 to 74	601	117.5	8.4	7,699	1,504.9	12.7	12.8
75+	343	124.5	4.8	5,301	1,924.1	8.7	15.5

Source of this and following tables from National Health Survey, U.S. Public Health Service.

Number of patients discharged, number per 1,000 persons per year, and average length of stay by sex, age, and race: Short-stay hospitals, United States, July 1957–June 1958

Sex and age	Number of discharges in thousands			Number per 1,000 persons			Average length of stay in days		
	Total	White	Nonwhite	Total	White	Nonwhite	Total	White	Nonwhite
BOTH SEXES									
All ages	16,738	15,473	1,265	99.4	103.3	68.2	8.6	8.4	10.2
Under 15	2,801	2,580	221	53.2	56.5	31.6	5.5	5.2	10.0
15 to 24	2,901	2,624	278	137.5	142.3	104.7	6.5	6.5	6.8
25 to 44	5,868	5,377	492	128.5	131.6	102.8	7.2	6.9	10.4
45 to 64	3,413	3,195	218	99.0	101.9	70.0	12.0	11.9	13.9
65+	1,754	1,698	56	120.9	125.7	55.9	14.7	14.8	12.2
MALE									
All ages	6,090	5,677	413	74.4	77.8	46.4	11.0	10.6	16.5
Under 15	1,591	1,483	109	59.3	63.6	31.1	5.3	5.0	9.6
15 to 24	610	570	40	62.2	66.5	32.4	12.0	11.7	15.4
MALE—con.									
25 to 44	1,408	1,286	122	64.3	65.3	55.8	10.9	9.8	22.5
45 to 64	1,670	1,558	112	99.8	102.2	74.6	13.7	13.4	18.2
65+	810	780	30	122.0	126.5	62.9	15.8	15.9	12.4
FEMALE									
All ages	10,648	9,797	852	123.2	127.5	88.3	7.2	7.2	7.2
Under 15	1,210	1,097	113	46.9	49.2	32.4	5.8	5.4	10.4
15 to 24	2,291	2,054	237	202.9	208.1	166.8	5.1	5.0	5.3
25 to 44	4,460	4,091	369	187.6	193.3	141.8	6.0	6.0	6.4
45 to 64	1,743	1,637	106	98.3	101.6	65.8	10.4	10.5	9.3
65+	944	919	26	119.9	125.1	49.5	13.8	13.8	12.0

Percent distribution of patients discharged: by length-of-stay intervals according to sex and age: Short-stay hospitals, United States, July 1957–June 1958

Sex and age	Length-of-stay intervals in days						
	Total	1	2 to 7	8 to 14	15 to 30	31+	Unknown
BOTH SEXES							
All ages	100.0	10.4	60.0	18.0	7.9	3.5	0.2
Under 15	100.0	28.0	54.7	10.0	5.2	1.9	.2
15 to 24	100.0	9.7	76.0	8.9	2.8	2.1	.5
25 to 44	100.0	6.7	70.3	16.1	4.8	2.0	.1
45 to 64	100.0	6.0	44.5	29.6	14.2	5.5	.2
65+	100.0	3.8	37.4	29.7	18.7	9.8	.6
MALE							
All ages	100.0	13.7	48.2	20.8	11.4	5.6	.3
Under 15	100.0	28.4	55.9	8.6	4.8	1.9	.3
15 to 24	100.0	14.9	57.0	15.2	4.9	7.2	.7
MALE—continued							
25 to 44	100.0	9.9	53.8	22.0	8.7	5.5	0.1
45 to 64	100.0	6.9	40.8	28.3	17.5	6.5	.1
65+	100.0	4.2	31.7	31.6	21.6	10.0	.9
FEMALE							
All ages	100.0	8.5	66.8	16.4	5.9	2.3	.2
Under 15	100.0	27.5	53.2	11.7	5.8	1.7	--------
15 to 24	100.0	8.4	81.1	7.2	2.2	.7	.4
25 to 44	100.0	5.7	75.6	14.2	3.6	.9	.0
45 to 64	100.0	5.2	48.0	30.9	11.1	4.6	.3
65+	100.0	3.5	42.3	28.1	16.2	9.6	.4

Percent distribution of hospital days by length-of-stay intervals according to sex and age: Patients discharged from Short-stay hospitals, United States, July 1957–June 1958

Sex and age	Length-of-stay intervals in days					
	Total	1	2 to 7	8 to 14	15 to 30	31+
BOTH SEXES						
All ages	100.0	1.2	29.7	22.5	19.5	27.1
Under 15	100.0	5.1	37.6	19.4	20.5	17.4
15 to 24	100.0	1.5	47.1	14.3	9.1	27.9
25 to 44	100.0	.9	42.7	23.0	13.9	19.5
45 to 64	100.0	.5	16.7	27.2	24.7	31.0
65+	100.0	.3	11.6	22.0	27.4	38.8
MALE						
All ages	100.0	1.2	18.9	20.8	22.4	36.7
Under 15	100.0	5.3	40.3	17.5	19.9	17.0
15 to 24	100.0	1.2	19.3	14.0	8.3	57.2
MALE—continued						
25 to 44	100.0	.9	22.5	21.3	17.1	38.2
45 to 64	100.0	.5	13.6	23.1	27.1	35.7
65+	100.0	.3	9.5	22.0	30.1	38.0
FEMALE						
All ages	100.0	1.2	39.1	23.9	17.0	18.8
Under 15	100.0	4.7	34.5	21.6	21.4	17.9
15 to 24	100.0	1.7	64.6	14.5	9.7	9.5
25 to 44	100.0	1.0	54.2	23.9	12.1	8.8
45 to 64	100.0	.5	20.5	32.3	21.6	25.0
65+	100.0	.3	13.6	22.0	24.6	39.5

Percent distribution of persons by limitation of activity due to chronic conditions according to sex and age: United States, August 1957

Limitation of activity	Age					
	All ages	Under 15	15 to 24	25 to 44	45 to 64	65+
BOTH SEXES						
All persons	100.0	100.0	100.0	100.0	100.0	100.0
With no chronic conditions	58.6	83.1	69.2	50.8	39.9	24.0
With 1+ chronic conditions	41.4	16.9	30.8	49.2	60.1	76.0
Not limited in activities	31.3	15.5	26.8	41.5	43.3	33.7
Not limited in major activity but otherwise limited	3.0	.6	2.0	2.7	5.2	9.0
Limited in amount or kind of major activity	4.9	.6	1.7	4.2	8.8	18.2
Unable to carry on major activity	2.2	.1	.4	.8	2.8	15.1
MALE						
All persons	100.0	100.0	100.0	100.0	100.0	100.0
With no chronic conditions	61.5	81.6	74.1	55.7	43.9	25.6
With 1+ chronic conditions	38.5	18.4	25.9	44.3	56.1	74.4
Not limited in activities	28.8	16.8	22.5	36.6	40.5	31.6
Not limited in major activity but otherwise limited	2.4	.8	1.6	2.3	3.6	7.3
MALE—continued						
With 1+ chronic conditions—Con.						
Limited in amount or kind of major activity	4.5	.6	1.5	4.4	8.0	15.8
Unable to carry on major activity	2.8	.2	.3	1.0	3.9	19.7
FEMALE						
All persons	100.0	100.0	100.0	100.0	100.0	100.0
With no chronic conditions	55.9	84.8	65.0	46.2	36.0	22.7
With 1+ chronic conditions	44.1	15.2	35.0	53.8	64.0	77.3
Not limited in activities	33.6	14.3	30.5	46.0	46.0	35.5
Not limited in major activity but otherwise limited	3.6	.4	2.3	3.1	6.8	10.3
Limited in amount or kind of major activity	5.3	.5	1.8	4.1	9.4	20.2
Unable to carry on major activity	1.6	.1	.5	.6	1.8	11.3

Percent distribution of persons by limitation of mobility due to chronic conditions according to sex and age: United States, August 1957

Limitation of mobility	All ages	Under 45	45 to 64	65+
BOTH SEXES				
All persons	100.0	100.0	100.0	100.0
With no chronic conditions	58.6	68.2	39.9	24.0
With 1+ chronic conditions	41.4	31.8	60.1	76.0
Not limited in mobility	38.1	31.0	55.7	55.4
Has trouble getting around alone	1.9	.5	2.7	11.5
Cannot get around alone	.6	.1	.6	4.1
Confined to house	.8	.2	1.1	4.9
MALE				
All persons	100.0	100.0	100.0	100.0
With no chronic conditions	61.5	70.6	43.9	25.6
With 1+ chronic conditions	38.5	29.4	56.1	74.4
Not limited in mobility	35.6	28.5	52.0	56.4
Has trouble getting around alone	1.9	.5	2.7	11.6
Cannot get around alone	.3	.1	.3	1.9
Confined to house	.8	.3	1.1	4.5

Percent distribution of persons by limitation of mobility due to chronic conditions according to sex and age: United States, August 1957—Con.

Limitation of mobility	All ages	Under 45	45 to 64	65+
FEMALE				
All persons	100.0	100.0	100.0	100.0
With no chronic conditions	55.9	66.0	36.0	22.7
With 1+ chronic conditions	44.1	34.0	64.0	77.3
Not limited in mobility	40.5	33.3	59.1	54.6
FEMALE—continued				
With 1+ chronic conditions—continued				
Has trouble getting around alone	1.9	.5	2.8	11.4
Cannot get around alone	.8	.1	.9	5.9
Confined to house	.8	.1	1.1	5.3

Number of days and number of days per person per year of restricted activity and bed disability by sex and age: United States, July 1957–June 1958

Sex and age	Number of days in millions		Number of days per person per year	
	Restricted-activity days	Bed-disability days	Restricted-activity days	Bed-disability days
BOTH SEXES				
All ages	3,369.6	1,309.9	20.0	7.8
Under 5	255.8	111.8	13.2	5.8
5 to 24	829.8	393.9	15.3	7.2
25 to 64	1,597.4	567.0	19.9	7.1
65+	686.7	237.2	47.3	16.3
MALE				
All ages	1,452.5	561.3	17.7	6.9
Under 5	126.2	51.0	12.8	5.2
5 to 24	377.3	177.9	14.1	6.6
MALE—continued				
25 to 64	648.6	225.8	16.8	5.8
65+	300.4	106.5	45.2	16.0
FEMALE				
All ages	1,917.1	748.6	22.2	8.7
Under 5	129.6	60.7	13.7	6.4
5 to 24	452.5	216.0	16.4	7.8
25 to 64	948.8	341.2	22.9	8.2
65+	386.3	130.7	49.1	16.6

EXHIBIT 2

[From Business Week, Apr. 16, 1960]

A CHALLENGE THAT CAN'T BE DUCKED

Health insurance for the aged is fast becoming the No. 1 issue facing Congress this year. And there's political dynamite in it: Any candidate suspected by the millions of old people (and those concerned about their health problems) of taking a cold or know-nothing attitude toward the issue is likely to be in serious trouble this election year.

One thing about the issue is clear: Although plenty of politicians may see it as a vote-catching device, there is nothing synthetic or phony about the problem. Everyone who has seriously studied the situation has concluded that the provision of better health care for the aged is a serious—and growing—problem. Thanks to medical progress, the number of aged is increasing rapidly. In 1930, there were 6 million people over 65 in the United States; today there are 16 million.

For far too many of these, long life has meant shrunken incomes, increased sickness, loneliness, and the shame of being a candidate for a handout from society. Health, Education, and Welfare Secretary Flemming, in his thorough report to the House Ways and Means Committee last year, concluded that three out of every four aged persons would be able to "prove need in relation to hospital costs." That is to say, they would be able to prove that they simply could not afford to pay for the care they needed when taken seriously ill.

The issue, then, is not whether there is a problem but rather how to meet the problem.

TWO APPROACHES

Representative AIME FORAND, Democrat, of Rhode Island, has proposed to deal with it through a system of compulsory Federal insurance within the framework of the Social Security Act. The Forand bill would provide insurance covering 60 days of hospital care, or 120 days of combined hospital and nursing home care, together with surgical services, to all those eligible for old-age insurance benefits. It would be financed, initially, by boosting social security payroll taxes one-half of 1 percent, divided equally between employees and employers.

The Forand bill has been attacked for a number of reasons by various groups, especially the American Medical Association, which sees it as the camel's nose of socialized medicine coming under the tent.

But the main weakness of the Forand bill, as specialists in the health field see it, is not that it does too much but too little. They condemn it as too narrow and as an encouragement to "hospitalitis"—the tendency, inherent in many of our present voluntary insurance programs, to put the sick into hospitals because there are no provisions for covering treatment at home or in doctors' offices.

The bill sponsored by Senator JAVITS, Republican, of New York, strikes at this weakness. As JAVITS points out, though hospitalization costs comprise a large part of an aged person's annual medical bill, the average older couple spends $140 a year on health costs unrelated to hospitalization. "One out of every 6 persons 65 years and older," says JAVITS, pays over $500 in medical bills annually." Yet 60 percent of the old people have annual incomes under $1,000 and can't afford home or office care that might cut down the length of hospitalization or eliminate it altogether.

JAVITS would deal with the problem by a voluntary program that would combine Federal and State subsidies, contributions scaled to income by the aged themselves, and both commercial and nonprofit insurance companies such as Blue Cross and Blue Shield. The program would not become operative in any State until the State put up the money, arranged with the insurance carriers, and agreed to certain standards for the program.

Although the Javits bill makes a hard effort to provide a voluntary (and heavily subsidized) program, it does not appear to meet the test of practicality. The program would take a very long time to negotiate with 50 individual State governments and with the insurance carriers—assuming that it would be possible at all to get them involved in a program whose costs are unpredictable.

Indeed, after studying Flemming's able report, and the arguments on all sides of this issue, we are forced to conclude that the voluntary approach simply will not do the job.

The problem basically is that the aged are high-cost, high-risk, low-income customers. Their health needs can be met only by themselves when they are young or by other younger people who are still working. The only way to handle their health problem, therefore, is to spread the risks and costs widely. And that can best be done through the social security system to which employers and employees contribute regularly. By comparison with the heavily subsidized schemes, this approach has the advantage of keeping old people from feeling that they are beggars living off society's handouts.

We do not pretend to know all the answers to the problem of enlarging the social security system to include a health insurance program for the aged. Even a modest study of the problem immediately convinces anyone of its difficulty and complexity. At this point, we don't think that the complete answer to it has emerged.

Nevertheless, no democratic government can refuse to grapple with a problem of such demonstrated urgency and importance. The issue cannot be evaded and, before it becomes a political football, the politicians of both parties should accept responsibility for finding the best possible answer in the shortest possible time.

[From Life magazine, Apr. 25, 1960]

AGE, HEALTH AND POLITICS

The hottest political potato so far in this election year is this question: Are Americans over 65 entitled to Federal help to meet their hospital and doctor bills?

The Forand bill, which would raise $1 billion for such care by a one-half-percent boost in the social security tax, has produced floods

of favorable mail and given the Democrats an unexpected issue. Republicans, while granting the need for aid, are trying to find a more private, voluntary alternative. Since the issue is important, let's try to separate its social realities from its politics and facts from principles.

Unquestionably, many older Americans (15.8 million are over 65) are in real need. The average $72 a month they draw from social security scarcely provides food and shelter, much less for the medical expenses which increase with age. Few are in a position to meet the cost of chronic illness from which many suffer. Yet even to get charity care—itself inadequate in quantity and often inferior in quality—they must suffer the indignity of a pauper's oath.

Can their need for medical aid be provided by private, voluntary Blue Cross-type plans? These are expanding, but can never meet the whole need. Premiums for the aged as a separate group are prohibitively high. The least burdensome method of insurance is for the whole society to spread the costs over the whole working life cycle. The cheapest and most logical way of doing this, whether by the Forand bill or a better one, is by extending the existing system of social security.

To provide this aid need not be socialized medicine, as opponents claim, since payments could be made through private channels and patients select their own doctors and hospitals as before.

The first question of principle is whether this form of aid will undermine the private duty of providing for one's own old age through old-fashioned virtues like foresight and thrift. Being a floor, not a ceiling, it need not do so. Individuals will still have plenty of incentive to save for the future, though less fear of it.

Another question of principle is whether it is the proper function of a free government to offer special help to its older citizens. That principle was accepted when social security itself became effective in 1937. The presumption against any extension of Federal activity and expenditure, though Jeffersonian in origin, is now championed, though weakly, by the Republicans, who don't want to be tagged as enemies of the aged. But an extension of an established system like social security is not a violation of principle. But there is also an issue of cost.

Not even the Democrats can extend the welfare state without reference to the price tag. Enough spending bills were introduced in Congress last year to add $50 to $60 billion to our existing $78.4 billion budget if passed. Priorities, therefore, have to be determined. Health aid to the aged can be provided, but it may mean fewer schools, highways, or other needs which may also be urgent. A related question is whether aid to the aged can be done without renewed inflation. The aged, on small and fixed incomes have been the chief sufferers from inflation, and this is a good reason for giving social security a high priority. By the same token, any aid program that feeds inflation would defeat its own purposes and fool its beneficiaries. So the costs of any plan adopted must be carefully limited and controlled.

Doubtless the Forand bill can be improved. Some $200 million could be saved simply by raising the eligible age from 65 to 68. Moreover, many oldsters able and eager to work could better provide for their own security if the $1,200 limitation were raised on the income they may earn without forfeiting social security pensions.

But in principle, such aid is proper public business. The issue is therefore inevitably and properly a political one. It should be decided according to the Nation's sense of justice, urgency, and choice of priorities in the use of scarce resources—as interpreted by the Nation's elected Representatives in Congress.

THE ATLANTIC CONFERENCE OF YOUNG POLITICAL LEADERS

Mr. CARLSON. Mr. President, during the past few days Washington has been host to a most interesting conference, namely, the Atlantic Conference of Young Political Leaders.

Men and women who themselves will be among the future leaders of the free world met last Thursday for a week-long discussion of future developments of the North Atlantic Treaty nations on the political, economic, and social fronts.

The conference was organized by the Atlantic Treaty Association to promote mutual understanding, friendship, and cooperation among those who aspire to play an active part in forming and carrying out their countries' foreign policies in the future. The first conference was held in Paris in 1958.

At the 1958 meeting there were 88 qualified representatives of 41 political parties, which came from all the 15 NATO countries for a week of serious discussion.

This year there were 140 delegates from the 15 NATO nations attending the second annual Conference of Young Political Leaders and none of them over 40 years of age. Many of them were Members of the United States Congress, Canadian and European Parliaments.

The United States was represented at this conference by 50 delegates—25 Republicans and 25 Democrats. The conference was important because of the fact that these young men and women from the 15 NATO nations will furnish the mature leadership for these countries in the very near future and their gathering together on an occasion such as this gave them an opportunity to study the varying viewpoints—social, economic, and political—of the countries they will be working with in future years.

It was my privilege to meet personally many of these fine young men and women and speak before two of their study groups. This gave me an opportunity to observe the dedication and the interest which they displayed in topics that will be prominent in world affairs in future years.

Plans are already being made for a future meeting of the Atlantic Conference of Young Political Leaders and, in view of the present unrest in the world today, I commend them for their efforts.

A COAL RESEARCH PROGRAM NEEDED

Mr. BYRD of West Virginia. Mr. President, I would like to quote from a recent editorial which appeared in the Huntington (W. Va.) Advertiser:

The potential value of an extensive Federal program of coal research has been again demonstrated by plans for construction of a plant at Powhatan Point, Ohio, for producing aluminum sulfate from coal mine wastes.

The North American Coal Corp. will spend more than $1 million for the operation.

Part of the output will be used for commercial scale studies on the production of aluminum oxide suitable for making aluminum metal, abrasive, and ceramics.

Successful development of the process could create a tremendous new market for coal mine wastes, and industries for the production could provide a substantial economic lift to depressed coal mining sections.

This is only one illustration of the numerous products that might be developed from coal under an extensive research effort.

Mr. President, coal research legislation is sorely needed. Such legislation would be of great value to the Nation. The American coal industry is in need of a coal research program. Because of lost markets and strong competition from other natural fuels, it is imperative that the coal industry develop new markets.

A coal research program would produce general economic rewards to associated industries and the people who work in them. The coal industry is the largest producer of revenue for the railroads. It is the principal source of fuel for the Nation's electric power, and it is essential to the making of steel.

Deterioration of the country's coal industry is a serious threat to this Nation's defense. In the event of immediate hostile action against the United States by a foreign country the enormous demand that would be made on the coal industry would have to go partially unanswered. The coal work force is continuously whittled down, and coal mines are being forced to seal their portals. This has produced an adverse effect upon the railroads, with resultant unemployment among railway workers.

Coal reserves in the United States make up more than 90 percent of our total energy resources. Our known coal reserves could sustain this Nation for some 1,900 years. This figure could be conceivably higher were there technological advances making it possible to utilize coal not now considered recoverable.

It has been estimated that there are more than 200,000 chemical byproducts of bituminous coal. Among these byproducts are aspirin, vanilla flavoring, perfume, weed killers, synthetic fabrics, carbon electrodes, antiseptics, food products, and many others. A coal research program would develop new uses.

The coal magazine, Coal Utilization, dated March 1960, says:

Studies of the basic properties of coal—for example, the effect of atomic radiation on coal; the strength and physical properties of coal in place; and the effect of a variety of chemical agents on coal—all should lead to improved methods of utilization. Other important utilization research problems that would assist coal in the competitive energy field are development of methods of reducing or removing sulfur in coal, intensified efforts to improve methods for producing high B.t.u. gas or liquid fuels at lower costs, to upgrade and utilize low-temperature tar, and to develop and extend the uses for fly ash and refuse.

Mr. President, these suggestions come from the men who know the potential of coal.

In the past, there has been considerable research in the scientific development of allied products of coal, but research in the basic products must continue, also. The coal industry is far behind other industries in research and

development. I refer to a report of the Committee on Interior and Insular Affairs of the House of Representatives. This report was committed August 27, 1957:

A total of approximately $17,382,400 was spent on bituminous coal research in 1955 and probably not more than $1 million was spent on anthracite research during the same year. By way of comparison, the National Science Foundation has estimated that in 1953 research expenditures by the petroleum industry were $145.9 million; chemical industry, $361.1 million; rubber products, $53.6 million; and textile industries, $28 million.

Mr. President, our knowledge of this natural resource is still not as adequate as it should be. More should be known, for instance, about the origin of coal; its chemical behavior; its composition; and its properties. These are fundamental factors.

If this country takes adequate steps to determine some of the remote facts regarding this natural resource, the benefits which will redound to the American citizen will be many. Many associated industries would be effectively aided. Coal is a versatile raw material, and it is wastefully used when used just as a fuel.

In 1947 approximately 50 percent of this country's total energy supply was produced by coal. This, by no means, is true today. That percentage figure has dropped from 20 to 25 points. During that same year, 1947, it took about 150 million tons of coal to supply the railroads with their needed energy supply. The railroads have now largely switched to diesel engines. That market for coal is gone. About 70 percent of this loss has been absorbed by metallurgical requirements. The electric utility industry is expected to consume 190 million tons in 1960. The steel industry is scheduled to use about 103 million tons this year in its mills. Other industrial and commercial operations, it is reported by the National Coal Association, are expected to burn about 88 million tons of coal in 1960: oversea shipments have been forecast at 20 million tons this year; exports to Canada have been set at 12 million tons and retail sales at 23 million tons for 1960. Yet, with all these encouraging reports, a coal research program in this country is needed—and needed badly.

It has been estimated that remaining U.S. coal reserves, of all types, amount to about 2 trillion tons. It is pertinent to know this figure when one realizes that only 950 billion tons of the known reserve are now recoverable.

We should not allow mother nature's gift to go undeveloped and unutilized. We know it is now technically feasible to bypass the coking process in the gasification of coal. If with more research, a more economical way could be found to convert coal to gas, this would be another giant step in this country's need for natural fuels in the event of hostility.

The conversion of coal to gas would be an important industrial and economic development. I quote from a Charleston, W. Va., newspaper editorial. This appeared in the January 16, 1960, issue of the Charleston Daily Mail:

It is now cheaper to pipe gas all the way from Texas at an ever-mounting price than it is to extract its exact chemical content from the coal in West Virginia's front, back and side yards. That is to say that Texas does nothing which West Virginia couldn't do better—if there were an economical process for converting coal to gas.

A coal research program would develop an economical process for converting coal to gas. New markets for coal would result, and such new markets would relieve locally depressed mining areas.

The developing of new markets for coal would come with a well-coordinated program. Once again, quoting Coal Utilization magazine:

If, as a Nation, we are willing to spend billions of dollars for research and hardware to place a man on the moon, mainly for national prestige purposes, we should be willing to support the much more modest effort suggested for the much more important reasons already cited.

The magazine had outlined a suggestion of placing a limited number of coal-to-oil or coal-to-gas plants around the country. If the need should arise for a greatly increased production of liquid or gasous fuels because of a national emergency, such a plan would help to provide for the demand.

On February 1 of this year, I listed on the floor of the Senate the numerous totals of foreign aid give-aways for the purpose of mining research in other countries. In a period of five fiscal years, the International Cooperation Administration spent just less than $15 million in foreign countries for mining research. These were the years 1955 through 1959. I believe this country can allow itself an adequate coal research program here at home.

House bill 3375 is a bill which would help alleviate some of the problems confronting the coal industry. It would not solve all the problems, but that is not the purpose of the bill. Practical applications of successful research projects will increase the usefulness of coal.

For the country's sake, a coal research bill is essential. Such legislation would offer both a boost to the economy and another strong arm for defense.

AMENDMENT OF SMALL BUSINESS INVESTMENT ACT OF 1958

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2611) to amend the Small Business Investment Act of 1958, and for other purposes, which were: on page 1, line 4, strike out "1959" and insert "1960"; and on page 2, strike out lines 12 through 19, and insert:

SEC. 6. Section 304 of the Act is amended to read as follows:

"PROVISIONS OF EQUITY CAPITAL FOR SMALL-BUSINESS CONCERNS

"SEC. 304. (a) It shall be a function of each small business investment company to provide a source of equity capital for incorporated small-business concerns, in such manner and under such terms as the small business investment company may fix in accordance with the regulations of the Administration.

"(b) Before any capital is provided to a small-business concern under this section—

"(1) the company may require such concern to refinance any or all of its outstanding indebtedness so that the company is the only holder of any evidence of indebtedness of such concern; and

"(2) except as provided in regulations issued by the Administration, such concern shall agree that it will not thereafter incur any indebtedness without first securing the approval of the company and giving the company the first opportunity to finance such indebtedness.

"(c) Whenever a company provides capital to a small-business concern under this section, such concern shall have the right, exercisable in whole or in such part as such concern may elect, to become a stockholder-proprietor by investing in the capital stock of the company 5 per centum of the amount of the capital so provided, in accordance with regulations prescribed by the Administrator."

Mr. LONG of Louisiana. Mr. President, I congratulate the Senator from Wisconsin for the fine work he has done in connection with the proposed legislation. In helping small investment companies, he is helping small business. I am delighted to support the legislation. I salute the Senator from Wisconsin on his leadership in getting the legislation through Congress.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Louisiana, who won such an emphatic victory only a few minutes ago on his very meritorious measure.

Mr. President, on September 10, 1959, the Senate passed S. 2611, a bill to amend the Small Business Investment Act of 1958. The Small Business Investment Act of 1958 established a program to facilitate the formation of an entirely new type of company, licensed and regulated by the Small Business Administration. The SBA is authorized to license privately owned small business investment companies—called SBIC's—for the purpose of providing equity capital and long-term loans to small business concerns.

Each SBIC must have a minimum initial paid-in capital and surplus of $300,000. The SBA is authorized, however, to purchase from the SBIC up to $150,000 of subordinated debentures, which amount can be considered as part of the required initial capital. Also SBA is authorized to make loans to SBIC's to a maximum of 50 percent of the paid-in capital and surplus which may include the capital investment of SBA in the form of subordinated debentures.

The SBIC's, under the present law, may supply, in turn, funds to small businesses in two ways: First, by the purchase of debenture bonds, convertible into stock of the borrowers, with conversion rates set at the time of issuance; and, second, by direct term loans for periods up to 20 years, with possible extensions of time. The act also authorized SBA to make loans to any State development company in a total amount not to exceed the amount borrowed by the company from all other sources. It also provided for secured loans to both

State and local development companies for site acquisitions and plant construction, where the proceeds of the loan will assist an identifiable small business concern. This latter authority terminates under the act on June 30, 1961.

This bill, S. 2611, embodies many of the changes in the act which were recommended by the administration and others. It was unanimously reported by the Banking and Currency Committee to the Senate and it unanimously passed the Senate last September 10.

Sections 1 and 2 of the bill are purely technical.

Section 3 would define the word "State" to permit possessions such as Guam to come under the provisions of the act.

Section 4 would delete subsection 301(d)(9) of the act which gives the SBIC's power to act as depositories and fiscal agents of the United States.

Section 5 would amend subsection 302(b) of the act by freeing the bank purchases of an SBIC's securities authorized in this section from the provisions of subsection 6(a)(1) of the Bank Holding Company Act of 1956.

This amendment would enable a bank which is a subsidiary of a bank holding company to be treated in the same manner as any other bank, that is, to invest the full 1 percent of its capital and surplus in an SBIC without regard to whether or not such SBIC is, or would become, a subsidiary of the parent company.

Section 6 would rewrite section 304 of the act to eliminate the restriction in the act that equity capital can be furnished a small business concern by an SBIC only through the medium of convertible debentures.

Mr. President, here is the heart of the bill. Here is the reason why we believe the bill will greatly increase the number of SBIC's, a program which has gone much too slowly to provide the impetus of long-term capital for small business, capital which is so urgently needed. Therefore, I shall reread the last sentence:

> Section 6 would rewrite section 304 of the act to eliminate the restriction in the act that equity capital can be furnished a small business concern by an SBIC only through the medium of convertible debentures.

Section 6 of S. 2611 would also eliminate the following statutory restrictions:

First. The statement that it is the "primary" purpose of an SBIC to furnish equity capital to small business. This places long-term loans and equity lending on an equal footing.

Second. The callable provision whereby the borrower could recall any debentures issued by it upon 3 months notice.

Third. The provision that an SBIC may require a small business concern to refinance any or all of its outstanding indebtedness so that the SBIC would be the only holder of any evidence of indebtedness of the company.

Fourth. The requirement that the small business concern shall agree that it will not incur any additional indebtedness without first securing the approval of the lending SBIC.

Fifth. The requirement that when equity capital is furnished to a small business concern such concern will purchase from 2 to 5 percent of such amount of stock in the SBIC.

Section 7 of S. 2611 would amend title 26, chapter 6, section 26–610 of the District of Columbia Code, 1951 edition. This act imposes licensing requirements and other restrictions on persons engaged in lending money in the District of Columbia. Section 7 would include SBIC's in an exemptive provision, along with national banks, savings and loan associations, trust companies, and other regulated financial institutions.

The House version of S. 2611 would change only section 6. The whole purpose of bringing up the bill now is to avoid a conference and pass the bill in the form in which it was adopted by the Senate. The amendments proposed by the Senate should be, I believe, adopted. I have checked with other members of the committee, and they agree.

Section 6 of the Senate version provides that it shall be a function of a small business investment company to provide a source of equity capital to incorporated small business concerns in such manner and under such terms as the SBIC may fix with the approval, by regulation or otherwise, of the SBA. The House version eliminates the words "or otherwise." This change is not objectionable.

Section 6 of the Senate version of S. 2611 would eliminate the language contained in section 304(c), which provides that before any capital is provided to a small business concern, first, the SBIC may require such concern to refinance any or all of its outstanding indebtedness so that the SBIC is the holder of any evidence of indebtedness of the small business concern; and, second, except as provided in SBA regulations the small business concern shall agree that it will not thereafter incur any indebtedness without first securing the approval of the SBIC and giving the SBIC the first opportunity to finance such indebtedness.

The House version of S. 2611 provides for the retention of the language of section 304(c) in the act.

This is not objectionable since these provisions have not to my knowledge caused any hardship to either the SBIC's or small business concerns. They are the type provisions that would normally be included in any financing arrangement whether they are expressly set out in the act or not. SBA regulations provide that the SBIC shall allow appropriate exceptions to this section for open account or other short-term credit.

Section 6 of the Senate version of S. 2611 would strike the language contained in section 304(d) of the act, which provides that whenever an SBIC provides equity capital to a small business concern such concern shall be required to invest in the capital stock of the SBIC in an amount equal to not less than 2 percent nor more than 5 percent of the amount of the capital provided in accordance with SBA regulations. The Senate struck out that provision.

The House version amends section 304(d) of the act to provide that when an SBIC provides capital to a small business concern such concern shall have the right, exercisable in whole or in such part as such concern may elect, to invest in the capital stock of the SBIC 5 percent of the amount of the capital so provided.

The Small Business Administration has indicated by letter to the chairman of the Banking and Currency Committee that they do not have any objection to this House amendment. They indicate that while they would have preferred to have the language omitted entirely, the House version, since it does eliminate the mandatory provisions of the present law, is acceptable.

The Banking and Currency Committee pointed out in its report that the new language which S. 2611 provides for section 304 of the act would permit an SBIC to get collateral when it advances equity capital to a small business concern under this section.

The House, in its amendment to the Senate bill, also has deleted from section 304 the language which was held to preclude the SBIC from getting collateral for convertible debentures. The House version, too, would permit SBA to issue regulations under which an SBIC can get collateral from a small business in which it is investing, whether the investment is in the form of convertible debentures or otherwise.

Mr. President, this legislation will meet many of the recommendations which have been made to improve the small business investment company program.

This program has been slow in getting started—much, much, much too slow. It has not moved along as well as many of us had hoped it would. Fervent hopes have been expressed by small businessmen and their representatives throughout the country that Congress would pass legislation which would make capital more readily available.

As a matter of fact, I understand that one very well-known financial newsletter, in a message to its subscribers, offered them information on the bill. The publisher of the letter received many thousands of requests—many more than had ever been received in response to any other such offer.

The first hearings on the bill were held in a very large room in New York. So many persons attended that there was standing room only, and many persons had to be turned away. There has been an amazing amount of national interest in this kind of legislation. The trouble is that we were cautious about the legislation which was passed last year—perhaps too cautious. It was so restrictive as to make it very difficult for SBIC's to get along, and it made it difficult for small business to secure capital from the SBIC's in the way in which I think they needed it. To date, only 95 SBIC's have been licensed by the Small Business Administration. At one of our hearings held in 1959, the then administrator of the SBIC, Wendell Barnes, was asked by me how many SBIC's he thought there would be. As I recall, he said there would be, in his judgment, a couple of thousand; that

the program would be comparable to the commercial banks, in its commencement, so far as availability to small business was concerned. He said that within the first year there would be about 300. Then he modified the figure and said about 200 of these institutions would be established. Now we are almost 2 years along the way, and there are only about 95. Obviously, we are not moving ahead in the way we ought to be moving. The goal of 200 of these companies to be licensed in the first year has not been reached after almost 2 years.

This legislation should provide a needed impetus to the small business investment program. It would be too much to hope that this legislation will meet all the needs of the program; but it is a very good beginning. As this new program is tested, there no doubt will be other needs for legislation.

I have consulted with members of the Senate Committee on Banking and Currency who would be conferees if the bill were to be sent to conference; and all of us are agreed that the Senate should agree to the House amendments.

Mr. President, before I move that the Senate concur in the House amendments, I should like to say that the distinguished majority leader is really the father of this legislation. He promoted it and urged its passage; and I am sure it would not have been passed if it had not been for his authorship of it, some years ago. In addition, he has urged me and others to do all we could to liberalize the existing legislation, so it would really be effective, and so that small business could take advantage of it.

Mr. JOHNSON of Texas. I thank the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I now move that the Senate concur in the amendments of the House of Representatives.

The PRESIDING OFFICER (Mr. McGEE in the chair). The question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to.

INTERNATIONAL DEVELOPMENT ASSOCIATION ACT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1414, Senate bill 3074.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3074) to provide for the participation of the United States in the International Developing Association.

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.

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. FULBRIGHT. 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. FULBRIGHT. Mr. President, I rise to explain to the Senate the main provisions of S. 3074, the International Development Association bill, which I introduced by request on February 19, 1960. The bill authorizes the President to accept membership for the United States in the proposed association. This acceptance would be effected through signature of the Agreement containing the articles establishing the Association. The Agreement was approved and submitted last January by the Executive Directors of the International Bank to the 68 members of the Bank.

Before I say anything further about the bill and the proposed Association, I know Members will wish to join me in acknowledging and applauding the far-sighted initiative of the junior Senator from Oklahoma [Mr. MONRONEY], whose efforts did so much to stimulate creation of the Association. It should be emphasized that the proposed organization directly responds to the objectives listed in the Monroney resolution which was adopted by this body in July 1958. I would add that this outcome was due in large measure to Senator MONRONEY's perseverance in the face of an initial administration position which, not untypically, seemed to shy away from creative thinking. However, I hasten to state that Secretary of the Treasury Anderson and Under Secretary of State Dillon soon became, and continue to be, convinced and ardent advocates of the Association idea. Their energetic work translated the idea into reality. As Senator MONRONEY himself has said, the credit must be shared. I nevertheless believe that we in this body have good reason to congratulate our colleague from Oklahoma, and perhaps to indulge in a little patting of our own backs for following his lead in this notable instance of congressional initiative.

There is much that could be said about S. 3074 and the proposed Association. But I am a great believer in the written word as contrasted with the wearisome oration. Members have before them a House document which contains the President's message urging favorable action, a special report of the National Advisory Council recommending U.S. membership in the Association, the report of the Executive Directors of the International Bank on the articles of agreement and, finally, the articles themselves. Much of this information is summarized in the report of the Committee on Foreign Relations on the bill. My colleagues also have at hand a print of the committee hearings on S. 3074. I shall, therefore, try to point out only the salient features of the Association.

Let me say first that the Association is designed to perform, on a multilateral basis, roughly the same functions that our Development Loan Fund fulfills on a wholly national basis. This means that the Association will provide long-term loans with flexible repayment provisions to the underdeveloped countries and territories of the free world which are to be included in its membership. This also means that the Association will be able to finance projects of high developmental priority, whether or not a project is revenue-producing or directly productive. In other words, loans can be made for those basic facilities which in turn lead to remunerative projects that attract private and public capital on more standard banking terms.

Since many of my colleagues are concerned about the seeming proliferation of international economic agencies, I know they are pleased that the Association will be so very closely affiliated with the International Bank. The Bank's officers and staff will also serve the Association, which at least initially will not employ any personnel of its own. Insofar as Bank member countries join the Association, they will be represented by the same governors, alternate governors, and executive directors as is the Bank. Indeed, it is as if the Bank were opening a new window, or perhaps a new branch office. However—and this is most important—the Association is to be a distinct entity, and its funds will be kept strictly separated from those of the Bank.

Initial resources totaling $1 billion will be subscribed to the Association if all 68 Bank members join. These subscriptions are generally determined on the basis of proportional shares of countries in the Bank's capital stocks, and are to be paid in over a 5-year period. All 68 countries would pay 10 percent of their subscriptions in freely convertible currencies or gold: one-half of that sum in the first year of operations, and one-quarter of the remaining half in each of the 4 succeeding years. As for the remaining 90 percent of the subscriptions, the 17 wealthier members would each pay the full amount in gold or convertible currency in 5 equal annual installments. On the other hand, the 51 less developed countries would pay the 90-percent portion in installments of their national currencies, which could only be used for restricted local purposes without the members' consent.

While S. 3074 authorizes the full U.S. payment of $320,290,000, this sum would be divided in accordance with the above schedule, and would require an appropriation in each of the 5 years of the Association's initial subsciption period. For fiscal year 1961 the appropriation would be $73,666,700; for each of the next years, it would be $61,655,825. Roughly on the basis of this contribution's size, the United States would have about 28 percent of the voting power in the Association.

Because of the long-term nature of the Association's projected lending operations, provision is made for a review of the adequacy of resources prior to the end of the initial 5-year period. Moreover, during that period countries may make voluntary increases in their subscriptions on an individual or general basis if authorized to do so by the Association. But in no case would the United States be able to increase its subscription without the approval of Congress.

On the other hand, in keeping with one of the Monroney resolution's prime objectives, supplementary resources may be

contributed by one Association member in the currency of another member provided the latter agrees and negotiates terms with the Association and the contributor. It is contemplated that the United States might devote to this purpose a portion of the local currencies accumulating in the future under title I of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954. Such transfers of local currencies would not affect the Nation's voting power in the Association. Each transfer would be recorded in a special certificate which would contain the terms worked out for the contribution.

Now I should like to turn to some of the larger policy considerations involved in Senate action on S. 3074.

I do not believe that I need to review the reasons why the underdeveloped countries need assistance or why the wealthier free-world nations should provide such assistance in their own interests. Not only President Eisenhower, President de Gaulle, and Prime Minister Macmillan, but also, and very significantly, Mr. Khrushchev, have agreed that this issue takes a high place among the most important and urgent ones facing today's world. However, if a well-reasoned summary of the issue is required, I can do no better service to my colleagues than to refer them to Paul Hoffman's recent publication, "One Hundred Countries—One and One-Quarter Billion People." One introductory paragraph of his study—dealing with the so-called revolution of rising expectations—struck me as particularly worthy of quoting, as follows:

> There are powerful moral and political reasons why we should be concerned with this revolution. But there are business reasons as well. If the less developed countries receive additional foreign capital and increase local savings sufficient to lift their per capita incomes by only 1 percent more a year over the coming decade, they might well offer to the United States alone a market for an estimated $14 billion of its exports in 1970. This would represent an increase of more than 100 percent over total U.S. exports to the same areas in 1958. And over the 10-year period, the total exports of all the developed countries to those areas, given this increased rate of economic activity, might be as much as $320 billion. In the long view, these 100 underdeveloped countries are for the United States and for the developed nations generally a great new economic frontier.

Mr. President, during the session we in this Chamber have heard a great many words on the subject of international balance-of-payments deficits. My own opinion is that a good deal of heat but very little light have been generated in this discussion of an extraordinarily complex issue. However, at least two points have emerged clearly from the running debate. One, that our European allies have achieved a degree of economic strength which permits removal of protective measures created at a time when U.S. commercial dominance was overwhelming. Two, that these other wealthier nations could and should accept a greater responsibility in our mutual effort to aid the development of the less fortunate countries of the free world.

On the first count, there is ample—if insufficiently applauded—evidence that the other industrialized nations have been responding to the economic realities and to our sentiments with praiseworthy energy. As Under Secretary Dillon said on May 12:

> Our estimates indicate that Western European actions to remove discriminations last year increased our potential markets by roughly half a billion dollars a year. The momentum is being maintained and gives hope that by the end of this year, postwar discriminations against our exports will be virtually a thing of the past.

On the second count, the proposed Association is designed to provide exactly the instrument which would permit the industrialized nations to participate more fully in the common task of free world development. These nations together are scheduled to contribute approximately $443 million in freely usable resources; this is about $123 million more than the proposed U.S. subscription.

Now, I would not wish to leave any impression that certain of our allies are not already making very sizable amounts of capital available to the less-developed countries. On the contrary, France extended almost as much assistance as did the United States on a per capita basis during the 5 years from 1954 to 1959, and the United Kingdom contributed over $1 billion in that period. British Commonwealth countries, such as Australia and Canada, and the Low Countries and Japan have also not been backward in this respect.

However, the efforts of our allies either have generally been directed toward their dependent and associated territories, or have taken the form of credits and hard loans. None of these countries has created a national organization, similar to our DLF, which would provide the long-term loans with flexible financing arrangements required so urgently by the underdeveloped areas. Nor has there been an international entity which could channel a flow of capital toward the fulfillment of such requirements. It is, therefore, of enormous importance that the developed free-world countries have accepted the idea that the Association should be set up to fill this gap and to encourage future contributions from them.

Mr. President, I believe the bill before us should be accepted as one responding to the clearly expressed sentiments of a majority of Senators. I would be content to stop here in my remarks. Unfortunately, it seems necessary to add a few more words in order to anticipate some possible queries or objections.

It may be argued in some quarters that, while helping establish the International Development Association, the United States simultaneously should be taking steps to reduce the level of assistance it unilaterally provides through the Development Loan Fund. I fear this argument assumes that we are trying to use the Association for the purpose of shifting a burden to others. On the contrary, we are urging wealthier nations to accept in concert with us more responsibility for free-world development; we shall not achieve this goal by atttempting to evade our own responsibility, which is also one of leadership. Certainly no one familiar with the problem would fail to point out that even the proposed Association will not satisfy the free world's capital requirements.

It may be argued that our voting power in the proposed Association will not correspond exactly with the size of our contribution—especially when only freely usable currencies are taken into consideration. The fact is that this arrangement, which equally applies to the other more developed members, is designed to encourage participation by the underdeveloped countries, to give them a greater stake in efficient management, and to impart a sense of worth, which is so important to proud new nations. Comparable arrangements were made for the International Bank in 1945, and they have worked extremely well.

Finally, it may be argued that there are risks: that we may not receive back every dollar loaned over the years ahead, that so-called soft currencies may not all soon become freely usable, and that some loan projects may not work out. Of course there are risks. But I would remind my colleagues that this country of ours was built up and it thrived on risk capital, largely provided by the London market; our astonishingly rapid expansion in the 19th century depended heavily on development financing from overseas. We must gladly accept a similar entrepreneurial role if our free enterprise system is to compete successfully with Communist methods, and if international markets are to be available to our exports in decades hence. The alternative of a completely self-sufficient America, uninterested in world developments, quite simply does not exist.

In closing, let me emphasize that all too often our foreign policy must be expressed in defensive terms. This is especially and properly true of our measures for military preparedness. It is in regard to the problems of the underdeveloped countries of the world that we and our allies can take the offensive and give a shining example of the worth of our system of freedom, one that we pray will prove contagious through the years ahead. Let us not shirk this opportunity and this duty. I urge approval of the bill before us as a vital contribution to this offensive.

Mr. MONRONEY. Mr. President, I urge the Senate to pass this bill which would permit the President to accept membership for the United States in the International Development Association. I deeply believe that it represents a constructive step toward world peace.

My colleagues in the Senate have been most generous in their statements about this new instrument and about my part in proposing it. I would be less than human if I did not feel great personal pride and satisfaction that the International Development Association may soon become a reality, but I would be less than honest to accept sole or even primary credit for the articles of agreement before you today for approval.

Those of us who have devoted many years of our lives to service in the Congress know that projects of this importance and magnitude are never the work of a single man and that they can come into being only through the cooperation, help, and encouragement of a great many people in the Senate, the House of Representatives, the executive branch, and of many private citizens and organizations. This has certainly been the case with IDA. My original proposal would have remained just a proposal, except for the interest and understanding of the junior Senator from Arkansas [Mr. FULBRIGHT]. The distinguished chairman of the committee which has reported this bill to the Senate was chairman of its Committee on Banking and Currency in February of 1958 when I introduced Senate Resolution 264 calling for a study of the feasibility of such an organization. The junior Senator from Arkansas [Mr. FULBRIGHT] not only approved and supported hearings on the resolution before the Subcommittee on International Finance, of which I was then chairman, but his understanding and interest when the matter was being considered by the full committee were far more influential in that committee's decision than anything which I could have done. The same can be said for the senior Senator from Connecticut [Mr. BUSH]. No more effective endorsement of the proposed study could have been given than that of this Senator with wide personal experience in international financial problems. Many of the pitfalls in the development of the final committee recommendation could not have been avoided without the informal guidance and advice of the Honorable Eugene Black, the distinguished President of the International Bank for Reconstruction and Development. The careful statement of the objectives sought in the resolution and the means recommended for the study are the result of the skill of Under Secretary of State Douglas Dillon, and his willingness to give serious consideration to this proposal without any thought of partisanship. Finally, these articles of agreement could never have been negotiated except for the tireless and widespread persistence and enthusiasm of the Secretary of the Treasury, Mr. Robert Anderson, and the skill of those on the working level who devoted endless hours to discussion and negotiation with the other member nations of the World Bank.

First. These articles of agreement establish the International Development Association as an affiliate of the International Bank for Reconstruction and Development.

Second. They have provided that each member of the International Bank shall contribute to IDA in the same proportion as their contributions to the Bank and shall have the same voting rights as they have in the Bank.

Third. They provide for additional subscriptions, with the approval of the Association, from an individual member, either in its own currency or currency of another member which it may hold.

Fourth. The articles provide that the Association shall make loans for the economic development of its members to provide financing which is not available from private sources or the World Bank on terms which the recipient could meet.

Fifth. The articles permit the Association to provide loans on terms that seem appropriate in view of the economic position and prospects of the area concerned, and permit it to accept repayment in the currency of the borrower.

Sixth. The Association is made a separate entity, distinct from the Bank, but the articles provide that the president of the Bank shall be ex officio president of the Association.

The International Development Association would provide a new international source of loans for the economic development of underdeveloped areas. It is designed to provide loans on easier terms than those now available, to supplement the lending activities of the International Bank for Reconstruction and Development, commonly called the World Bank. It would satisfy a pressing need for development capital which cannot be provided by the International Bank.

There are two lending institutions of the United States which provide capital for economic development of underdeveloped countries. The Export-Import Bank makes loans primarily to finance exports of U.S. products. Its principal purpose is the encouragement of U.S. trade rather than the economic development of underdeveloped areas. It lends dollars and must receive dollars in repayment. It is therefore limited to loans for projects which will produce immediate earnings of hard currencies sufficient to insure repayment of the dollar loan.

Some time ago the executive branch of our Government and the Congress recognized the need for an institution through which the United States could make capital available to underdeveloped areas for projects which did not have the potential for immediate dollar earnings or which did not involve immediate U.S. exports and so which were not eligible for loans from the Export-Import Bank. This need led to the establishment of the Development Loan Fund, whose loans are repayable largely in the borrower's currency and thus place a much lighter burden on the balance of payments of the borrower than would loans from the Export-Import Bank or from private sources.

The present chairman of the Foreign Relations Committee [Mr. FULBRIGHT] rendered great service in writing those provisions into the law and creating the Development Loan Fund.

The Development Loan Fund has provided loans which could be used to supplement those of the Export-Import Bank and has made it possible for use to assist our friends in developing their resources and their economic potential to a much greater extent. Lately, however, there has been a growing recognition of the fact that the economic development of a good part of the world should not be the sole responsibility of the United States and is beyond the economic capacity of the United States acting alone. I do not mean to suggest that other nations have not given assistance to underdeveloped areas, because they have. But most of this activity has been confined to members of their own commonwealths or former colonies. The International Development Association represents an effort to meet the needs of underdeveloped countries through an institution in which all nations will contribute to the capital in proportion to their ability to do so.

There is also a growing feeling in the Congress that our purposes are accomplished more effectively through an international institution. On today's economic frontiers the economic significance of the United States aid dollar has been obscured by its political symbolism. New independence is independence of the most hypersensitive variety. Acceptance of unilateral foreign aid has been represented by extremist political groups within the underdeveloped countries as implying a political commitment to support every position taken by the United States in its cold war with the Soviet Union. Such representations are false, but in the midst of misleading propaganda, these commitments are often taken as a betrayal of the aspirations for independence of action common to these newly independent states. Thus that which is an economic necessity has become a political liability.

The other side of the same coin has been equally difficult. Unfriendly countries charge that our aid imposes an unacceptable obligation on the recipient, but on the other hand, the recipients of our aid sometimes tend to assume that the obligation is on the giver—that political support in the cold war entitles them as a matter of vested right to share in the bounty of our foreign aid program. The whole relationship militates against the easy friends of sovereign states.

The next development was, of course, inevitable—a competitive Soviet aid program, with the more cynical uncommitted countries happily encouraging the bidding. In other words, they have pitted the West against the East in bargaining for aid at special prices, on special terms, or for special commitments. The danger here is that a competitive situation will develop, in which aid will become merely a football in the power struggle between the East and the West.

The practical alternative is an international effort at economic development, but here our present institutions are not adequate. Just as the Export-Import Bank is not the complete answer to U.S. efforts in this field, so the International Bank for Reconstruction and Development, the so-called World Bank, is not a complete answer in the international field. The World Bank has made tremendous contributions to the economic development of its members, but it, too, is limited to loans for projects which will produce immediate foreign exchange earnings. The World Bank now finances its operations almost entirely by the private sale of its bonds in the capital markets of the world. Accordingly, because it must sell its bonds to the public, its loans must carry rates of

interest and terms of repayment which insure that the Bank's own interest and administrative costs will be met. Many worthwhile projects which can only be carried out if foreign capital is made available, will not produce sufficient earnings in foreign currency soon enough to permit the World Bank to provide all the capital needed. The International Development Association would provide a source of supplementary loans to take up the slack between the funds needed and the amount of the loan which could be made by the World Bank. I cannot emphasize too strongly that there is no source of such supplementary financing today on any large scale except unilateral U.S. loans from the Development Loan Fund.

Another important aspect of the International Development Association is that it could make more efficient use of nonconvertible local currencies in economic development. We have had enough experience now to know that often the goods and services which are needed by an underdeveloped country can be obtained other than from the United States or England or West Germany. To the extent that they can, they can be paid for in currencies other than dollars, pounds or marks. Certainly an international institution staffed by experts from every country of the free world would be more likely to find alternative sources of goods and services which could be purchased with currencies that are not generally convertible.

It is for this reason that the articles of the International Development Association provide that the currency of one member may be made available to the Association for lending to another member. The United States has sold agricultural commodities through Public Law 480 in the amount of $4,159 million. Of this amount, only $3,305 million has been allocated by the Bureau of the Budget for uses specified in the statute. More than half of this represents loans back to the foreign government to which the commodities were sold. The fact that we have failed to find a use for a billion dollars of this currency indicates how difficult it is for the United States to usefully dispose of the tremendous quantity of such currency which we are earning through sales of agricultural products. Surplus currencies from this and other sources could be made available to the International Development Association for lending under arrangements by which we would receive a portion of the income from the loans.

Because I originally proposed IDA, I can perhaps appreciate better than any other Member of the Senate the impressive accomplishment which is represented by the articles of agreement which the President now seeks authority to accept.

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

Mr. MONRONEY. I am happy to yield.

Mr. GORE. The accomplishment which we are today considering is in large part attributable to the initiative, the energy, the statesmanship of the junior Senator from Oklahoma. It represents an exercise of legislative leadership which we see all too seldom.

As the executive branch of the Government has mushroomed in a myriad of changes, and the Presidency has become institutionalized, the Congress continues to operate with Jefferson's Manual.

Because of these reasons and others, the legislative branch has not kept pace with the executive branch of our Government. For these reasons, legislative leadership, legislative origin of great programs and noble ideas have become increasingly difficult. The junior Senator from Oklahoma, however, with unusual prescience, with unusual sensitivity to the problems of our times, and with his unusual knowledge of economic conditions, both at home and worldwide, has stridden over this disparity and has initiated a program of great vision, which promises great good both to the people of the United States and to the world community.

I congratulate him. I realize a vicarious enjoyment from his accomplishment. I have watched his career since we stood together, in January 1939, to take the oath of office in the other body. His career has been one of great public service. I congratulate him.

Mr. MONRONEY. I thank the distinguished Senator for his praise, which I feel I certainly do not deserve. It was at a meeting of the Interparliamentary Union in 1956, in Thailand, where the distinguished junior Senator from Tennessee and the junior Senator from Oklahoma first had a chance to observe the preference for international financing, rather than unilateral financing or gifts through foreign aid programs, on the part of the underdeveloped areas in southeast Asia.

The distinguished junior Senator from Tennessee is too modest to mention the long hours we spent with officials of southeast Asian countries, who pointed with such great pride to the fact that they were able, because of their own credit, to secure a loan from the World Bank for an irrigation project, which increased substantially the rate of production of rice in that country.

The junior Senator from Tennessee will remember their pride in the fact that their credit and engineering and determination resulted in the project being built. Their attitude suggested that an international financing operation was preferable in many ways to financing by unilateral gifts such as our foreign aid program.

The distinguished junior Senator from Tennessee will remember the members of the Thai Government telling us how greatly they appreciated this small internationally financed irrigation project, and their less enthusiastic feeling about the project for the building of a military road—a very necessary road, I may say—from Bangkok up to the border of Laos, which would help join those two countries. Since the road project was completely donated under our defense support agreement, they were almost ashamed of it, and they could not even get the emperor of their country to go up there to dedicate the road.

That is what we saw with our own eyes as members of the American delegation to the Interparliamentary Union visiting southeast Asia. These people wished not to be mendicants, not to be given gratuities, but wished to be given an opportunity to finance, on their own credit, an economically desirable project which would help them to help themselves in their development.

I appreciate more deeply than I can say the cooperation which has been given to me by the distinguished Senator from Tennessee, and by all Members of the Senate, and I also appreciate the fact that the Senate itself has shown a desire to reume its rightful role in creating legislation rather than being content to rubberstamp ideas which originate in the executive department. What is proposed now certainly is a project of the U.S. Senate and the result of careful consideration by leaders on both sides of the aisle.

I am convinced that this institution will meet the objectives set out by the Senate in the 85th Congress in Resolution 264. In the long months of negotiation and compromise, during which it was necessary to accommodate the views of other free nations, the U.S. negotiators have sacrificed none of the basic objectives which I sought and which I believe the Senate sought in recommending the original study of such an institution.

The last recommendation of Senate Resolution 264 was that the Association serve the objective of insuring that funds for international economic development be made available by a process which would encourage multilateral contributions for this purpose. The fact that the articles of agreement accomplish this objective in a substantial way is the most important aspect of this Association. In authorizing the United States to join the International Development Association, the Congress will be encouraging other free nations, many of whom we have helped in times of financial need, to make their contribution now to the needs of others, a contribution made possible by their own recovery and economic development.

The International Development Association as proposed in the articles of agreement would have resources of $1 billion, of which $787 million would be in gold or convertible currencies and the remaining $213 million in other currencies, use of which might be restricted. This amount would not be available immediately, but would be paid in over a period of 5 years so that the initial resources of the Association would be even more limited. There is no question that the size of the fund proposed is completely inadequate in terms of the needs of the underdeveloped countries for additional capital from abroad to supplement their own meager resources. I had hoped that agreement could be reached for a greater amount of capital and for its payment into the Association much more quickly. However, those who have handled the long and difficult negotiations tell me that this was simply impossible to achieve because of the limited resources of many of the nations whose

participation was far more important for the principle it established than because of the amount of their contribution.

While IDA will thus start on a modest basis, I believe that it is terribly important that the start be made. The articles provide for a periodic review of the resources of the Association and also for the contribution of additional resources from individual members in their own currency or in the currency of another member. This should certainly insure that if IDA works well and makes the contribution which I believe it can make to economic development, the funds available to it can be substantially increased in the future. There is also considerable good sense in beginning on a more limited basis to gain the necessary experience as to the proper relation between the resources needed for loans by the Bank and the resources needed for supplementary loans by IDA.

It was decided, I believe wisely, that the subscriptions to the International Development Association should be in the same proportion as those to the World Bank, with each nation having the same voting rights in determining the policies of the Association which it now has with respect to the Bank. This decision avoided the prolonged and difficult renegotiation of the share of the burden to be borne by each member. However, one of the most significant developments during the negotiations was the recommendation by a number of members that provisions be made for additional subscriptions at the request of any member. What more encouraging evidence could there be of the widespread need and support for this multilateral effort to help underdeveloped areas than this expression of the willingness of these nations to contribute more than the minimum required?

As we consider whether to authorize the President to accept membership for the United States in the International Development Association, we bear a very heavy burden of responsibility. In every corner of the world we see evidence of what Adlai Stevenson has called the "revolution of rising expectations." People who have known only hunger are demanding food, who have known only disease are demanding medical care, who have known only degradation are demanding dignity. America is the chief fountainhead of these aspirations. We have set the pace. We built a world of plenty in a free society. We have no greater obligation now than to take the lead in fashioning and supporting the means through which the hopes of suffering people may be realized.

The purpose of the International Development Association in all of this is quite simple. It is to lay another economic foundation of mutual help, shared responsibility, common purpose, on which can be built an edifice of economic abundance for all mankind. The Articles of Agreement of the International Development Association are more than the dry charter for a complex financial institution. These articles are a declaration that free people everywhere share a common obligation to help their less fortunate brothers achieve dignity and a decent way of life. There is nothing new in this to Americans. In mutual help and self-respect we cleared our wilderness, tilled our fields, raised our barns, built our cities; and nothing is more fitting than that this new proposal that freemen unite to help their neighbors should be American in origin.

In closing I would say to the Senate as I did to its Committee on Foreign Relations:

> The International Development Association was proposed in the conviction that the economic growth of less-developed nations is not the sole responsibility of the United States, but the mutual responsibility of all free nations to the extent of their capability to contribute to that development; that such mutuality of effort, such sharing of a common burden, can only be achieved through an international financial institution; that existing institutions are not sufficiently flexible to meet the world's pressing needs. It was conceived in a spirit of optimism and responsible generosity.
>
> Joined in this conviction, administered in this spirit, I sincerely believe that it will contribute to a world in which man is at peace with his neighbor and his conscience.

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

Mr. MONRONEY. I am happy to yield to the distinguished Senator from New York, who has been so greatly interested from the start in helping to organize and perfect the institution which we are considering today.

Mr. JAVITS. First, I should like to identify myself with the Senator from Oklahoma [Mr. MONRONEY], the Senator from Arkansas [Mr. FULBRIGHT], and other Senators, regardless of party, who have supported the International Development Association, an organization which will prove to be a real milestone in our efforts to give the less developed areas of the free world an acceptable opportunity for economic progress, as well as to keep them enrolled with us in the world of the free.

I believe the Senator probably will agree that what we are doing is still not adequate to the occasion, but it will certainly help, and will enable many of these nations to realize the aspirations they had in connection with what we could not go along with in the United Nations, that which was called SUNFED—the Special United Nations Fund for Economic Development.

We promised at the time that we would do something constructive, and I think the present proposal certainly shows that the United States is keeping its word. Consistent with this policy, in the NATO Parliamentarians' Conference, with which I have the honor to be closely identified, and in which we are working with the Department of State, especially with Under Secretary Douglas Dillon, we will continue, of course, to endeavor to get the maximum effort from the other free world industrial nations in order to buttress the aid program.

In aid of the movement the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Arkansas [Mr. FULBRIGHT] have been leading, a question arose as to whether there might be an effort to include some provision in the pending measure, a provision similar to the one we recently added to the Mutual Security Act; I refer to the provision about the hampering of the shipment of free world ships and cargoes through the Suez Canal.

I am very glad to state to the Senator from Oklahoma that as matters now appear, we have every reason to depend upon the fact that that subject is happily removed from our consideration, it having been satisfactorily disposed of by agreement between Representative MULTER, of New York, who was carrying the ball in the House, and the Secretary of the Treasury. Indeed, I understand the Committee on Banking and Currency in the other body today reported the bill without amendment. Of course, it will be up to Representative MULTER and the Secretary of the Treasury to develop whatever details need to be developed on this subject. However, I am now satisfied, and so wish to inform Senators, that the subject will not figure in the bill and in the ratifying resolution which is before the Senate, and also to state that I myself am indebted to my colleague from New York [Mr. KEATING] and to the distinguished Senator from Pennsylvania [Mr. SCOTT], who interested themselves very much in bringing about this result.

Mr. MONRONEY. I am well aware of the Senator's excellent and successful efforts to cooperate in proposing a bill which would not require renegotiation, as opposed to a bill which might not result in passage at this session, or perhaps ever.

The distinguished senior Senator from New York [Mr. JAVITS], the distinguished junior Senator from New York [Mr. KEATING], the distinguished junior Senator from Pennsylvania [Mr. SCOTT], and several other Senators have worked in an effort to resolve the questions which arose in their minds concerning the bill before the Senate today. The overwhelming endorsement of the bill by the House Committee on Banking and Currency, only this morning, bears proof of the effectiveness of their work.

Mr. JAVITS. I would not for a moment wish to take away from the real achievement of Representative MULTER. I hope he will get full credit for what he has done.

Mr. MONRONEY. Indeed, he deserves credit, as does Chairman SPENCE.

Mr. JAVITS. He has been the architect of this achievement in his negotiations with the Secretary of the Treasury.

Certainly we now have every right to expect the present policy of law, under our declaration of the sense of the Senate in connection with the mutual security program, to be applied to every action of the U.S. Government in these fields.

I should like to close by stating that this must be a very happy day for my colleague the Senator from Oklahoma, inasmuch as he really pioneered this idea quite a long time ago, and now he is seeing it come to fruition. In addition, he pioneered the idea of employing the technique of putting this agency under the World Bank, for administration. That is a most interesting technique;

and, indeed, it may be greatly extended, so as to include our country-aid programs, because administration by the World Bank has been extremely successful.

Mr. MONRONEY. It has, indeed.

Mr. JAVITS. In speaking of the great contributions made by Representative MULTER, of New York, my colleague the Senator from New York [Mr. KEATING] has called to my attention the fact that Representative HALPERN, of New York, and Representative MULTER are jointly entitled to the primary credit, it seems to us, for working out this matter in a way that is satisfactory to all of us, and in a way which leaves unimpaired the bill introduced by the Senator from Oklahoma. I am indebted to my colleague for calling to my attention the joint contributions made by Representative MULTER and Representative HALPERN.

Mr. MONRONEY. Mr. President, I am deeply appreciative of the remarks the Senator from New York has made, and particularly for his giving credit to Representative MULTER and Representative HALPERN for their work in this connection, because without their cooperation we would not have the chance for success that we have today.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The bill is open to amendment.

Mr. MONRONEY. 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. MONRONEY. 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, I am going to suggest that on page 3, line 4, the words "or other financing", and on page 3, lines 6 and 7, the words "or provide other financing" be stricken from the bill.

The PRESIDING OFFICER. Does the Senator offer that suggestion as an amendment?

Mr. WILLIAMS of Delaware. I shall do so.

The PRESIDING OFFICER. Will the Senator from Delaware repeat the amendment?

Mr. WILLIAMS of Delaware. I shall submit an amendment later to strike out, on page 3, line 4, the words "or other financing", and on page 3, lines 6 and 7, the words "or provide other financing."

That part of the bill would then read: "except that loans may be provided to the Association by a United States agency created pursuant to an Act of Congress which is authorized by law to make loans to international organizations."

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

Mr. WILLIAMS of Delaware. I yield.

Mr. BUSH. I call the Senator's attention to lines 2 and 3 on page 3, which read: "or (c) make a loan or provide other financing to the Association."

Does not the Senator mean also to exclude the language "or provide other financing", or does he wish to leave that language in?

Mr. WILLIAMS of Delaware. Yes. That language should also be stricken. I thank the Senator for calling it to my attention. I would also strike out on page 3, line 3, the words "or provide other financing."

Mr. President, the adoption of this amendment—which will be submitted later—would merely leave the bill so it would carry out in its entirety the recommendations of the President to the Congress as they were originally sent to Congress. It would also carry out the full provisions of the international agreement which was the basis of the request for this legislation when submitted to the Foreign Relations Committee.

The agreement which was submitted to the committee and for which we are now seeking to enact enabling legislation provides for participation of the U.S. Government in this international lending agency on the basis that we shall be contributing approximately 32 percent, or $320 million in hard currencies out of a total of $1 billion capital. The rest will be put into the fund, in proportion, by the respective countries. About 76 percent of the money will be hard currencies, while the remainder of the countries will put into the fund soft currencies.

In return for the capital which is to be provided by each of the contributing countries they will get a stated number of votes. For instance, each country will get a block of 500 votes to start with plus one additional vote for each $5,000 capital being paid in. Mathematically, that would mean that if those countries subscribed their proportion of the capital in its entirety the United States would be putting in $320 million, or 32 percent, and we would have approximately 27 percent of the voting power of the corporation.

However, in addition to this paid-in capital for which we will receive this voting stock, it is proposed under this bill that we confer on an agency of the Government the right to turn over to this international lending agency all or any part of the foreign currencies which are now or which may at some future date be in their possession. Today, we have between $1½ to $2 billion in these international currencies. That is a wide range in an estimate, but that is the kind of estimate we get when we ask the different agencies how much we have in foreign currencies. It only shows how little attention is paid to the importance of maintaining an accurate accounting or inventory as to what we have in these soft currencies.

In participating in an international lending agency under an international agreement to which all the participating countries have agreed and under which agreement we are supposed to put up 32 percent, or $320 million, there is no reason why we should put up an additional billion or billion and a half dollars in return for which we get no extra voting power. Furthermore, that amount can be transferred as an outright gift to this agency. The bill before us, as reported by the committee, carries that authority.

I do not think any executive agency should ask for that much power. Such wide authority was not included in the request of the President to the Congress.

In defense of this bill here today Senators have spoken of the fact that they want the right to use some of these international currencies by lending them to this agency. I have no objection to this agency having full authority to borrow these soft currencies which we now own. There is nothing in the amendment which I am proposing which would restrict the right of this agency to borrow these foreign currencies. There is nothing that lays down a rule as to how much interest it should pay. But if we are going to put up additional money over and above our proportionate part of the capital, we who are supposed to take care of the American taxpayers have the responsibility to see to it that they have a note or additional stock to show for it. I think the very least we can require is that this agency should turn over to the Treasury a note showing the amount of money that has been borrowed.

There may be some who will claim that the language "other financing" is not meant to be an outright gift. However, I emphasize again that in the testimony before our committee it was admitted that this language would be interpreted as authorizing a gift if the administrators so decided.

The fact is that we are asked to confer the right to an agency without any further approval of Congress to give away $1½ billion or $2 billion of the American taxpayers' money. I think that is going just a little bit too far. I shall at the appropriate time offer the amendment to prohibit this extraordinary authority.

Mr. President, I believe the Senator from Connecticut wishes to speak.

Mr. BUSH. Mr. President, very seldom do I find myself at odds with the able Senator from Delaware on almost any question. I have the greatest respect for the Senator's attention to detail and for his knowledge of subject matters such as those with which we are now dealing. The Senator is an able member of the Committee on Foreign Relations. Therefore, with some hesitancy I feel I must differ with the Senator about this particular matter.

I will say, first, that I think the pending bill is a sound measure. The bill represents the implementation of Senate Resolution 264, which was reported July 12, 1958, and agreed to July 23, 1958. In that resolution, which was agreed to, it was stated:

> In order to achieve greater international trade, development, and economic well-being, such study—

Which was proposed in the resolution—

> should include consideration of the following objectives:

I shall not read the first, but shall state the second, because it has a bearing on this point.

> 2. Facilitating, in connection with such loans, the use of local and other foreign

currencies, including those available to the United States through the sale of agricultural surpluses and through other programs.

The purpose was to find some use for the funds, for which it has been difficult to find any use. These funds, as the Senator estimates, amount to $1½ billion to $2 billion, in varying estimates. I do not know how much there really is, but the amount is so large that we have found very great difficulty in putting the funds to work in any way.

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

Mr. BUSH. I yield for a question.

Mr. BUTLER. Is it implicit in the Senator's statement that these moneys can be given to the bank, rather than loaned?

Mr. BUSH. No. It is not.

Mr. BUTLER. Will the Senator answer another question?

Mr. BUSH. I will cover that point, if the Senator will bear with me. I will cover that point in my discussion.

Mr. BUTLER. I should like to ask the Senator another question. What is the meaning of the words "or provide other financing"?

Mr. BUSH. I will cover that subject, also.

The pending bill represents the implementation of the previous resolution, which was agreed to. Since the resolution was agreed to, a lot of work has been done on this matter, and agreements have been obtained among the 68 countries which are going to participate in the organization, which is to be a subsidiary of the World Bank and under the management of the World Bank. It is to be under the management of the Governor, the Vice Governor, and the Directors of the World Bank. It is going to be assured of good management, because the World Bank has proved over a period of years—over all of its life, in fact—that it has enjoyed good management. I believe it does today provide management which is the very best it could possibly have.

The purpose of the pending bill is to provide a use for idle funds which belong to the United States, which are locked up in foreign currencies in various countries in the world, most of which funds are generated by the exercise of Public Law 480. I will say parenthetically that I voted against the extension of Public Law 480, because I think the extension of that law will result in piling up more idle currencies abroad. That is a little aside from the point. We do have these idle currencies, and we have to deal with them.

One of the two main purposes of the pending bill is to put to use these idle funds in these various countries which are locked up in currencies which are not convertible into hard currencies, such as dollars, pounds sterling, or other hard currencies. We must find a use for these funds. The bill seeks to find a use for those currencies, a use which is in line with the foreign policy of the United States. I shall address myself to that point in a moment.

The second advantage of the bill is that it will save dollars. We will eventually put some $320 million—hard currency dollars—into the International Development Agency, when we become fully paid up. If we can use soft currencies for any legitimate purpose, rather than hard currencies, we should do so. If we can substitute soft currencies for hard currencies, it is to the advantage to the people of the United States that we do so. To the extent that we can use the soft currencies we save the hard currencies. Otherwise we might be tempted to—or we might need to—convert hard currencies into soft currencies. It is very easy to convert the currencies in that way, but it is very difficult to convert the soft currencies back into hard currencies. That is the reason we have $1½ billion to $2 billion of soft currencies, because we cannot convert the currencies back.

This process would enable the International Development Association to conserve its hard currencies, to the extent that it can draw upon the soft currencies which we have on deposit in various countries. These soft currencies, of course, can only be used with the consent of the parent country of the currency, so to speak, with the consent of the United States, and with the consent of the IDA itself. Therefore, the second main purpose of the bill is to conserve dollars. That is very much in our interest.

As pointed out, the United States will provide less than half of the hard currencies to be invested in the International Development Association. It will be less than half. This will be good, because finally we will be persuading other countries whose objectives are similar to ours in the free world to join us in the implementation of our foreign policy, by making loans for the development of less privileged countries. We are persuading these countries to come into a multilateral deal which will use their hard currencies, in many cases, to help implement a policy which we have been working on ever since World War II.

This is of a very great advantage to the United States, because it will help to implement our foreign policy.

There is also a fourth advantage of spreading the burden and the responsibility of helping these other countries to get on their feet, to develop their resources and to develop their economies, all of which promotes the foreign policy of the United States.

I wish next to come to grips with the Senator's amendment. The Senator wishes to confine the use of these soft currencies to loans, and wishes to eliminate from the bill the language "or provide other financing."

The question arises as to what "other financing" means. I have discussed this matter with the Treasury, and have thought over the language somewhat myself. I am satisfied what it means is that the United States may place these soft currencies on a certificate of deposit, so to speak. That is the nearest simile I can think of. The United States may take these currencies and put them on deposit with the International Development Association, under such terms and conditions as may be agreed to.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. BUSH. I will yield to the Senator in a moment.

This may be a term of 5 years, 10 years, 20 years, or an indefinite period subject to, let us say, withdrawal on notice. There is no restriction as to what kind of deposit arrangement can be made. There is a great deal of flexibility involved, which I think is a very important matter in connection with this.

In regard to the deposits, we shall not lose ownership of the money. The money belongs to the United States, and will remain in the possession of the United States, but we will simply put it to work in connection with the certificate of deposit, if we may call it that, purely for convenience.

I now yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. The Senator from Connecticut speaks of a certificate of deposit by which the transaction would be handled. Is it his understanding that under such certificate of deposit the United States could call for the repayment of the money loaned at any time it wished?

Mr. BUSH. I said in my remarks that I believe arrangements could be made under the bill for the money to be put on deposit under any agreement which the United States was willing to make with the bank, with the International Development Association, and the country whose currency was involved.

Mr. AIKEN. Would the money be put on deposit on about the same basis on which the Cooley amendment money is now on deposit?

Mr. BUSH. The Senator will have to enlighten me as to the Cooley amendment money.

Mr. AIKEN. I mean by that a situation in which the bank has put on deposit with the branch of an American bank in a foreign country an amount of money which draws no interest to the United States, but can be lent for whatever rate of interest they can get for it until the money is required, and that rate of interest may run to 20 or 25 percent. It represents a tremendous windfall.

Mr. BUSH. The language of the bill does not restrict the United States in the matter of agreement concerning these deposits, but if the money were put out at no interest, I claim it would still be to our advantage to have it used, because it is useless elsewhere, and it would be replacing a currency convertible from hard currency. It would be conserving the hard currency for the International Development Association.

Mr. AIKEN. Does the Senator mean that the United States would deposit money without interest in a foreign country, and the branch bank in which it was deposited would lend it for an interest rate of 20 percent, and the United States would get absolutely nothing? Does not the Senator know that the United States has tried several times to get some interest on money which it has on deposit in foreign banks? I have a list of banks which are in that category, and I will probably insert it in the RECORD.

Mr. BUSH. Are they paying interest?

Mr. AIKEN. No; they cannot get any interest on the money. In some countries, as the Senator from Connecticut knows, they can lend that money for 20, 22, and 25 percent, and yet pay the United States nothing for the use of it.

Mr. BUSH. I am sorry to say that the Senator from Connecticut knows nothing of the kind.

Mr. AIKEN. Then I shall have to convince him with the figures.

Mr. BUSH. If the Senator from Vermont wishes to put the list to which he refers into the RECORD, that is his privilege.

Mr. AIKEN. Would the Senator still favor the bill if I could show him that money of the United States deposited in banks in foreign countries and drawing no interest to the United States, can be loaned by the bank to others for 12, 15, and 20 percent? Would the Senator then still favor the bill?

Mr. BUSH. Will the Senator kindly tell me what that question has to do with the bill?

Mr. AIKEN. A great deal, because this bill would do with a billion dollars what the Cooley amendment does with $50 million. It would be 20 times as much.

Mr. BUSH. The Senator is talking about an entirely different matter, which is the deposit of U.S.-blocked funds in a bank in Greece or in some other countries, is he not? This would be on deposit with the International Development Association.

Mr. WILLIAMS of Delaware. It would be in the possession of the International Development Association, but actually it would be on deposit in the banks.

Mr. BUSH. It would be made available by the United States to the International Development Association.

Mr. WILLIAMS of Delaware. The deposit would be in the banks.

I should like to ask the Senator another question in reference to the subject which we discussed previously. Getting back to the original question, is it not possible under the language in which the bill is presently drafted that they could make gifts if they so desired?

Mr. BUSH. I would not think so. I consider that the language "loans or other financing" would not include gifts.

Mr. WILLIAMS of Delaware. Would the Senator agree to amend the bill so as to provide that under no circumstances gifts could be permitted? Would he go along with a restriction on gifts under the bill?

Mr. BUSH. I will put it this way to the Senator: I do not wish to see the bill amended, but I would like to see it made clear on the floor of the Senate in this debate that the intention is not to make gifts.

Mr. WILLIAMS of Delaware. I respect the intentions expressed by the Senator from Connecticut, but before the committee it was definitely pointed out that under the provisions of the bill, as drafted, gifts could be made if it were so desired. The only way such gifts could be stopped would be to change the language. I think if the Senator is opposed to gifts he will agree that the bill should be amended to include such provision.

I wish to point out one further matter. One of the reasons we have an accumulation of currencies for which we have no use, as the Senator from Vermont [Mr. AIKEN] has pointed out, is that we have been charging prohibitive rates of interest through present U.S. agencies in lending this money to our so-called allies, which I think is an indefensible situation. We cannot defend the practice of U.S. lending agencies charging such prohibitive interest rates, particularly on soft currencies. For instance, why have we been charging the Government of Mexico and the people of Mexico 10 percent? Why have we been charging in other countries rates as high as 12 percent?

Mr. BUSH. The Senator has asked me why we are charging those rates.

Mr. WILLIAMS of Delaware. Yes.

Mr. BUSH. What is the going rate in Mexico?

Mr. WILLIAMS of Delaware. I do not know, but if we wish to help a country or its industries, we cannot do so by charging prohibitive rates of interest.

Mr. BUSH. I do not know how we would help a country if the going rate is 12 percent and if the United States competes with private lenders by charging 5 percent.

Mr. WILLIAMS of Delaware. We have loans in Mexico which carry rates of interest from 4 percent to 12 percent during the same years. Are we to be a Shylock who goes to the countries which are having hard luck and charges prohibitive rates of interest? We pass bills which give them money to help them through their difficulties, and then when we loan them money we charge them 10 or 12 percent. That process cannot be justified.

Are we operating in those countries to protect the moneylenders, or are we concerned with helping their people? If their banks are charging such prohibitive rates then they need some competition.

Mr. BUSH. It would surprise me if the agencies of our Government were charging improper interest rates or conducting themselves in any way that was not in tune or in sympathy with the government of the particular country to which the loan was made. I do not believe the Senator has made a point in that connection at all. It seems to me if we charge 10 percent in Mexico, the only explanation is that that is the going rate for money in Mexico when we make the loan. Does the Senator agree that is probably the case?

Mr. WILLIAMS of Delaware. No, I do not, because I do not think we can ever justify an interest rate of 10 or 12 percent. I am advised that in some South American countries our interest charges have been as high as 20 percent. Why? Assuming that we proceed to create this international agency shall we turn over to the agency as gifts foreign currencies which we now own and hope they will lend them on more lenient terms than we have been doing? Are we to turn them over under certificates without any claim to interest or repayment but in effect make them just plain grants?

Even under loans we could turn them over to the international agency in return for which it may not have to pay us any interest. Does the Senator state that he would expect this international agency to go into Mexico, for instance, with the soft currency which we are turning over to it, relinquishing all claim and charging no interest, and then permit them to charge 10 percent for loans solely because it can get away with it? Would the Senator support that principle?

Mr. BUSH. I shall reply by asking the Senator from Delaware to suppose that the language in the bill should read: "except that loans or other financing, not including gifts, may be provided to the association"?

Mr. WILLIAMS of Delaware. What other type of financing is there besides loans? Gifts are what they want the Authority to make.

Mr. BUSH. Loans, certificates of deposit, and that type of financing. When one deposits money in a building and loan association what does he get? He gets a certificate of deposit.

Mr. WILLIAMS of Delaware. But under their charter can they accept certificates of deposit? I fail to see——

Mr. BUSH. I ask the Senator if the suggestion I made would meet his objection.

Mr. WILLIAMS of Delaware. If the Senator could show me the proposed language I think it would meet the objection I have. But I do not think he can show me how it can be done except by an amendment to the bill. We were told that the agency which we would create would be a lending agency and would not operate as a bank. It would not be accepting deposits. There is no procedure provided to accept deposits. In fact, the method provided is that the agency would in turn deposit its own money in the National City Bank or some other bank.

Mr. BUSH. They would take the currencies we would deposit on a certificate of deposit and redeposit them for safe keeping perhaps in some bank in the country where the currency was going to be used.

Mr. WILLIAMS of Delaware. As I pointed out, in Nationalist China we have spent hundreds of millions of dollars in helping the Nationalist Government in Formosa. Then on October 1, 1959, through the Export-Import Bank, the Nationalist Government negotiated a loan at 12 percent. Why such exorbitant rates?

Mr. BUSH. With what country?

Mr. WILLIAMS of Delaware. Nationalist China.

Mr. BUSH. What is the going rate?

Mr. WILLIAMS of Delaware. If the going rate is 12 percent, why should we not attempt to help bring it down? Am I to understand that the United States is going around loaning money in these countries and charging the last penny the traffic will bear? If that is the attitude of the Government then why are we giving away money?

Mr. BUSH. No, the attitude of the United States would be to cooperate with the local government and not to disrupt

the economy or disrupt local enterprise, and not necessarily to compete with the banks in that country, but rather to cooperate with them.

Mr. BUTLER. Does the Senator think we should supply them with the capital with which they could compete with local banks? What is the difference? The Senator says we are not going to compete with them because that would upset the economy. But under the bill we take our money and give it to a U.S. branch bank which competes.

Mr. BUSH. My understanding is, if I may say in reply to the Senator, that we do not make loans in these countries where we have blocked currencies without the cooperation and agreement of the country involved.

Mr. BUTLER. I refer to page 2, line 22 of the bill, which reads, as the heading for section 5, "Certain Acts Not To Be Taken Without Authorization."

Then I read from section 5: "Unless Congress by law authorizes such action," such action shall not occur as listed under (a) and (b), and so forth in that paragraph.

Does the bill, thereby, provide authorization for the agency holding these funds to lend up to a billion and a half dollars or $2 billion of these blocked currencies to this bank, or will the agency in question have to come back to Congress for specific authority.

Mr. BUSH. The section applies, except that lending financing may be provided to the Association or agency created pursuant to an act of Congress.

Mr. BUTLER. In other words, the Senator says it cannot be done, and then he says it can be done without Congress having anything to do with it. Why do we do that? Why do we fool ourselves?

Mr. BUSH. The whole purpose is to use these currencies.

Mr. BUTLER. We can use them.

Mr. BUSH. No; we cannot do that. We have not been able to do that. The Senator from Delaware has just said that we have a billion and a half to $2 billion, to use his figures, that we have not been able as yet to use.

Mr. WILLIAMS of Delaware. We have had at least $10 billion in the last 12 years, and we used all but about a billion and a half. I am not sure that anyone knows how we used it, but we got rid of it. I would certainly be interested to know just how it was all spent. Perhaps the Senator from Connecticut can tell us.

Mr. BUSH. The fact that we have a billion and a half to two billion dollars—I am using the Senator's own figures—in foreign currencies shows that we have not used that money.

Mr. SALTONSTALL. I should like to call this point to the attention of the Senator from Connecticut, the Senator from Delaware, and the Senator from Maryland. This seems to be the conclusive answer, and seems to support what the Senator from Connecticut has said.

I read from the articles of agreement of the International Development Association, contained in the special report of the National Advisory Council on the Proposed International Development Association. I read from section 2 of article III:

> The Association may enter into arrangements, on such terms and conditions consistent with the provisions of this Agreement as may be agreed upon, to receive from any member, in addition to the amounts payable by such member on account of its initial or any additional subscription, supplementary resources in the currency of another member, provided that the Association shall not enter into any such arrangement unless the Association is satisfied that the member whose currency is involved agrees to the use of such currency as supplementary resources and to the terms and conditions governing such use.

That supplements what the Senator from Connecticut has said. I shall have something more to say about it, but do not wish to say it on the Senator's time. When the United States has some soft currency and enters into an agreement with Greece, for example, which uses drachmas, we can enter into such arrangement as we care to make and on such conditions as we care to make. If a modification is desirable to the effect that we do not want to make it as a gift, then that provision goes into that arrangement.

Mr. BUSH. Yes; it means that we must have the cooperation of the country involved, where that currency is needed.

Mr. WILLIAMS of Delaware. The Senator says that the cooperation of the country involved, and the international bank is needed. What that means in plain language is that when we are ready to give away some money we cannot give it away unless the country that is to receive it is agreeable and if the bank which will handle the gift agrees. Certainly they are going to agree. If the Senator does not believe that, he can offer some of his own money, and he will find that he can very soon get rid of it. We do not have to worry very much about getting that agreement, when the country involved is the recipient of a gift.

Mr. BUSH. I must reject the language "gift." I do not consider the words "or other financing" contemplates the giving away of money.

Mr. WILLIAMS of Delaware. Would the Senator be willing to provide for only loans or certificates of indebtedness, which is the same thing? By that I mean specifically to exclude gifts.

Mr. BUSH. I asked the Senator a question a short time ago. I do not belive he answered it. I asked him if he would accept an amendment to provide "except that loans or other financing, not including gifts, may be provided to the association." Would he accept it?

Mr. WILLIAMS of Delaware. I would.

Mr. BUSH. Then let us try to offer that amendment.

Mr. WILLIAMS of Delaware. Provided we have a clear understanding that these certificates of deposit would be just the same deposits in any other bank and would be paid as an obligation prior to payments to the stockholders, but I believe the Senator will find——

Mr. BUSH. I will not try to write a certificate of deposit on the floor of the Senate.

Mr. WILLIAMS of Delaware. I would be satisfied with that amendment but I believe the Senator will find that the departments which are advocating this proposal will not go along with it in language other than what is being proposed in the bill as reported by the committee. They have insisted that they want language which will give them the right to make a gift or grant should they wish. They clearly stated that it was the intention to have language in the act under which they could make gifts, under agreements with the country involved, in an unrestricted manner—except at the liquidation of the corporation it may be agreed that we would have a claim.

Mr. BUSH. Then it is not a gift.

Mr. WILLIAMS of Delaware. When is it planned to liquidate the corporation?

Mr. BUSH. I am not planning to liquidate it. I want to start it. A great deal of money has been put into investments on that basis.

Mr. WILLIAMS of Delaware. Too much money has been put on that basis, but that does not make it right.

Mr. BUSH. I would not want to put this money on deposit subject to a prior claim. I want it to be used as a substitute for hard currency, so as to avoid converting hard currency into soft currency. That is the big advantage here.

Mr. SALTONSTALL. I should like to call to the attention of the Senator from Delaware the language in section 2, which I have read. The section further provides for paying back the money. We can get it back.

Mr. BUTLER. I should like to make this observation. I believe that things have come to a sorry pass when the Government of the United States has an asset of between a billion and a half and two billion dollars, and we admit on the floor of the Senate that the only way we can get rid of it is by giving it away or burning it up, as we did our little pigs some years ago. There must be some way of using that money other than in this manner.

Mr. BUSH. I would say to my good friend from Maryland that there is no intention of giving this money away. I do not know where the suggestion of a gift has come into this argument.

Mr. BUTLER. Is there any limitation in the bill as to the amount of these blocked currencies which can be utilized under the terms of the bill?

Mr. BUSH. I do not see any in the bill.

Mr. BUTLER. Does the Senator believe it prudent to turn over a billion or two billion dollars without having the agency come back to Congress.

Mr. BUSH. There are one or two Senators on the floor who are members of the committee, and they can probably go into great detail on it, certainly much better than I. I do not see any limitation in the bill.

Mr. BUTLER. Does not the Senator believe there should be a limitation?

Mr. BUSH. I would personally believe that we can find a use for all of the billion and a half or two billion dollars, if it will serve the purposes of this bill and do the work and, second, avoid the conversion of hard currencies into soft currencies.

Mr. BUTLER. I may be a little bit old-fashioned, but when I have an asset, I hang on to it, in the hope that it will grow and that someday I will get my money out of it.

Mr. BUSH. Suppose the Senator has an asset, and he does not know what to do with it.

Mr. BUTLER. Then I would put it into a safe deposit box and hope that it would grow. In this case the United States should use it for the benefit of our people.

Mr. BUSH. That is exactly what we are doing here.

Mr. KEATING. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. KEATING. I was called away from the floor momentarily, so I did not have the opportunity to hear all that has been said. However, I believe the Senator from Connecticut may have covered this point in the suggestion he has made. I am interested in his interpretation of the words "provide other financing." I want to make a suggestion, which I suppose the Senator may have already made; namely, to add, after the word "financing," "excluding gifts or grants." This, I assume, is exactly what the Senator from Connecticut was suggesting.

Mr. BUSH. Exactly. I thank the Senator from New York for bringing out that point. I made that proposal to the Senator from Delaware [Mr. WILLIAMS] and asked him if he would accept it. My understanding is that he said he would. So I think it would be appropriate for us to insert the very words which the Senator has uttered—"excluding gifts."

Mr. KEATING. In other words, it is not the understanding of the Senator from Connecticut that the language contemplates grants or gifts of the soft currencies which we have in our possession. It is only loans or some other financial transaction, and it is contemplated that our Government at some time, under some circumstances, will get back what it has parted with.

Mr. BUSH. But we do not ever part with ownership, under the terms of the bill.

Mr. KEATING. We simply allow the use of the funds.

Mr. BUSH. That is correct; under such terms and conditions as can be agreed to.

The Senator from Vermont is smiling at me. I am delighted that he is.

Mr. KEATING. He often smiles, but one never knows why he is smiling.

Mr. AIKEN. I am merely smiling at the ingenuity of some of our investors in promoting legislation like the bill now before the Senate. I am wondering what they will do when the United States becomes a country of all investors and no producers.

This matter might be handled in the same manner as the Cooley amendment, which provides loans to countries, under which the money is received in the currency of the borrowing country and deposited in branch banks of American companies in those countries.

Mr. BUSH. Is that with reference to Public Law 480 funds?

Mr. AIKEN. Yes; a percentage of them. The funds remain on deposit on the average of 12 to 18 months, during which time the United States draws no interest. The bank pays no interest on the money. In the meantime, the branch bank has it on deposit and can make use of it. In the meantime, in some cases, the bank can get as high as 22 or 24 percent interest. The same procedure could be followed with respect to the other funds, because the local currency could be deposited in the branch bank in the foreign country until drawn on by the World Bank.

Not the whole $31 million is used that way; $2 million or $3 million is held by disbursing offices of the U.S. Treasury. We might have $500 million or $1 billion lying idle in foreign banks, on which the United States draws no interest, but on which the banks could be making loans until the money was called for. That would be good banking business, I suppose. However, I am not opposed to the International Development Association.

Mr. BUSH. No.

Mr. AIKEN. I am opposed to the assumption on the part of the executive branch of the Government that they can do as they please with a billion dollars a year of foreign currencies without any further authorization by Congress.

Mr. BUTLER. That is correct.

Mr. AIKEN. They ought to come to Congress for an authorization to give away this money.

Mr. BUSH. I would observe that Congress cannot control the lending policy or the loans made by the Export-Import Bank or the Development Loan Fund. We delegate that authority.

Mr. AIKEN. Congress can withdraw that authority at any time.

Mr. BUSH. Of course, I presume we can withdraw from this organization if we want to make a world-shaking move.

Mr. AIKEN. I have no objection to IDA. I realize that it will save people from sustaining losses on loans in foreign countries. It will permit the World Bank to grant second mortgages or to bail themselves out. Perhaps they ought to be able to do that.

I merely say that the executive branch of the Government ought not to assume that they have the authority to do that without further authorization by Congress. I for one was active in having Public Law 480 passed. I feel certain that it never was the intent of Congress to give the executive branch any such broad powers as what some may suggest they have.

One thing more. It has been asked if there was any limitation on the amount which could be contributed to the International Development Association under the bill. There is no limitation. I will say, however, that the witnesses from the Government testified that they did not contemplate using any of the money which is now on hand. That has all been allocated for one purpose or another, although I suppose it could be deallocated. In the future, they expected to use 10 percent of the funds from the sale of agricultural commodities overseas as a contribution to the International Development Association, but there is no restriction in the bill which provides for 10 percent.

Mr. BUSH. That is correct.

Mr. BUTLER. Mr. President, will the Senator from Connecticut yield for a moment?

Mr. BUSH. I desire to yield the floor, because the Senator from Massachusetts [Mr. SALTONSTALL] wishes to speak. However, I yield to the Senator from Maryland.

Mr. BUTLER. I think it is a dangerous practice for Congress to let an agency under the exception in the bill give money to IDA.

Mr. BUSH. I do not believe that the establishment of this organization and our participation in it will place us in any different position respecting authority than when we give to the Development Loan Fund the authority to lend money which this organization makes available to it.

Mr. BUTLER. In this case, we say that Congress shall absolutely not do what the Senator says it can do in the exception on page 3 of the bill.

Mr. BUSH. My understanding of the purpose of the language is that it specifically permits the use of the bloc currencies, the nonconvertible currencies, the soft currencies, which we own.

Mr. BUTLER. The next bill may be for the purpose of using, specifically, the money in the hands of some other agency, and it will not be necessary for the agency to come to Congress for appropriations. There is no limitation on what can be given to the bank. I think it is a bad practice.

Mr. BUSH. The Senator from Maryland is certainly entitled to that view. However, I would say that if a constructive use could be found for the employment of the foreign currencies—for the enormous aggregation of foreign currencies we have secured as a result of Public Law 480—particularly that law, I believe—then we should find that use. The purpose of the bill is to find constructive uses for that currency, in line with Government policy.

Mr. AIKEN. Mr. President, will the Senator answer one question?

Mr. BUSH. I will try to.

Mr. AIKEN. It is a good question. I know the Senator from Connecticut is much more familiar with banking practices than I am, and is much better acquainted with Government officials than I am. Can he tell me why there is so much insistance on the right to give away this money, when we who are critical of that policy are perfectly willing to grant the right to lend the money at a rate they can fix, which could be as little as one-half of 1 percent?

Mr. BUSH. I am not aware of the fact that it is desired to give the money away. That is an assumption with which I do not agree.

Mr. AIKEN. I understand the Treasury is now insisting on retaining the right to give the money away. I also understand that if that provision is eliminated, there will be no trouble in passing the bill.

Mr. BUSH. I do not know where the Senator from Vermont obtains that understanding. I do not have it.

Mr. AIKEN. I got it from the Senator from Delaware.

Mr. KEATING. Mr. President, will the Senator from Connecticut yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Connecticut yield to the Senator from New York?

Mr. BUSH. I yield.

Mr. KEATING. We are here to legislate. Regardless of whatever may be the views of the executive branch, if we believe it best to limit these financial transactions to loans or other financing, exclusive of gifts or grants, certainly we should not be hogtied by the preference of the executive branch.

It seems to me that is a constructive middle ground which should satisfy the Senator from Connecticut, the Senator from Delaware, and other Senators who feel as they do.

Mr. BUSH. I thank the Senator from New York.

Mr. LAUSCHE. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. I yield.

Mr. LAUSCHE. I subscribe to the general idea of creating an international organization in which membership will be held by many nations, in order to perform, through the Development Loan Fund, the financing function which now is performed by the United States itself.

The provisions which have been proposed here, as regards new subscriptions of hard currency, require approval by the Congress. In that connection, I believe it is recognized that subscriptions of new capital, in the form of hard currency, should not be made under a general grant of authority in this initial bill, but that congressional approval should be obtained in each instance when a new subscription is to be made.

The proposal of the bill and the proposal of the articles of agreement is that supplementary subscriptions of soft currency will not need any new authorizations, but will be permitted under the provisions of the bill as it is now written.

I favor the general purpose of this International Development Association. However, in the committee, I found myself in difficulty when I tried to resolve this inconsistency: If it is proper to require additional congressional authority for new dollar subscriptions, why is it not likewise logical and sound to require that supplementary subscriptions in the form of soft currency must receive new authorization from the Congress?

Mr. BUSH. I shall answer the question as best I can; and I think there is an excellent answer to it, because it is a key question in connection with the subject under discussion.

Under this measure, the United States will subscribe $320 million to constitute what I shall call the capital stock or capital fund of this bank—even though the phrase "capital stock" is not used in the bill. The bill provides, in section 5, that—

> Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States, (a) subscribe to additional funds under article III, section 1, of the articles—

Article III is the one which deals with the capital fund—

> (b) accept any amendment under article IX of the articles; or (c) make a loan or provide other financing to the Association, except that loans or other financing may be provided to the Association by a United States agency created pursuant to an Act of Congress which is authorized by law to make loans or provide other financing to international organizations.

To me, that provision simply means that, on the one hand, the United States will subscribe to the capital of this organization will be a going concern, and bylaws, and that they cannot be changed without an act of Congress. But the organization will be a going concern, and it will be able to use more funds. It is to our advantage to have it use more funds, particularly idle funds for which no other profitable use can be found; and if the use of those funds implements the foreign policy of our country, then I believe it perfectly appropriate that a U.S. lending agency be authorized to place those funds on deposit with this bank—and, of course, I am still referring to it as a bank, although in the bill, it is called an association.

So the fact that our country subscribes to the stock will not foreclose our country from becoming a depositor, as well, if it seems to the interest of the United States to have our country become a depositor.

Does that answer the Senator's question?

Mr. LAUSCHE. Well, the Senator from Connecticut has made an effort to answer it. [Laughter.]

Mr. BUSH. I have done the best I can to answer it.

Mr. LAUSCHE. The United States will not become a depository when it makes a supplementary subscription in soft currency, will it?

Mr. BUSH. No subscription will be made.

Mr. LAUSCHE. A certificate of deposit will be obtained. Is that correct?

Mr. BUSH. Yes.

Mr. LAUSCHE. Our country will obtain a certificate that it has deposited or placed with this institution a certain amount of soft currency, will it?

Mr. BUSH. Yes.

Mr. LAUSCHE. There is a limitation on the authority to subscribe hard dollars to the initial capital; but there is no limitation on the authority of the various agencies of our Government to make such deposits of soft currency into the fund, and then to have them used by the fund in such manner as is prescribed at the time when the deposits are made.

My thought is that we should impose some limitation on the power to deposit such soft currency; there should not be an open-end authorization. But I do not believe that every time a subscription or a deposit of soft currency is made, a new request should be made of the Congress. However, there should be some limitation on the amount which could be deposited.

Mr. BUSH. I would say the limitation will be self-imposed—if the Senator from Ohio will permit me to state the matter in that way—as regards the lending agencies, which will be presumed to use in the best interests of our country the authority here provided. Certainly they would not make deposits with the International Development Association unless they believed it clearly in the interests of our Nation to have the money used in that way. We trust the officials of these agencies to handle properly billions of dollars in connection with loans of funds. The Congress does not approve every loan that is made by either the Development Loan Fund or the Export-Import Bank. Congress depends on the good judgment of the officials of those organizations. Congress examines their annual reports; and if it finds that something wrong or something questionable has been done, an explanation is required, and so forth. But Congress reposes that trust in the officials of these lending agencies of the executive branch of the Government. So I do not think that by means of this measure we would do any more than we have done for years in connection with these lending organizations; and I am willing to place my trust in those who run them.

Mr. LAUSCHE. In the course of the hearings, I pursued a long line of questions in an effort to determine whether an expanded use might be made of these soft currencies, through depositing them with the International Development Association, as distinguished from their direct use by our established agencies. The answers given showed clearly that such use would be practically identical.

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. If the use would be practically identical, why should not we ourselves use them, by means of our direct authorizations?

I realize that the International Development Association may be able to make some further use; so long as it has hard currency, it will be able to lend both hard currency and soft currency, in order to work out a project.

Mr. BUSH. Mr. President, the Senator from Ohio has very ably answered his own question, I believe; and I agree.

Mr. LAUSCHE. Mr. President, I am constantly amazed by the great knowledge the Senator from Connecticut has acquired in regard to this bill, even though he is not a member of the committee; and in making that statement, I mean no reflection——

Mr. BUSH. Well, Mr. President, I would remind the Senator from Ohio, if I need to do so, that when he was a member of the Banking and Currency Committee, I was one of the sponsors of the original resolution which preceded this measure. That resolution was reported on July 12, 1958. So this is not the first time I have heard of this measure.

Mr. LAUSCHE. Mr. President, I commend the Senator from Connecticut for the able presentation he is making.

Mr. BUSH. I thank the Senator from Ohio very much for his contributions to the debate.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. I yield.

Mr. WILLIAMS of Delaware. The Senator has said he does not think the phrase "other financing," which we wish to have stricken from the bill, could under any circumstances embrace gifts. He suggested he would be willing to go along with an amendment which would specifically spell out that gifts could not be advanced. I might remind the Senator from Connecticut that that is all I am trying to accomplish. I just left the floor to confer with one of the representatives of the Treasury Department. He stated they were unalterably opposed to such a proposal and would insist upon retaining the language in the bill whereby, under their interpretation, they could make gifts or grants if they wished to do so. I state their position for the RECORD even though I disagree with them.

The Senator from Connecticut and I are in complete agreement that gifts should not be made. Therefore, will the Senator from Connecticut go along with me and support an amendment spelling out the language as the Senator has suggested; namely, that the authority should not include any right to make gifts or grants?

Mr. BUSH. The words "excluding gifts" could be inserted. The Senator from New York suggested that language.

Mr. WILLIAMS of Delaware. I thought it was only fair to point out their position even though I think gifts and grants should be excluded. The Treasury Department and the State Department are opposed to the modification which I have suggested to restrict their right to make these gifts.

Mr. BUSH. Did he say why?

Mr. WILLIAMS of Delaware. Because it would stop them from making gifts if they wished to do so.

Mr. BUSH. If the Senator wishes to offer such an amendment, I will support it.

Mr. HICKENLOOPER. Mr. President, may I inquire who has the floor?

Mr. BUSH. I have the floor. Does the Senator want me to yield the floor?

Mr. HICKENLOOPER. I have an observation or two to make.

Mr. BUSH. I am glad to yield to the Senator.

Mr. HICKENLOOPER. The Senator from Massachusetts [Mr. SALTONSTALL] probably wants the floor in his own right. Will the Senator from Connecticut yield to me for a moment?

Mr. BUSH. I yield.

Mr. HICKENLOOPER. I think there is considerable validity in the argument which the Senator from Delaware has been making over the question of outright gifts, over which we would have no control once we turned these currencies over to the Development Fund. However, I wish to call attention—perhaps it was brought out some time during the debate—to the statement of Mr. Upton as it appears at page 74 of the hearings, in which he said:

> It is the present view of the administration that, if it transfers Public Law 480 currencies to the International Development Association under this provision—

This is the important part—

> it would not require the International Development Association to return these currencies to the United States, except in the event of the liquidation of the International Development Association or the withdrawal of the United States from membership.

So I think it is fair to say, under that statement, that such grants would not be gifts in the full sense of the word.

Mr. BUSH. That is what I have contended.

Mr. HICKENLOOPER. There would be transfers of local currencies, which, so long as we stayed in the International Development Association, or unless the International Development Association were liquidated, would be usable for its purposes. That provision is not contained in the proposed law. It is a statement of policy made by Mr. Upton.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. Yes, if the Senator from Connecticut will yield.

Mr. BUSH. I should like to observe that I would be surprised if that statement would commit the United States to make deposits with the International Development Association only on those terms. It would seem to me the language of the bill is much broader than that, namely, that loans and also other financing can be made, and it does not specify what forms the other financing shall take.

Mr. HICKENLOOPER. The terms of the bill are clear, and I do not think the RECORD should be cloudy on this point. We discussed this question in the Foreign Relations Committee. There was considerable discussion of it. The Senator from Delaware was very much interested in it. The bill provides that "loans or other financing may be provided to the Association by a U.S. agency created pursuant to an Act of Congress which is authorized by law to make loans or provide other financing to international organizations."

I think, clearly, that language provides that the agencies may make gifts. Leaving the language as it stands in the bill, I was under that impression; and I voted in committee to have the bill come to the floor. That was my understanding. However, there is a policy statement by Mr. Upton contained in the hearings which sets out the policy.

I take it as inherent in the bill that any agency referred to in the bill, or the administration which was handling these funds, would have full authority to impose terms and conditions upon the use of the money, which would include the return of the money, or a lien on the money, or a right to recover or recoup it in event of withdrawal by the United States from the organization, or in the event it was liquidated. However, that would be an administrative action at that time, and could be changed by future administrative policy.

I do not think we ought to dodge the issue on that point. While one administrator or one executive at a particular time might impose those terms and conditions with respect to $50 million of currencies that went into the fund, a succeeding executive or administrator might elect to make a gift of the $50 million of currencies.

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

Mr. BUSH. I yield, if the Senator from Iowa is through.

Mr. SALTONSTALL. I agree with what the Senator from Iowa has just said, and I would add one further suggestion. He has said that Mr. Upton's statement dealt with the liquidation of IDA or the withdrawal of the United States as a member. I should say we had not gone quite far enough if we are to follow article III of section 2 of the IDA agreement, because it provides that the Association may enter into arrangements, on such terms and conditions consistent with the provisions of this agreement, as may be agreed upon to obtain the soft currency. That would mean that the United States might, if it wanted to, enter upon a third way of getting the soft currency back, namely, by an agreement.

Mr. HICKENLOOPER. That understanding was inherent in what I said previously, to the effect that an administrator could impose terms and conditions upon an agreement which would include return upon liquidation or return to the United States upon our withdrawal from the Association. It could also impose terms and conditions with respect to repayment.

Mr. SALTONSTALL. That is correct.

Mr. BUSH. Exactly.

Mr. HICKENLOOPER. Whether one calls it a promissory note, or whatever else one wants to call it, the terms and conditions would be within the authority of the administrator.

The point I wish to make clear, however, is that while I myself am willing to support this measure, and did support it in committee, and I think it is all right, for a number of years I have favored a system of what one might call soft loans, rather than donations, as a basic principle. However, I wished to make clear that the point at issue is that outright gifts can be made under the proposed law; it is an administrative problem, and it is not inhibited in any way by the terms of the proposed statute.

Mr. BUSH. Will the Senator answer a question on the amendment suggested by the Senator from New York; namely, that the words "excluding gifts" be inserted after the words "or other financing," in order to make clear it is not the intention of Congress that this money shall be given away; in other words, to exclude gifts from the possibilities of "other financing."

Does the Senator care to answer that?

Mr. HICKENLOOPER. I would want to think about the question a minute. Normally, I should like to get away from gifts.

Mr. LAUSCHE. Mr. President, may I answer the Senator?

Mr. HICKENLOOPER. If it is satisfactory with the Senator from Connecticut.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Connecticut yield to the Senator from Ohio?

Mr. BUSH. I yield to the Senator from Ohio.

Mr. LAUSCHE. That would seem to be a solution, if we defined "gifts" in its ordinary, accepted meaning. The circumstances in one instance may not represent a gift, but the ultimate use of the money may be equivalent to a gift.

Mr. HICKENLOOPER. I will say, if the Senator from Connecticut will yield to me further, that so far as I am concerned I am perfectly willing to accept the provisions as set out in the statement of policy by Mr. Upton in the bill before us, which would mean that we still would have a lien on these currencies, although they might remain in the fund indefinitely. Upon withdrawal of the United States from membership, or in the event of liquidation of the International Development Association, those currencies would be the property of the United States and returnable to the United States. That would be highly satisfactory to me.

As to the question of a prohibition, cutting off any gifts of these currencies, as I say, I want to think about that question a bit. I think perhaps I would rather not do that.

Mr. BUSH. I will say to the Senator, while he is thinking about it, that I have been perfectly content to go along with this language the way the committee reported the bill. I am content. The Senator from Delaware [Mr. WILLIAMS] and other Senators are disturbed about the question of gifts. So far as I am concerned, I am willing to accept the proposed language, though I do not think it is necessary.

Mr. HICKENLOOPER. The Senator from Delaware wants some protection written into the proposed statute. I understand the Senator's feelings. Other Senators want protection in a statute. I do not quite take that position. I think the operations over the past several years indicate that we will not be unduly profligate with the money. After all, we can always pull up short on the bridle, if we think things are going too fast or if this organization is doing things it should not.

I am willing to acept the language with the policy statement.

I will say, so far as writing the language into the proposed statute is concerned, in this instance, without some further thinking on it, that I can see no particular harm in putting the policy statement into a statute, as the law.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I thank the Senator from Iowa for his contribution, because I think it is important that we should clear up the point at issue, even though there can be a difference of opinion.

This all gets back to what I said at the beginning. Under the bill, gifts and grants could be made. As the Senator from Iowa pointed out, these currencies may return to us in the event of ultimate liquidation of the organization, but I wish to point out what Mr. Upton said. It is the present view of the administration that the administration would follow such a course; but that does not mean the procedure could not change tomorrow, or that another administration, as the Senator from Iowa pointed out, could not change it.

That is contained in the statement of Mr. Upton, as shown on page 75 of the hearings. He said:

> If the United States, because of a change in the situation at some future time, wished to change the conditions on which it provided local currencies for lending by the International Development Association, it could propose different terms applicable to later transfers, subject to agreement with the International Development Association and the countries concerned.

In other words, even though an agreement is entered into now whereby the currencies will come back upon liquidation, at some subsequent time an agreement could be entered into to provide differently.

The point I make is that if we do not intend that the agencies should have the right to make outright grants or gifts of all or of any part of the $1½ billion or $2 billion we should so specify in the law.

The only way to do that is to adopt an amendment to the bill specifically prohibiting such gifts.

As a result of the colloquy and the interrogation by committee members during the hearings I think it was clearly understood that if the Congress enacts this bill as it is presently before us the Department will interpret it as being the intention of Congress that the Department has authority to make gifts or grants if at some future date it decides to do so. They were not evasive on that point. It was clear.

I appreciate the fact that the Senator from Connecticut is willing to go along with us in supporting this amendment. If this agency can be organized on a businesslike basis I will support the bill. I am not arguing against the principle of international cooperation with other countries in forming a lending agency. I agree with that principle. But if we are going to do it, let us do it upon a businesslike basis and in accordance with the terms of the international agreement wherein each country will pay into the fund its proportionate share. Our share would be about 32 percent, but let us not leave this question open, or we may end up spending an extra $1½ billion or $2 billion without anything to show for it.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. WILLIAMS of Delaware. Mr. President, does the Senator from Massachusetts desire to speak?

Mr. SALTONSTALL. Mr. President, did the Senator offer his amendment?

Mr. KEATING. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEATING. We have before us only the language suggested by the Senator from Delaware?

The PRESIDING OFFICER. No amendment has been offered.

Mr. KEATING. In order to bring the question before us formally, I wish to offer a substitute.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. KEATING. I offer a substitute for the Senator's amendment.

The PRESIDING OFFICER. No amendment is pending.

Mr. SALTONSTALL. The Senator has not offered an amendment.

The PRESIDING OFFICER. The Chair is informed that no amendment is pending.

Mr. KEATING. There is no amendment pending?

The PRESIDING OFFICER. There is no amendment at the desk. The bill is open to amendment. If there is no amendment to be offered, the third reading of the bill is in order.

Mr. WILLIAMS of Delaware. Mr. President, if no Senator desires to speak, I suggest the absence of a quorum following which I will formally submit the amendment which we have been discussing.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WILLIAMS of Delaware. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. On page 3, line 3, after "financing", it is proposed to insert "(except gifts)"; in line 4, after "financing", to insert "(except gifts)"; and in line 7, after "financing", to insert "(except gifts)".

The PRESIDING OFFICER. The question is on the amendment of the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I think the Senator from Massachusetts [Mr. SALTONSTALL] wishes to speak—I hope in support of the amendment. Before he proceeds, I wish to point out that the adoption of the amendment would spell out in specific terms the fact that gifts or grants would not be provided under authority of this law, and if any gifts were contemplated later to the international agency, the administration would have to come first to the Congress and get our approval. The approval of this amendment would not prohibit our participation in the international agency on the basis suggested in the international agreements, but it should be clear the adoption of this amendment would prohibit any gifts or

grants being given to this international agency now or at any future date.

Mr. SALTONSTALL. Mr. President, I oppose the amendment because, as a member of the Committee on Appropriations for a good many years, I have seen the difficulty involved in profitably making use of so-called soft money. I believe the bill provides a proper and helpful use for it.

I wish to make two points: First, the bill would save hard currency in cases in which it might be practicable to do so; second, three approvals are necessary in order to carry forward the proposed arrangement concerning soft currencies. First, it must have the approval of the United States; second, it must have the approval of the country whose currency is involved; third, it must have the approval of the authority itself. When those three approvals are obtained, and when the United States has made an agreement that it believes is in the best interests of our country and in the best interests of the country to which the loan is to be made, then we shall have something which will be helpful and something for which we have been working for years, instead of making grants or providing for the form in which the money shall come back to us when, as, and if we can get it back.

I believe the International Development Association's terms of agreement specifically cover this case, because they make possible for us to make such an arrangement as we believe is practical and helpful.

I hope the pending amendment will be rejected. We must have some confidence in the Secretary of the Treasury and the Treasury Department. I believe they intend to go into the program very slowly and carefully. If we find that the administration is abusing its discretion, we can enact legislation to restrict improper practices.

Furthermore, the same language provided in the bill is contained in the agreement and the legislation concerning the international American bank.

Mr. FULBRIGHT. Mr. President, on the pending amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, I am opposed to the amendment. It is wholly unnecessary. Secretary of the Treasury Anderson or his successor will not carelessly use the funds concerned.

I ask unanimous consent to insert at this point in the RECORD a statement prepared by me relative to section 5(c) of S. 3074.

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

STATEMENT BY SENATOR FULBRIGHT

First, a word of explanation about the clause in section 5(c) which this amendment proposes to delete. The "except" clause does not in itself expand the President's authority to utilize foreign currencies. Instead, it leaves the door open for him to employ, with respect to the proposed Association, the powers granted him by other legislative provisions governing international financing activities, specifically, Public Law 480, 83d Congress.

In other words, this is a permissive clause. It is left to the President to determine whether a more effective use may be made of an underdeveloped country's local currency repayments through the Association than through bilateral means. The administration's views on this subject are given in detail on pages 74 and 75 of the committee print of the hearings.

I believe it should be made clear that this amendment, if accepted, would greatly hamper and perhaps even preclude the contribution of local currencies by the United States to the Association. Each such contribution would involve a negotiated agreement between the United States, the country whose currency would be used, and the Association. Anyone familiar with our foreign policy operations does not need to be told about the difficulties of negotiating with foreign governments on the basis of having to seek subsequent congressional approval for even relatively minor transactions in local currencies. Indeed, the problems of timing, as well as the uncertainties of our legislative process, make such governments highly reluctant to enter into a contingent agreement unless they see their own interests directly and deeply engaged. Yet the benefits of the supplemental use of their currencies in the Association probably would only be fully shown over a considerable period of time. Due to internal political and social pressures, most underdeveloped countries find it difficult to justify to their impatient peoples the long-range view of economic progress.

I would like to point out that, in approving the Monroney resolution, the Senate has already accepted the objective of using our local currency accumulations in the Association.

In sum, I submit that a vote for this amendment is a vote against giving the President discretion to contribute local currencies to the Association.

Mr. FULBRIGHT. I also ask unanimous consent that the material submitted by Mr. Upton for the committee which appears on page 74 of the hearings be inserted at this point in the RECORD. I think it expresses the situation with sufficient clarity to make a proper legislative record as to the use the Treasury expects to make of the authority contained in the bill.

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

Senate Resolution 264 (85th Cong., 2d sess.) suggested as one of the objectives of the International Development Association "facilitating, in connection with such loans, the use of local and other foreign currencies, including those available to the United States through the sale of agricultural surpluses and through other programs." This objective was kept in mind in the negotiation of the articles of agreement of the Association in the Executive Board of the International Bank, and, accordingly, article III, section 2(a) of the proposed articles provides for arrangements whereby one member may make available to the International Development Association supplementary resources in the currency of another member. The terms and conditions on which such resources may be made available are subject to agreement between the International Development Association and the United States, as the country providing the resources, and the transfer to the International Development Association is subject to the consent of the country whose currency is transferred.

It is the present view of the administration that, if it transfers Public Law 480 currencies to the International Development Association under this provision, it would not require the International Development Association to return these currencies to the United States, except in the event of the liquidation of the International Development Association or the withdrawal of the United States from membership. The currencies thus initially provided by the United States to the International Development Association could be used for loans principally to the country whose currency is involved in a given case. Repayments of principal would accrue to the International Development Association, and be available for further loans. In this way the International Development Association would have a revolving fund of local currencies which it could use in its operations separately or in conjunction with loans of foreign exchange. Accordingly it will be possible to program such uses in advance, and it will eliminate renegotiation on the reuse of these local currency funds with the countries concerned. Continued availability of these local currency resources should make for more effective use of them in promoting economic development.

At the present time somewhat more than half the proceeds from the sale of goods under title I of Public Law 480 is returned in the form of loans or grants, principally loans, to the foreign country which purchased the agricultural surplus. It is from this portion of the future sales proceeds that it is expected that a moderate proportion may be agreed upon in future sales agreements for transfer to the International Development Association. These loans are now being made in local currencies and are being repaid in local currencies. Under existing arrangements the amounts of local currencies expected to accrue to the United States in some countries will be in excess of the amounts which can be used for U.S. Government purposes. The main use which can be made of interest and amortization payments received in these local currencies, when in excess, will be to make further loans of these currencies back to the country. Unless these currencies at some future time could be transferred into other currencies or used to meet U.S. requirements for these currencies, the United States would not, in any event, receive a dollar income from these reflows.

Generally speaking, it is our present view that similar considerations would apply to the payment of interest by the International Development Association as apply to the repayment of principal of local currencies supplied to it under these arrangements. The United States in transferring local currencies could agree with the International Development Association, however, on the disposition of net earnings on loans made with the currencies so supplied, in accordance with the articles of agreement.

It should be noted that each initial transfer of currency to the International Development Association will have to be negotiated. If the United States, because of a change in the situation at some future time wished to change the conditions on which it provided local currencies for lending by the International Development Association, it could propose different terms applicable to later transfers, subject to agreement with the International Development Association and the countries concerned.

Mr. HICKENLOOPER. Mr. President, I do not wish to delay action on the amendment. I will take only a moment. I shall vote against the amendment for several reasons:

First, we have a precedent for the actual making of gifts from Public Law 480 funds under the law already in existence; second, we have a policy statement by Mr. Upton stating the gen-

eral policy that the United States will retain eventual reversionary interest, at least in these funds; and third, I do not believe there will be an extravagant use of these funds by way of gifts into the Development Loan Fund.

I wish to make perfectly clear that in my view and in the view of the committee there will be constant surveillance of the use of these funds with respect to the Development Loan Fund, and that at any time it appears that unwarranted amounts of these currencies may be transferred to the Development Loan Fund, the committees of Congress can immediately call a halt to it. It has authority to stop the practices. But I do think the Development Loan Fund ought to be given a chance to operate. As I said a moment ago, it is a theory I have long supported.

The House has passed the bill, and I think we should get this operation going. I believe that to put these funds on a loan basis rather than a gift basis would fill a need which has been in existence in the international field for a long time.

Mr. AIKEN. Mr. President, I think the amendment offered by the Senator from Delaware [Mr. WILLIAMS] is a very sound amendment and ought to be adopted by the Senate. We who are critical of the claim of the executive branch that they have the right to use this foreign currency, which amounts to something over a billion dollars a year, in any way they see fit, have no objection at all to that money being loaned to the International Development Association. We simply ask that they be stopped from giving away funds amounting to a billion dollars a year to this international organization. We are already contributing $320 million to this organization. I have no objection to the International Development Association as such. I do have objection to giving the executive branch of the Government authority to give away up to $1 billion a year which will never return to this country.

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

Mr. AIKEN. I yield.

Mr. DWORSHAK. Will Congress have any control over the use of these local currencies?

Mr. AIKEN. After they are given away they will not.

In reply to the statement of the Senator from Iowa [Mr. HICKENLOOPER] that Congress also has the right to revoke whatever action is taken, I say that Congress will be able to revoke it only by a two-thirds vote, and that is not likely to happen. Once we decide to give the President, or whomever he designates, authority to give away $1 billion a year in foreign currency, we shall not be able to revoke that action. I am sure of that. I believe in building up the developing countries, but there is always an escape clause in every one of these bills which permits the money to go to a country that is very well developed and has become one of our principal competitors. I should like to enact legislation that will assure that the money is going to build up developing countries in Asia and Africa and Latin America.

Last year Congress authorized, in gold, in dollars, and in guarantees and expenditures, approximately $14 billion, to be spent in other countries. Included in that sum, of course, was $3,400 million as the cost of maintaining our Armed Forces abroad. We guarantee the loans that are made to the World Bank. Only a few months ago they issued about $500 million in bonds. Almost every dollar of that was picked up by investors in Western Europe at 5 percent. We guarantee that the bonds will be repaid when they become due.

We cannot go on indefinitely encouraging the exporting of industry and capital out of the United States. We are getting into a dangerous position. We have reached the point where some American industrialists have told me that they are in competition with themselves. They are going to Western Europe, day after day. I read only recently in the Wall Street Journal that about 150 American concerns had, within the last 2 or 3 months, established main offices in Switzerland, where they receive very good tax benefits. Western European countries today are offering special inducements to American industries to move over there. They get much better tax inducements over there than they get in this country.

They can export their products to other parts of the world at nowhere near the cost of exporting those industrial products from the United States to other parts of the world. We are losing our industry. We are losing capital. There are proposals before Congress now which put an incentive on never bringing that capital back to the United States, or the money earned by it. We cannot be too careful in this respect. I wish we would use our heads.

Mr. DWORSHAK. Mr. President, will the Senator yield.

Mr. AIKEN. I yield.

Mr. DWORSHAK. I am in complete agreement with the Senator from Vermont. However, I wonder if we cannot be somewhat tolerant in considering possible support for this proposal. The Senator from Vermont knows that since the end of World War II we have channeled abroad about $90 billion. We have completely disbursed our gold reserves. Perhaps all we have left now are these soft currencies. If we get rid of those, we will have nothing left.

Mr. AIKEN. If Senators will look at the news ticker just outside the door of the Chamber, they will find an item on the news ticker stating how much the sterling countries have increased their gold reserves during the last few months. I think it was by $30 million or $40 million. I do not believe our gold reserves have been increased. Instead, I believe they have gone down by several hundred million dollars in the last few years.

I am in favor of helping developing countries get developed, but I am not in favor of tearing down American industry. I am not in favor of exporting capital to other countries, even if they can get a 30-percent income return on the investments.

I have been in foreign countries where there is a great deal of American money and where borrowers in those countries pay 22-percent interest, and up. The proposed legislation, if I am not mistaken, would permit the United States to commit this fund, which may run up to a billion dollars a year, to IDA, and deposit those funds in banks in foreign countries, for the most part branches of American banks, where it will lie, with no interest being paid to this country, and then be loaned by these branch banks at very high rates of interest.

This is not even a subsidy. It is a handout. This is what this bill is without the pending amendment. I support the bill. I believe it will enable loans owned by banks or by the World Bank to be transferred, so that they will show no losses. I am not particularly against that. What I am against in the bill is the assumption of the executive branch of the Government that they have the right to do as they please with $1 billion or $1½ billion of income from the sale of American farm commodities without getting further permission from Congress.

I believe I have spoken long enough. I have in my hand a list of the banks in various countries where these deposits are made. I assume the same banks would get these deposits. I will not put the list in the RECORD, as I told the Senator from Connecticut I might do, unless there is a demand for it, because I think that almost any bank that had an opportunity to do so would make the most of it, and there is no reason why we should pick out certain ones to be favored in that respect.

I hope that the amendment offered by the Senator from Delaware will be approved. I am not going to make my support of the whole proposal contingent upon it, but if we want to protect the U.S. taxpayers, particularly U.S. producers, to a reasonable extent, we must have some safeguards in the legislation. This is a very small safeguard. It merely provides that we shall not give away this money, but that we can lend it. We can lend the money at perhaps 1½ percent interest, but we cannot give the money away.

Mr. JAVITS. Mr. President, I should like to propound two parliamentary inquiries to the Chair.

The PRESIDING OFFICER (Mr. MCGEE in the chair). The Senator will state them.

Mr. JAVITS. First, does the measure which is now before the Senate require a two-thirds vote for passage, as does a treaty?

The PRESIDING OFFICER. A majority vote is required on the passage.

Mr. JAVITS. Would any subsequent legislation relating to a part of the bill which is now sought to be amended require a two-thirds vote?

The PRESIDING OFFICER. Any legislation would require only a majority vote for passage.

Mr. AIKEN. I was referring to a two-thirds vote necessary to enact legislation over a Presidential veto. I would rather not have any President given this

power in legislation of this type. It would take a two-thirds vote of Congress to override a Presidential veto.

Mr. JAVITS. I thank my colleague.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from New York may yield to me, with the understanding that he will not lose the floor.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. JOHNSON of Texas. I should like to inquire whether Senators are prepared to vote this evening, or whether they have additional statements to make.

Mr. JAVITS. I shall speak for not more than 5 or 6 minutes.

SCHOOL CONSTRUCTION ASSISTANCE ACT OF 1960

Mr. HILL. Mr. President, will the Senator from New York yield to me, with the understanding that he will not lose his right to the floor?

Mr. JAVITS. I yield.

Mr. HILL. Mr. President, I ask unanimous consent to take from the table H.R. 10128, to strike out everything after the enacting clause, and to insert in lieu thereof the text of Senate bill 8; further, that the Senate ask for a conference on the bill with the House, and that the Chair appoint the conferees on the part of the Senate.

Mr. JAVITS. Mr. President, reserving the right to object, may I know from the Senator from Alabama what his ideas are with respect to conferees?

Mr. HILL. My ideas are that the Senate will follow the usual procedure, by appointing, in this case, Senators who are members of the Subcommittee on Education of the Committee on Labor and Public Welfare, and that the Senator from New York would be one of the conferees.

Mr. JAVITS. I have no objection.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 10128) to authorize Federal financial assistance to the States to be used for constructing school facilities.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. HILL. My further request is that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the text of Senate bill 8, which is the bill the Senate has already passed.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD at this point.

The amendment, in the nature of a substitute, ordered to be printed in the RECORD, is as follows:

SECTION 1. That this Act may be cited as the "School Assistance Act of 1960".

DECLARATION OF PURPOSE

SEC. 2. It is the purpose of this Act to authorize a two-year program of Federal grants to the States to provide assistance in the construction of urgently needed public elementary and secondary school facilities in local communities and for teachers' salaries.

ASSURANCE AGAINST FEDERAL INTERFERENCE IN SCHOOLS

SEC. 3. In the administration of this Act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the policy determination, personnel, curriculum, program of instruction, or the administration or operation of any school or school system.

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. There is hereby authorized to be appropriated for the fiscal year beginning July 1, 1960, and for the next fiscal year, an amount equal to $20 times a number equal to the school-age population of the United States, as defined in section 5(b)(4), for the purpose of making payments to State educational agencies to provide assistance in the construction of urgently needed public elementary and secondary school facilities in local communities and for teachers' salaries under this Act.

ALLOTMENTS AND PAYMENTS TO STATES

SEC. 5. (a) The sums appropriated pursuant to section 4 shall be allotted among the States on the basis of the income per child of school age, the school-age population, and effort for school purposes of the respective States. Subject to the provisions of section 6, such allotments shall be made as follows: The Commissioner shall allot to each State for each fiscal year an amount which bears the same ratio to the sums appropriated pursuant to section 4 for such year as the product of—

(1) the school-age population of the State, and

(2) the State's allotment ratio (as determined under subsection (b)).

bears to the sum of the corresponding products for all the States.

(b) For purposes of this Act—

(1) The "allotment ratio" for any State shall be 1.00 less the product of (A) .50 and (B) the quotient obtained by dividing the income per child of school age for the State by the income per child of school age for all the States (exclusive of Puerto Rico, Guam, and the Virgin Islands), except that (A) the allotment ratio shall in no case be less than .25 or more than .75, and (B) the allotment ratio for Puerto Rico, Guam, and the Virgin Islands shall be .75.

(2) The allotment ratios shall be promulgated by the Commissioner as soon as possible after the enactment of this Act on the basis of the average of the incomes per child of school age for the States and for all the States (exclusive of Puerto Rico, Guam, and the Virgin Islands) for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for purposes of this Act.

(3) The term "child of school age" means a member of the population between the ages of five and seventeen, both inclusive.

(4) The term "school-age population" means that part of the population which is between the ages of five and seventeen, both inclusive, and such school-age population for the several States shall be determined by the Commissioner on the basis of the population between such ages for the most recent year for which satisfactory data are available from the Department of Commerce.

(5) The term "income per child of school age" for any State or for all the States means the total personal income for the State and for all the States (exclusive of Puerto Rico, Guam, and the Virgin Islands), respectively, divided by the number of children of school age (in the State and in all such States, respectively).

(c) As soon as possible after amounts appropriated under section 4 become available for payment, the Commissioner shall pay to each State, which has complied with the provisions of section 7 for the year with respect to which such payment is to be made, the amount allotted to it pursuant to subsection (a) of this section, as adjusted by the application of the provisions of section 6.

MAINTENANCE OF STATE AND LOCAL SUPPORT FOR SCHOOL FINANCING

SEC. 6. (a) The allotment of any State under section 5 shall be reduced by the percentage (if any) by which its State school effort index for such year is less than the national school effort index for such year, with the exception that during the first year that allotments are made under this Act this provision shall not be applicable. The total of such reductions shall be reallotted among the remaining States by proportionately increasing their allotments under section 5 for such year.

(b) For purposes of subsection (a)—

(1) The "State school effort index" for any State for a fiscal year is the quotient obtained by dividing (A) the State's school expenditures per public school child by (B) the income per child of school age for the State; except that the State school effort index shall be deemed to be equal to the national school effort index in the case of (i) Puerto Rico, the Virgin Islands, Guam, and the District of Columbia, and (ii) any State for which the school expenditures per public school child are not less than the school expenditures per public school child for all the States;

(2) The "national school effort index" for any fiscal year is the quotient obtained by dividing (A) the school expenditures per public school child for all the States (exclusive of Puerto Rico, Guam, the Virgin Islands, and the District of Columbia) by (B) the income per child of school age for all such States.

(c)(1) The school expenditures per public school child for any State for purposes of determining its State school effort index for any fiscal year means the quotient obtained by dividing (A) the total expenditures by the State and subdivisions thereof for elementary and secondary education made from funds derived from State and local sources in the State, as determined by the Commissioner on the basis of data for the most recent school year for which satisfactory data for the several States are available to him, by (B) the number of children in average daily attendance in public elementary and secondary schools in such State, as determined by the Commissioner for such most recent school year.

(2) The school expenditures per public school child for all the States for purposes of determining the national school effort index for any fiscal year means the quotient obtained by dividing (A) the total expenditures by all the States (exclusive of Puerto Rico, Guam, the Virgin Islands, and the District of Columbia) and subdivisions thereof for elementary and secondary education made from funds derived from State and local sources, as determined by the Commissioner for the same school year as is used under paragraph (1), by (B) the number of children in average daily attendance for such year in public elementary and secondary schools in all such States, determined as provided in paragraph (1).

(3) The income per child of school age for any State and for all the States shall, for purposes of subsection (b), be determined by the Commissioner on the basis of the incomes per child of school age for the most recent year for which satisfactory data are available form the Department of Commerce.

STATE APPLICATIONS

SEC. 7. The State education agency of each State which desires to receive an allotment and payment under this Act shall submit an application to the Commissioner which—

(a) provides assurance that the State education agency shall be the sole agency for administering the funds received under this Act;

(b) sets forth procedures to insure that funds will be allocated among school facilities construction projects within the State so that priority is given to local education agencies which, in the judgment of the State education agency, have the greatest need for additional school facilities and which are least able to finance the cost of needed school facilities;

(c) provides assurance that every applicant, whose application for funds received under this Act for a construction project is denied, will be given an opportunity for a hearing before the State education agency;

(d) sets forth procedures for such fiscal control as may be necessary to assure proper disbursement of funds paid to the State under this Act;

(e) specifies the proportion of its State allotment that will be expended for (1) the construction of school facilities and (2) for teachers' salaries; and

(f) certifies that funds the State education agency specifies for teachers' salaries will be distributed among the local education agencies of the State to be expended solely for teachers' salaries in accordance with this Act.

In the case of any State in which a State agency has exclusive responsibility for the financing of the construction of school facilities, the Commissioner may modify or make inapplicable any of the foregoing provisions of this section with respect to the funds specified for school construction to the extent he deems such action appropriate in the light of the special governmental or school organization of such State.

MATCHING BY STATES AND LOCAL COMMUNITIES

SEC. 8 (a) After the first year that allotments are made under this Act, a State in order to receive its allotment for the following year must have matched the Federal funds the State received under the Act in the previous year by having increased its expenditures for elementary and secondary education by an amount that is not less than the product of (A) the State's share and (B) the expenditures for elementary and secondary education from State and local sources in the base school year 1959–60: *Provided*, That the State allotment shall be reduced by an amount equal to the sum by which the State fails to match the prescribed amount set forth in this section. The total of such reduction shall be reallotted among the remaining States by proportionately increasing their allotments under section 5.

(b) The "State's share" for a State shall be 5 per centum of the remainder of 1.00 less the State's allotment ratio as computed under section 5 except that in no case shall the State's allotment ratio be less than 0.33⅓ or more than 0.66⅔.

(c) For the purposes of this section expenditures for elementary and secondary education for any year means the total expenditures for public elementary and secondary schools by the State and subdivisions thereof made from funds derived from State and local sources in the State, as determined by the Commissioner on the basis of data supplied to him by the State education agencies.

(d) A State shall be considered to have matched its Federal funds in any year in which its school-age population is less than its school-age population in the base school year 1959–1960.

(e) If for any reason a State should fail to receive funds under this Act in any given year, for the purposes of the matching provisions contained in subsection (a), the State will be considered to have received Federal funds under this Act in that year.

PERIOD FOR USE OF FUNDS AND CERTIFICATION BY STATES

SEC. 9. (a) Upon receipt by the State, funds paid under this Act for any fiscal year shall thereafter be deemed to be State funds to be distributed and expended in accordance with the provisions of this Act not later than the end of the fiscal year following such fiscal year for which such funds were distributed.

(b) The State education agency of each State receiving funds under this Act shall, prior to the termination of such following fiscal year, (1) certify the amount of such funds received by such State which have been so distributed and expended, and (2) pay to the Commissioner any amount of such funds which have not been so expended.

(c) Any funds paid to the Commissioner under the provisions of this section shall be reallotted and paid to the States under the provisions of this Act during the fiscal year following that in which such funds were so paid to the Commissioner.

LABOR STANDARDS

SEC. 10. (a) The State education agency of each State which receives funds under this Act shall give adequate assurance to the Commissioner that all laborers and mechanics employed by contractors or subcontractors in the performance of work on school construction financed in whole or in part under this Act will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5).

(b) With respect to the labor standards specified in subsection (a) of this section the Secretary of Labor shall act in accordance with Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

DEFINITIONS

SEC. 11. For purposes of this Act—

(a) The term "Commissioner" means the (United States) Commissioner of Education.

(b) The term "State" includes Puerto Rico, Guam, the Virgin Islands, and the District of Columbia.

(c) The term "State education agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the officer or agency primarily responsible for State construction or supervision of construction of such schools, whichever may be designated by the Governor or by State law.

(d) The term "local education agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a city, county, township, school district, or political subdivision in a State; except that, in any State in which a State agency has exclusive responsibility for the financing of the construction of school facilities, it means such State agency. If a separate public authority has responsibility for the provision or maintenance of school facilities for any local educational agency or the financing of the construction thereof, such term includes such other authority.

(e) The term "school facilities" means classrooms and related facilities (including furniture, instructional materials other than textbooks, equipment, machinery, and utilities necessary or appropriate for school purposes) for education which is provided by a school district for elementary or secondary education, in the applicable State, at public expense and under public supervision and direction; and interests in land (including site, grading, and improvement) on which such facilities are constructed. Such term does not include athletic stadiums, or structures, or facilities intended primarily for events, such as athletic exhibitions, contests, or games, for which admission is to be charged to the general public.

(f) The terms "construct", "constructing", and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(g) The term "teacher" means any member of the instructional staff of a public elementary or secondary school as defined by the State education agency of each State.

(h) The term "teachers' salaries" means the monetary compensation paid to teachers for services rendered in connection with their employment.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment 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 and passed.

Mr. HILL. Mr. President, I ask unanimous consent that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Chair appoints Mr. HILL, Mr. MURRAY, Mr. MCNAMARA, Mr. JAVITS, and Mr. CASE of New Jersey conferees on the part of the Senate.

The title was amended so as to read: "School Construction Assistance Act of 1960."

Mr. HILL subsequently said: Mr. President, I ask unanimous consent that the names of the Senator from Texas [Mr. YARBOROUGH] and the Senator from Arizona [Mr. GOLDWATER] may be added as conferees on H.R. 10128.

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

INTERNATIONAL DEVELOPMENT ASSOCIATION ACT

The Senate resumed the consideration of the bill (S. 3074) to provide for the participation of the United States in the International Development Association.

Mr. JAVITS. Mr. President, addressing myself——

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

Mr. JAVITS. I yield.

Mr. DIRKSEN. Have the yeas and nays been ordered on the Williams amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. DIRKSEN. Is there some indication of how long the debate will continue?

Mr. JAVITS. I shall speak for about 5 or 6 minutes.

Mr. BUSH. I should like to speak for about 2 minutes.

Mr. DIRKSEN. Then may it be assumed that by 6 o'clock the Senate can vote on the Williams amendment?

Mr. WILLIAMS of Delaware. I expect to speak for about 5 or 10 minutes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be a limitation of debate of 10 minutes on each side on the Williams amendment.

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object, although I am willing to cooperate on reaching a vote rapidly I would not want to enter into any agreement to limit debate.

Mr. JAVITS. Mr. President, I shall support the opposition to the amendment. I shall vote against the amendment for this reason. I think that what has been argued here is very understandable. It is easy to accept the idea that we shall not make gifts of currencies. As a matter of fact, there is power now to make gifts of currencies under Public Law 480, and gifts of foreign currencies have been made in very large amount. The question really is, Shall we require the agency to return to Congress for new authority in an appropriation bill in order to do what is sought to be done? That is the real question before us. I believe it was the Senator from Iowa [Mr. HICKENLOOPER] who argued that Congress retains control in the sense that we can pass a law by a majority vote. The Senator from Vermont [Mr. AIKEN], whom no one loves more dearly and respects more than I, says the President could veto such a bill. Of course he could. He could veto any piece of proposed legislation. But I think we have to appreciate that this is a bill, not a treaty.

Why should so agreeable a contribution as is offered by the Senator from Delaware be rejected? I think it should be rejected for this reason: We must remember the fundamental purpose of the proposed legislation is to supply the tremendous demand by the less developed areas of the free world, which have caused us much trouble in international conferences and international negotiations. The United States was very much in the doghouse for a very long time in respect to negotiations in the United Nations concerning SUNFED—the Special United Nations Fund For Economic Development—because we were the "bad fellows"; we would not go along with that proposition, because we thought it was improvidently organized financially. The International Development Association is supposed to be a substitute for SUNFED.

We all know that the amount which is here provided—a billion dollars—is far from adequate. We have the most cogent and most pronounced testimony on that score. It is far from being adequate to do the work which needs to be done, because these will be lesser loans than the World Bank is willing to make.

If we expect to do something under the terms of the bill, let us do it in the way in which it will do us the most good. Let us not do it and, at the same time, give to it a coloration which will spoil the very effect of what we are doing.

Let us begin to do what is desired, and do it with the best of motives, the best of intentions, in the most appealing way. What is sought to be done is to put a restraint on what we wish to have considered as an act of statesmanship on the part of the United States, especially in view of the fact that ground rules have been laid down by the Secretary of the Treasury himself, through Mr. Upton, whose evidence is in the record before us, as to how the money will be used.

I have heard with the greatest of interest—and this is a point I should like to leave with Senators—the argument that we are creating competition for ourselves in other countries, and that the burden of competition is bearing in on the United States. No one knows that better than I. I come from an industrial State, where the problem of imports is becoming a real and burning issue. I have predicted to many Senators, and I predict again, that foreign economic policy will be one of the big issues of the 1960 campaign in the United States, and will be one of the big issues for 4 years, whoever is elected President following 1960.

We had better stake out our ground now in a very substantial, statesmanlike way, for this reason: We can not close up the world if we expect to keep it free. If we expect to have the United States participate in big protectionist programs, we shall thwart the very effort which we are making by the spending of billions of dollars militarily and economically for peace, if we act in a way which will have the effect of damaging the national security of the United States.

That does not mean letting down all the gates, repealing all the tariffs, and saying "Let us have free trade, and take our chances." It does not mean anything like that at all. It means that while we have reasonable hope concerning the kind of protection we will give American industry, while we give it the opportunity to secure major increases in world trade, including increases in exports, we must also do everything we humanly can to raise the labor standards and standards of consumption in other countries, especially in the underdeveloped areas of the free world. At the same time, we must also do everything possible to assure ourselves of a stable, continuous supply of basic commodities, without which our industrial machine would grind to a halt. It should be realized that right now the overwhelming majority of commodities which we are receiving come from the underdeveloped countries of the free world.

Finally, let us remember that we have an extremely active competitor. We are not alone in dealing with other countries of the world. We are dealing with the Communist bloc, which is standing poised to take advantage of every mistake we make in foreign economic policy. Therefore, at one and the same time that we try to phase out the problems of protective tariffs, quotas, and agricultural surpluses which lean heavily upon foreign trade in the United States, we must have a movement underway which is materially expanding America's standard of living to other countries, and which is providing for their greater development.

The IDA bill, although it is inadequate, provides an incentive for a movement forward of a very material kind, of a kind which we have needed for a long time, in respect to the development of the less developed areas. For the first time, we can use soft currencies to great advantage.

Therefore, I think we thwart our own objective when we impair the mobility with which we can use the soft currencies, and also thwart our objectives when we include provisions which discolor the character of the statesmanlike act which we are performing by joining IDA.

It is much harder to vote "nay" on the amendment than "yea"; it is much harder to explain. But I repeat what I have said many times: That is why we were sent here. We were not sent here to decide only the easy questions. We were not sent here to vote only on the easy questions.

I have the greatest respect for Senators who take a point of view opposite to my own. However, in view of the urgent action which can be performed by this kind of fund, and the fact that it will stabilize one of the big issues which has been made very clamorous upon us, and has resulted in very unfavorable relations with us among the less developed countries, we should not put a string on a real statesmanlike act so as to discolor and, in a sense, disqualify what we are trying to accomplish.

The second very basic proposition is that we will not help ourselves in this enormous new issue of foreign economic policy, especially as it relates to imports into the United States, unless at one and the same time we adopt the protective mechanisms which may be needed to carry our economy through a period of adjustment, and when we are stretching ourselves to raise the labor standards, the standards of living, and the levels of investment in the less developed areas of the free world.

For those reasons, I believe we must make, not the easy decision or the apparent decision, but the harder decision; and I believe we should leave unimpaired the bill as it has been reported by the committee.

Mr. WILLIAMS of Delaware. Mr. President, the Senator from New York has pointed out that if the present measure is enacted into law and if we decide later on that these funds are not being handled wisely the Congress can, by majority vote, change the arrangement. I believe the Senator from New York was slightly in error on that point, because under this measure once the Government is authorized to enter into these agreements and once the money has been given to this international agency we cannot retract our action. I point out that this will not be a domestic agency; it will be an international agency and will operate under an agreement which will have been ratified by 50 or 60 countries. Once we shall have given this new international agency the money—once that is done—I do not believe the Congress by majority vote will be able to change that agreement.

Mr. JAVITS. Mr. President, will the Senator from Delaware yield to me?

The PRESIDING OFFICER (Mr. McGEE in the chair). Does the Senator from Delaware yield to the Senator from New York?

Mr. WILLIAMS of Delaware. I yield.

Mr. JAVITS. The Senator from Delaware is always fair and is always accurate. In response to the statement he has made, let me say that certainly we shall commit the funds, once this program is undertaken; and once such funds have been committed, their use cannot be changed by means of a subsequent act of Congress. Furthermore, I understand that if we adopt this amendment whatever funds we have at the time when the agreement is made will be made available only pursuant to the provisions of the amendment.

I was directing my remarks to the statement made by the distinguished and beloved Senator from Vermont—namely, that we would have committed ourselves to the tune of $1 billion or $1,500 million of soft currencies, every year.

I do not believe that by means of a subsequent act of Congress—albeit subject to a Presidential veto—the Congress would be able to stop such use of those currencies; and when I vote for this provision, I shall realize that I am committing myself to such use of the soft currencies by these agencies, up to the time when such further act of Congress may be passed and enacted into law.

Mr. WILLIAMS of Delaware. I agree on that point; however, without the approval of this amendment we shall be authorizing this agency to use all or any part of the foreign currencies which have accumulated thus far or until this authority would be stopped by means of a future act of Congress—all future accumulated foreign currencies could be given to this new international organization. Once the funds are given to the agency we shall not be able to recall them.

I agree in principle with the proposal to create such an international agency instead of having our Government proceed to operate alone in this field, but let us establish it on a sound business basis, each country paying into the organization its proportionate part. The making of gifts is not a part of the international agreement into which we entered. Why give to the agency more than our proportionate and agreed part? Why be so anxious to get rid of this money without getting something to show for it. The other countries will not respect us for such action.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a schedule of the initial subscriptions to the proposed International Development Association as agreed upon by the respective countries. The schedule shows that it is proposed that the United States provide $320,290,000 as its part.

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

Schedule A—Initial subscriptions

(Millions of U.S. dollars)[1]

Part I:	
Australia	20.18
Austria	5.04
Belgium	22.70
Canada	37.83
Denmark	8.74
Finland	3.83
France	52.96
Germany	52.96
Italy	18.16
Japan	33.59
Luxembourg	1.01
Netherlands	27.74
Norway	6.72
Sweden	10.09
Union of South Africa	10.09
United Kingdom	131.14
United States	320.29
Total	763.07
Part II:	
Afghanistan	1.01
Argentina	18.83
Bolivia	1.06
Brazil	18.83
Burma	2.02
Ceylon	3.03
Chile	3.53
China	30.26
Colombia	3.53
Costa Rica	.20
Cuba	4.71
Dominican Republic	.40
Ecuador	.65
El Salvador	.30
Ethiopia	.50
Ghana	2.36
Greece	2.52
Guatemala	.40
Haiti	.76
Honduras	.30
Iceland	.10
India	40.35
Indonesia	11.10
Iran	4.54
Iraq	.76
Ireland	3.03
Israel	1.68
Jordan	.30
Korea	1.26
Lebanon	.45
Libya	1.01
Malaya	2.52
Mexico	8.74
Morocco	3.53
Nicaragua	.30
Pakistan	10.09
Panama	.02
Paraguay	.30
Peru	1.77
Philippines	5.04
Saudi Arabia	3.70
Spain	10.09
Sudan	1.01
Thailand	3.03
Tunisia	1.51
Turkey	5.80
United Arab Republic	6.03
Uruguay	1.06
Venezuela	7.06
Vietnam	1.51
Yugoslavia	4.04
Total	236.93
Total	1,000.00

[1] In terms of U.S. dollars of the weight and fineness in effect on Jan. 1, 1960.

Mr. WILLIAMS of Delaware. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a tabulation of U.S. Government securities held by foreign countries and by investors in those countries as well as the amounts held by international institutions, as of November 30, 1959.

This report was obtained from the Treasury Department, and based upon their survey the average maturity of these bonds is about 6 months and the average rate of interest, about 4¼ percent. The report is broken down by country holdings.

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

U.S. Government securities held by foreign investors and international institutions Nov. 30, 1959

[Dollars in millions]

	Bills and certificates of indebtedness		Notes and bonds [2]	All U.S. Government securities	Memorandum: Percentage of bills and certificates held by foreign banks and official institutions
	Held by foreign banks and official institutions [1]	Held by all other foreigners			
Foreign countries:					
Italy	$1,218	$6	(3)	$1,224	99.5
Germany, Federal Republic	1,200	5	$16	1,221	99.6
Canada	489	89	444	1,022	84.6
United Kingdom	219	112	324	655	66.2
France	567	4	35	606	99.3
Japan	525	(3)	2	527	99.9
Switzerland	174	22	89	286	88.7
Netherlands	237	13	28	278	94.8
Sweden	117	(3)	101	218	99.9
Greece	158	1	(3)	159	99.4
Norway	9	2	141	152	84.9
Denmark	82	1	64	147	98.4
Foreign contries—continued					
Austria	$89		$7	$96	100.0
Thailand	95	(3)	1	96	99.9
Cuba	9	$1	82	92	87.7
Australia	69	(3)	(3)	69	99.9
Finland	65		1	66	100.0
India	64		1	65	100.0
Indonesia	54		1	55	100.0
Belgium	12	1	7	20	94.4
Czechoslovakia					
Poland			(3)	(3)	
Portugal		(3)	1	1	
Rumania					
Spain		(3)	3	3	

See footnotes at end of table.

U.S. Government securities held by foreign investors and international institutions Nov. 30, 1959—Continued

[Dollars in millions]

	Bills and certificates of indebtedness		Notes and bonds [2]	All U.S. Government securities	Memorandum: Percentage of bills and certificates held by foreign banks and official institutions
	Held by foreign banks and official institutions [1]	Held by all other foreigners			
Foreign countries—continued					
Turkey		(3)	(3)	(3)	
U.S.S.R.					
Yugoslavia			(3)	(3)	
Argentina	(3)	(3)	(3)	(3)	5.3
Bolivia		(3)	(3)	(3)	
Brazil	(3)	$2	$1	$3	3.1
Chile		(3)	(3)	(3)	
Colombia	(3)	(3)	(3)	(3)	89.8
Dominican Republic		(3)	(3)	(3)	
Guatemala	$4	(3)	(3)	4	95.0
Mexico	11	12	3	26	46.8
Panama	(3)	5	3	8	.4
Peru		1	1	2	
El Salvador	1		(3)	1	100.0
Uruguay	(3)	4	(3)	4	.1
Venezuela	(3)	2	2	4	2.5
China mainland			1	1	
Foreign countries—continued					
Iran	$1		(3)	$1	100.0
Israel	39		$1	40	100.0
Korea	31			31	100.0
Philippines	20	(3)	3	23	99.3
Taiwan	(3)	(3)	(3)	(3)	9.8
Belgian Congo	2		(3)	2	100.0
Egypt	1		(3)	1	100.0
Union of South Africa	12		1	13	100.0
Other Europe [4]	389	$4	63	456	98.9
Other Latin America [4]	11	(3)	11	22	98.0
Other Asia [4]	154	(3)	34	188	99.9
All other [4]	13	1	(3)	14	95.4
Total, foreign countries	6,140	291	1,472	7,903	95.5
International institutions	[5] 3,016	(3)	646	3,662	
Grand total	9,155	291	2,118	11,565	

[1] Includes central banks and commercial banks (both private and Government owned).
[2] Not available by type of investor.
[3] Less than $500,000.
[4] As reported to the Treasury. "Other Europe" includes Bank for International Settlements.
[5] Includes $2,055,250,000 of special notes issued to the International Monetary Fund which are nonnegotiable, bear no interest and are payable on demand.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Treasury Department.

Mr. WILLIAMS of Delaware. Mr. President, I next ask unanimous consent to have printed at this point in the RECORD a tabulation of the status of 2½ percent loans to the various countries through mutual security agencies from the time of their inception to June 30, 1959. The tabulation sets forth $1,495,654,647.57 as having been loaned to these countries at 2½ percent interest rates and upon which we have collected a total of $50,441,225.99 on the principal. This still leaves about $1½ billion which they owe us and upon which we are collecting 2½ percent. We are paying many of these same countries 4¼ percent interest when borrowing back this same money.

I place this information in the RECORD in order that we may get a clearer picture of our lending activities.

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

Mutual security agencies—Status of country loans from inception to June 30, 1959

Country	Public Law—	Date of loan agreement	Initial amortization due date	Loan No.	Repayable in—	Interest	Loan disbursements	Interest collections	Repayment of principal
						Percent			
Afghanistan	329	Jan. 8, 1953	Jan. 15, 1959	TCA No. 2	dollars	2½	$1,433,933.19	[1] $161,172.78	(1)
Total							1,433,933.19		$0
Belgium	472	Nov. 2, 1948	June 30, 1956	ECAX 32-1	dollars	2½	47,900,000.00	8,269,669.18	2,795,000.00
	472	Nov. 7, 1948	do	ECAX 32-2	do	2½	3,000,000.00	517,849.68	177,125.00
	472	June 29, 1950	Dec. 31, 1952	ECAX 32-3	do	2½	1,606,607.50	217,895.04	777,875.00
Total							52,506,607.50		3,750,000.00
Denmark	472	Oct. 27, 1948	June 30, 1956	ECAX 36-1 and 2	dollars	2½	31,000,000.00	5,388,264.36	980,000.00
	165	June 10, 1952	June 30, 1960	MSAX 36-3	do	2½	2,300,000.00	172,342.47	
Total							33,300,000.00		980,000.00
France	472	Oct. 27, 1948	June 30, 1956	ECAX 38-1 and 2	dollars	2½	172,000,000.00	29,837,602.74	7,000,000.00
	472	Nov. 7, 1950	do	ECAX 38-3	do	2½	10,400,000.00	1,804,144.91	422,968.00
	165	Apr. 18, 1953	June 30, 1960	ECAX 38-4	do	2½	43,200,000.00	3,237,041.09	
Total							225,600,000.00		7,422,968.00
Germany	165	May 7, 1952	June 30, 1960	MSAX 09-1	dollars	2½	16,900,000.00	1,266,342.46	
Total							16,900,000.00		0
Iceland	472	Nov. 14, 1950	June 30, 1956	ECAX 43-1 and 2	dollars	2½	2,300,000.00	391,739.96	287,497.00
	472	July 14, 1950	do	ECAX 43-3	do	2½	2,000,000.00	340,568.50	252,000.00
	165	June 24, 1952	do	MSAX 43-4	do	2½	1,000,000.00	74,931.51	
Total							5,300,000.00		539,497.00
India	48	June 15, 1951	June 30, 1957	ECAX 86-1	dollars	2½	189,656,420.78	[5] 28,321,270.05	[5] 3,417,363.28
Total							189,656,420.78		3,417,363.28
Indonesia	472	Nov. 22, 1949	June 30, 1956	ECAX 87-1 and 2	dollars	2½	17,200,000.00	2,885,523.97	3,325,000.00
Total							17,200,000.00		3,325,000.00
Ireland	472	Nov. 2, 1949	June 30, 1956	ECAX 44-1 and 2	dollars	2½	86,300,000.00	15,044,625.18	1,826,979.12
	472	June 30, 1950	do	ECAX 44-3	do	2½	41,900,000.00	7,304,398.98	889,000.00
Total							128,200,000.00		2,715,979.12

See footnotes at end of table.

Mutual security agencies—Status of country loans from inception to June 30, 1959—Continued

Country	Public Law—	Date of loan agreement	Initial amortization due date	Loan No.	Repayable in—	Interest	Loan disbursements	Interest collections	Repayment of principal
						Percent			
Italy	472	Mar. 7, 1949	June 30, 1956	ECAX 45-1 and 2	dollars	2½	$67,000,000.00	$11,567,561.65	$4,200,000.00
	472	Sept. 13, 1950	do	ECAX 45-3	do	2½	6,000,000.00	1,035,942.86	375,004.00
	165	June 27, 1952	June 30, 1960	MSAX 45-4	do	2½	22,600,000.00	1,693,452.05	
Total							95,600,000.00		4,575,004.00
Netherlands	472	Feb. 1, 1949	June 30, 1956	ECAX 47-1 and 2	dollars	2½	129,500,000.00	22,488,619.19	5,800,000.00
	472	Feb. 16, 1950	June 30, 1960	ECAX 47-3	do	2½	4,000,000.00	694,646.58	178,570.00
	165	Apr. 10, 1952	do	MSAX 47-4	do	2½	16,000,000.00	1,198,904.11	
Total							149,500,000.00		5,978,570.00
Norway	472	Oct. 29, 1948	June 30, 1956	ECAX 48-1	dollars	2½	35,000,000.00	5,961,001.71	4,375,000.00
	165	May 23, 1952	June 30, 1960	MSAX 48-2	do	2½	2,400,000.00	179,835.61	
	165	June 25, 1952	June 30, 1955	MSAX 48-3	do	2½	1,800,000.00	251,815.06	810,000.00
Total							39,200,000.00		5,185,000.00
Pakistan	329	Sept. 11, 1952	Sept. 15, 1967	TCA No. 1	dollars	2½	15,000,000.00	[6] 1,687,500.00	([6])
Total							15,000,000.00		0
Portugal	472	May 15, 1950	June 30, 1956	ECAX 50-1	dollars	2½	27,500,000.00	4,720,751.13	2,485,873.54
	472	Dec. 28, 1951	do	ECAX 50-3	do	2½	8,551,000.00	1,364,327.62	772,971.05
Total							36,051,000.00		3,258,844.59
Sweden	472	Dec. 29, 1949	June 30, 1956	ECAX 53-1	dollars	2½	20,400,000.00	3,474,225.00	2,555,000.00
Total							20,400,000.00		2,555,000.00
Turkey	472	Nov. 1, 1948	June 30, 1966	ECAX 77-1	dollars	2½	30,000,000.00	[7] 3,326,301.37	([7])
	472	Mar. 23, 1949	do	ECAX 77-2	do	2½	8,000,000.00		
	472	Oct. 27, 1950	do	ECAX 77-3	do	2½	35,806,686.10	[7] 3,134,134.57	([7])
	165	May 19, 1952	do	MSAX 77-4	do	2½	11,200,000.00	([7])	([7])
Total							85,006,686.10		0
United Kingdom	472	Mar. 29, 1950	June 30, 1956	ECAX 57-1 and 2	dollars	2½	322,700,000.00	56,301,176.13	6,454,000.00
	472	Sept. 20, 1950	do	ECAX 57-3	do	2½	14,200,000.00	2,477,461.13	284,000.00
	165	Mar. 29, 1952	June 30, 1960	ECAX 57-4	do	2½	47,900,000.00	3,589,219.18	
Total							384,800,000.00		6,738,000.00
Grand total, 2½-percent loans							1,495,654,647.57	230,382,257.81	50,441,225.99

[1] Deferment of principal and interest payments in process of negotiation as of June 30, 1959.

[5] Principal installments and interest payments from Dec. 31, 1958, through June 30, 1967, have been deferred and follow the original terminal installment due date.

[6] Principal installments and interest payments from Sept. 15, 1958, through Mar. 15, 1967, have been deferred and follow the original terminal installment due date.

[7] Principal installments and interest payments from June 30, 1956, through Dec. 31, 1966, have been deferred and follow the original terminal installment due date.

Footnotes 2, 3, and 4 appear on later chart listing other loans.

Mr. WILLIAMS of Delaware. Mr. President, I repeat, if the amendment I have submitted here today is approved it will not in any way restrict the authority of the United States to provide its initial subscription to the new organization. All that the adoption of this amendment would do is to make sure that the $1½ billion in foreign currencies which we now own cannot be given away to some international agency.

Mr. SALTONSTALL. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. SALTONSTALL. The Senator from Delaware has said several times that these funds will be disposed of by gift. However, I desire to point out that they will not necessarily be disposed of by gift. The funds will be used by means of arrangements made between the United States and the countries whose currencies are involved and the International Development Association. Under those circumstances, and following all the debate we have had in regard to this matter, this afternoon, I imagine that very few grants or gifts, as such, will be made.

Mr. WILLIAMS of Delaware. Conceivably there would be no gifts, but on the other hand conceivably the entire fund would be disposed of by means of gifts. If this amendment is rejected no provision of the bill would prevent all or any part of the funds from being disposed of by gift. It would be decided solely at the discretion of some executive downtown as to whether or not to make gifts.

On the other hand, if the Congress does not wish this $1 billion or $1½ billion to be given away, Congress should enact this amendment here today. If we do not wish these funds to be given away we should spell out in this measure that these funds cannot be given away. That is the only way it can be stopped.

It is necessary that we adopt this amendment. During the committee hearing the testimony submitted showed very clearly in my opinion—and, I believe, in the opinion of other Members of the Senate—that the officials do intend to give away some of these funds. Otherwise, why do they seek the authority?

We have many agencies which can make loans of these funds under existing law. The Export-Import Bank is lending some of the soft currencies which are being accumulated under the operations of Public Law 480. However, we are charging exorbitant rates of interest—for instance, 10 percent to Mexico, 12 percent to China, and 15 or 20 percent to Brazil—as the Senator from Vermont has pointed out. Certainly such rates of interest are exorbitant. Why should our American lending agencies charge our friends, these countries which are our best allies, 10 or 12 percent or sometimes 15 or 20 percent interest? Such interest charges are entirely exorbitant. They do not generate friendly relations with those countries.

Then these agencies say to Congress that they cannot get rid of all these foreign currencies at such exorbitant rates of interest and therefore they now wish to have congressional authority to give the funds to a new international agency, which then will be able to lend the money to these countries at more reasonable interest rates. But such a procedure would only show up our Government as a shylock. Why do we not reduce our interest rates to a reasonable basis?

I say we should impose a limitation on the interest rates which may be charged by our lending agencies to these foreign countries. I believe it is indefensible for the Export-Import Bank to charge Mexico 10 percent for loans of soft currency and to charge other countries even higher rates.

We say we wish to help those countries which are our friends, and the Congress repeatedly votes for the enactment of foreign aid bills under which dollars are given outright to these countries. However, through these exorbitant interest rates we are losing all the friendship which we possibly could generate under our gifts.

If we instruct our lending agencies, which now are operating in this field, to make the loans at reasonable rates of interest, I think we shall be able to use efficiently these foreign currencies, and at the same time we shall create a great deal of good will for the United States. Under no circumstances should the rate of interest our agencies charge these countries exceed 6 percent. While we engage in such a program why should we not generate some good will for our country?

If a bank charges an exorbitant rate of interest in connection with a loan it makes, the man to whom the loan is made may feel that he has no alternative but to pay the exorbitant rate of interest, but certainly he never will have any respect for the bank or any friendship for the lender.

Furthermore, we claim to be a great country which believes in the free-enterprise system, but we are lending money at 4 percent to the government of one of the countries of South America while at the same time we are charging private enterprise in that country 12 percent. In short, by such means it would seem that we are trying very hard to destroy the private-enterprise system. We know that private enterprise cannot pay 12 percent interest on the loans it obtains and still be able to compete with a Government agency which is able to obtain its funds at 4 percent. Yet our Government is now engaged in making such loans, both at the 4-percent rate as charged to those governments, and at the 12-percent rate, which our agencies charge to private enterprise in those countries.

Certainly it is time for us to overhaul some of the operations of these agencies of ours.

I have inserted in the RECORD here today reports showing that in foreign countries we have about $1,500 million of dollar loans upon which we are collecting 2½ percent rate of interest. We have been paid back on those loans approximately $50 million of the principal, but those countries still have approximately $1,500 million of our hard dollars at a 2½ percent rate of interest.

At the same time, foreign countries—in many instances the same countries—hold approximately $8 billion of U.S. Government obligations, on which our Government is paying 4¼ percent interest. In short, our Government is borrowing back in many instances from the same countries these funds on which they are paying 2½ percent interest, and our Government is paying 4¼ percent interest.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. JAVITS. I do not wish to engage the Senator any further in debate on this question. We have both given our views, as have other Senators. I could not agree more with the Senator about getting other countries to pitch into foreign aid activities. My own activities in the NATO Parliamentarians and Mr. Douglas Dillon's activities in respect to European countries are evidence of that interest; and the new organization now contemplated will result in a monumental effort toward that end. However, nothing we are doing here blinds me, or the Senator from Delaware, or anyone else, to the need for it.

Although the Senator from Delaware differs with me on the merits of this proposal, I think he will agree with me that the sum total of what we are planning to do in IDA is to get more help from the industrialized European nations which have made a remarkable recovery. Even with all these efforts, I am sure it will be recognized that we shall have a narrow squeak in trying to meet the problems of the world in respect to the less developed countries.

Mr. WILLIAMS of Delaware. I agree with the Senator. I think he was here when I said we are not in disagreement on the proposal. If we can adopt this amendment which would strike from the bill the authority to make gifts I will vote for it.

I believe in the principle of an international lending agency. But, as one example, we have accumulated as a result of our foreign aid program a substantial block of Israeli pounds. Those pounds can be used only for lending in Israel. Through the Export-Import Bank, we are charging 7½ percent for loans there. We are told now, in effect, we cannot get rid of all this money by lending it through our domestic American agencies at 7½ percent, but they want us to give to an international lending agency the rest of the Israeli pounds so they can be loaned at 1, 2, 3, or 4 percent.

In Mexico it is worse. Money is loaned there at 10 percent. In Nationalist China, for whom we express great sympathy, we are charging 12 percent. A loan was negotiated on October 1, 1959, for which 12-percent interest is charged Nationalist China. Is that being a friend of Nationalist China? Is the Senator a friend of mine if he charges me 12 percent solely because I badly need a loan? Certainly not. We have an overabundance of Nationalist Chinese dollars, and we would lose nothing if we granted loans of those dollars at 1 percent. Why do we not generate some goodwill for America by doing that instead of taking all our assets and giving them to an international agency. It would be much more sensible to generate good will this way than to keep trying to buy it with cash.

I think this amendment should be adopted. Not a single Senator who has spoken in support of the committee bill has said he recommends gifts of this money. If Senators are not for giving away this money, they should be in favor of adopting the amendment, which provides that the money cannot be transferred as gifts. Let there be no misunderstanding—it was made very clear when the agencies solicited the authorization that if Congress gives them the authority they are going to use these foreign currencies to make gifts to this agency. In the interest of good sound business practice the amendment should be approved.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oklahoma [Mr. KERR], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY], the Senator from Maine [Mr. MUSKIE], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. PASTORE], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Arizona [Mr. GOLDWATER] would each vote "yea."

The result was announced—yeas 39, nays 33, as follows:

YEAS—39

Aiken	Eastland	Mundt
Beall	Ellender	Prouty
Bible	Ervin	Proxmire
Brunsdale	Fong	Robertson
Bush	Frear	Russell
Butler	Gruening	Schoeppel
Byrd, W. Va.	Hruska	Smith
Cannon	Johnston, S.C.	Stennis
Capehart	Jordan	Talmadge
Case, S. Dak.	Keating	Thurmond
Cotton	Lausche	Williams, Del.
Curtis	McClellan	Young, N. Dak.
Dworshak	Morse	Young, Ohio

NAYS—33

Allott	Gore	Long, La.
Bartlett	Hart	McGee
Carlson	Hickenlooper	McNamara
Carroll	Hill	Mansfield
Case, N.J.	Holland	Martin
Clark	Jackson	Monroney
Cooper	Javits	Morton
Dirksen	Johnson, Tex.	Saltonstall
Douglas	Kefauver	Scott
Engle	Kuchel	Williams, N.J.
Fulbright	Long, Hawaii	Yarborough

NOT VOTING—28

Anderson	Hayden	Muskie
Bennett	Hennings	O'Mahoney
Bridges	Humphrey	Pastore
Byrd, Va.	Kennedy	Randolph
Chavez	Kerr	Smathers
Church	Lusk	Sparkman
Dodd	McCarthy	Symington
Goldwater	Magnuson	Wiley
Green	Moss	
Hartke	Murray	

So the amendment of Mr. WILLIAMS of Delaware was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont to lay on the table the motion of the Senator from Delaware to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no amendment to be proposed, the question is on the engrossment of the amendment 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.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? [Putting the question.]

The bill (S. 3074) was passed.

Mr. FULBRIGHT subsequently said: Mr. President, I move that the Senate reconsider the vote by which the bill (S. 3074) was passed.

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

The motion to lay on the table was agreed to.

SCHOOL CONSTRUCTION ASSISTANCE ACT OF 1960—ORDER VITIATING UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, earlier today the senior Senator from Georgia [Mr. RUSSELL] asked to be notified some time in advance before the school bill—H.R. 10128—was sent to conference, if that were the action which was anticipated. Later in the day there were conferences with the minority leader and with the distinguished chairman of the committee [Mr. HILL] and we reached an agreement as to the course of action to be followed. I was requested by the Senator from Georgia to notify him before any action was taken in the Senate. Also request was made of one of the staff aids to that effect. He was not notified, and the measure went to conference without his knowledge.

I am entirely to blame in the matter and assume full responsibility for it. I ask unanimous consent that the unanimous-consent request that was previously approved be vitiated, and that the school construction assistance bill be restored to the status that prevailed before the request was made.

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

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. Mr. President, there is a bit of confusion on the part of some of us as to the status of the so-called aid-to-education bill. As I understood, the distinguished majority leader asked to vitiate the action which was taken with reference to the bill to authorize Federal financial assistance to the States to be used for constructing school facilities.

I further understood that two actions had been taken with respect to the House bill: one, to strike out the text of the House bill and to substitute the text of the bill which was previously passed by the Senate; second, to send the bill to conference. Did the request by the distinguished majority leader merely recall the bill from conference, or did it vacate the action whereby the original text of the House bill was stricken and the language of the Senate bill substituted?

Mr. JOHNSON of Texas. I intended that the Senate vitiate all the action that was taken by my previous unanimous-consent request, which was to substitute the Senate bill, send the bill to conference, and appoint conferees, for the reason that the Senator from Georgia [Mr. RUSSELL] had made abundantly clear to me that he wanted to be present and that he wanted advance notice of proposed action.

I later conferred with the chairman of the committee [Mr. HILL] and the minority leader, and in the course of those conferences the request of the Senator from Georgia slipped my mind until after the action was taken, and just before the Senator from Georgia entered the Senate I conferred with the chairman of the committee. After the Senator from Georgia came into the Senate I explained to him what happened and said that if he still desired that notice I would see that his request was honored, because obviously consent would not have been given had I complied with his request, as I had intended to.

Mr. CASE of South Dakota. Mr. President, what is the status of the House bill now? Is it at the desk?

The PRESIDING OFFICER. The House bill is now lying on the desk.

Mr. CASE of South Dakota. It is not referred to the Senate Committee on Labor and Public Welfare?

The PRESIDING OFFICER. It has not been referred.

Mr. CASE of South Dakota. It would be eligible for such referral?

The PRESIDING OFFICER. When the bill is before the Senate, such motion will be in order.

Mr. JAVITS. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. JAVITS. Will the Senator from Texas tell us whether he will give notice as to when he intends to have this matter called up?

Mr. JOHNSON of Texas. I have no definite plans. I will confer with the leadership and others and make an announcement to that effect.

Mr. HOLLAND subsequently said: Mr. President, I understand that the request made by the senior Senator from Georgia [Mr. RUSSELL] relative to the education bill still stands and will be recognized before the bill is called up.

Mr. JOHNSON of Texas. Yes. The bill was returned to its original status.

Mr. HOLLAND. I understood that that was the case, but I did not know whether the request was still lodged with the leader.

Mr. JOHNSON of Texas. Yes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 690) to provide for the increased use of agricultural products for industrial purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. ABERNETHY, Mr. HOEVEN, and Mr. DIXON were appointed managers on the part of the House at the conference.

ALLEGED BLOCKING OF MINIMUM WAGE LEGISLATION

Mr. MANSFIELD. Mr. President, it is regrettable that an election year will frequently lead to the appearance of irresponsible stories which have no foundation in fact. Partisan fervor has the unfortunate aspect of seeking to tear down confidence in our institutions.

I want to refer specifically to a story that was printed today in the Washington Daily News under the byline of Mr. John Herling, an able reporter. I ask unanimous consent that this article be printed in the RECORD so it can speak for itself.

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

IS LYNDON SITTING ON LABOR BILL?

(By John Herling)

Key labor leaders are firmly convinced that Majority Leader LYNDON JOHNSON is sitting on the $1.25 minimum wage bill and they want him to get off it.

For weeks now, the Senate Labor Subcommittee, headed by JOHN F. KENNEDY, has been ready to present the Senate with a bill to raise the minimum rate from $1 an hour and enlarge coverage to bring in millions of workers. Through a series of maneuvers, this has been blocked. Senator JOHNSON, the man in charge, denies he is responsible for the slowdown.

Nevertheless, suspicions have arisen in labor circles that Senator JOHNSON does not have his heart or head in such legislation because much of his southern constituency opposes a more liberal minimum wage law.

Second, some charge that Senator JOHNSON—now stalking Senator KENNEDY for the Democratic presidential nomination—does not fancy having a politically useful minimum wage bill emerge from this Congress with the KENNEDY rather than the LBJ brand on it.

Last January, Senator JOHNSON made it plain that a minimum wage bill should come—and predicted it would come—from the House rather than the Senate. Labor people regarded this as an adroit means of bringing out an unsatisfactory bill. Union officials believe the House Labor Committee, headed by conservative GRAHAM BARDEN, Democrat of North Carolina, and the House Rules Committee could boobytrap a bill and reduce its terms.

Whether the JOHNSON strategy operating on this bill is powered by personal and political or parliamentary motives, the fact remains that the Senate has been prevented from consideration of the Kennedy minimum wage bill.

For several weeks now, the full Senate Labor Committee has been prepared to approve the bill and send it on to the Senate. But, its intentions have been frustrated in this way:

On Tuesday, May 24, at 10 a.m., the Senate Labor Committee, headed by LISTER HILL, Democrat of Alabama, was all set to act on the bill presented by its subcommittee chairman, Senator KENNEDY. Since the Senate usually meets at noon, the committee could have met without conflicting with a Senate session. Instead of a noon session, however, the Senate leadership ordered the Senate in session at 10 a.m. This meant that the Senate Labor Committee and the Senate would have met concurrently—which is not permissible for a committee unless the Senate gives unanimous consent. Objections came from Minority Leader EVERETT DIRKSEN, Republican of Illinois.

The JOHNSON spokesmen insist that the Tuesday morning session of the Senate was called at Senator KENNEDY's request in order to permit him to be present to vote to override President Eisenhower's veto of the depressed areas bill. Senator KENNEDY had to leave town that afternoon.

For a while this explanation was accepted as plausible by several union spokesmen and skeptical Senators. But on Thursday, May 26, the majority leadership again called a 10 a.m. session of the Senate—and by coincidence this was also the time set for the Senate Labor Committee to take up the Kennedy minimum wage bill. Promptly Senator GOLDWATER and other Republicans announced they would object to a Senate Labor Committee meeting concurrently with the Senate. That killed the Labor Committee meeting.

Why did the majority leadership call such an early session? Senator JOHNSON told me it was not he, but Senator MIKE MANSFIELD, assistant Democratic majority leader, who called the early session on Thursday. Therefore, Senator JOHNSON was this time not in charge.

Senator JOHNSON's spokesmen have assured me that any implication that he was holding off the minimum wage bill for political reasons was all wrong. In fact, they said, Senator JOHNSON was ready to adjourn the Senate at any time to permit the Senate Labor Committee to meet. This gesture was in itself frustrated by the fact that Senator JOHNSON, Senator KENNEDY, and Senator HILL were all going to be out of Washington for several days.

In the meantime, over on the House side, a minimum wage bill was being processed. By the time the Senate meets to consider the Kennedy bill, presumably, the House will be ready with its own offering. Just as Senator JOHNSON had predicted.

Mr. MANSFIELD. At the present time, it is accurate to characterize the article by saying that it implies that the Senate Democratic leader deliberately blocked efforts of the Senate Labor Committee to report to the floor a minimum wage bill. As evidence to support this inference, two events are cited—the fact that the Senate met early a week ago Tuesday and a week ago Thursday. These meetings, the article implies, were deliberately arranged so that Senator KENNEDY would not be able to report out a bill carrying his name.

I do not wish to make a great point of this unfounded inference. But since I personally arranged for the early sessions of the Senate, I think the record should be made perfectly clear.

Last Tuesday, while I was acting as majority leader, I arranged for the Senate to meet at 10 a.m. This arrangement was made at the request of Senator KENNEDY. He had to leave early in the afternoon for some reason and wanted to be present during the voting on the depressed areas bill.

Under the circumstances, this was a legitimate request and I was happy to comply. It now comes to me as something of a surprise to discover that the leadership is being blamed because we complied with Senator KENNEDY's request.

The Thursday session was called early because there were Members on the other side of the aisle on the preceding night who had made it clear that there would be extended discussion of a bill concerning oleomargarine. The only way to avert such a discussion was to adjourn the Senate early and to meet early the following morning.

The point that I want to stress is that there was absolutely no request made to the leadership by any member of the Senate Labor Committee for permission to meet and the responsibility for calling these two meetings was entirely mine and was cleared with the minority leader, Mr. DIRKSEN, who, I am sure, will corroborate that fact.

Mr. President, I would like to make this point clear here and now. According to Mr. Herling, the Senate Labor Committee has been ready "for several weeks" to approve a minimum wage bill and send it to the floor. This comes as news to the leadership.

But if the Senate Labor Committee desires any special consideration so it can work on a bill, it will have the full cooperation of the leadership. And I think that cooperation can be obtained much more simply by making a request through regular channels rather than through Mr. Herling.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader what the schedule will be for tomorrow.

Mr. JOHNSON of Texas. It is planned to consider Calendar No. 1417, H.R. 7681, to enact the provisions of Reorganization Plan No. 1 of 1959, with certain amendments; Calendar No. 1438, S. 2583, to authorize the head of any executive agency to reimburse owners and tenants of lands acquired for projects or activities under his jurisdiction for their moving expenses, and for other purposes; Calendar No. 1470, S. 3044, to authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes; and any other bills that may have been cleared by the respective policy groups which are not highly controversial.

Mr. DIRKSEN. I assume, of course, there is no further business planned and no other yea and nay votes contemplated for tonight.

Mr. JOHNSON of Texas. That is correct.

ENACTMENT OF PROVISIONS OF REORGANIZATION PLAN NO. 1

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1417, H.R. 7681.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7681) to enact the provisions of Reorganization Plan No. 1 of 1959, with certain amendments.

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

There being no objection, the Senate proceeded to consider the bill

ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in adjournment until 12 o'clock tomorrow.

The motion was agreed to; and (at 6 o'clock and 44 minutes p.m.) the Senate adjourned until tomorrow, Friday, June 3, 1960, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate June 2, 1960:

ATOMIC ENERGY COMMISSION

Loren Keith Olson, of Maryland, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1962.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 2, 1960

The House met at 12 o'clock noon.

The Venerable Allen R. Day, archdeacon of the diocese of Harrisburg and rector of Mount Calvary Episcopal Church, Camp Hill, Pa., offered the following prayer:

Almighty and Eternal God, the Creator of mankind, make us mindful of our high calling and the duties entrusted to our care, of the enormity of our tasks and the shortness of life in achieving them. Bless our land with good manners, high ideals, and sound learning. Help us to guard the liberty and freedom entrusted to our care, remembering well the cost in blood that was sacrificed to

create and sustain this Nation. Bless those who guide our Government through these troubled times, so that there may be justice and peace at home and praise of us among the nations of the world. In our prosperity fill our hearts with thankfulness and in our adversity let not our trust fail in Thee. All this we ask in the name of God in whom we trust and His Son, Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on June 1, 1960, the President approved and signed bills and joint resolutions of the House of the following titles:

H.R. 4029. An act to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm;

H.R. 9308. 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;

H.R. 9465. 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;

H.R. 9818. An act to provide for the conveyance of certain real property of the United States to the State of Florida;

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;

H.J. Res. 502. Joint resolution authorizing the erection in the District of Columbia of a memorial to Mary McLeod Bethune;

H.J. Res. 546. Joint resolution authorizing the Architect of the Capitol to present to the Senators and Representative in the Congress from the State of Hawaii the official flag of the United States bearing 50 stars which is first flown over the west front of the U.S. Capitol; and

H.J. Res. 640. Joint resolution 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.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, 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. 10087. An act to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 114]

Allen	Gray	Pelly
Anderson, Mont.	Gubser	Pfost
Ashmore	Inouye	Philbin
Barden	Jackson	Pilcher
Blitch	Jones, Mo.	Pillion
Carnahan	Kasem	Powell
Celler	Kilburn	Randall
Coad	Kitchin	Saund
Cook	Loser	Scott
Corbett	McDonough	Sisk
Dawson	Macdonald	Steed
Diggs	Meader	Taylor
Donohue	Metcalf	Teague, Tex.
Doyle	Miller, Clem	Teller
Durham	Mitchell	Udall
Feighan	Montoya	Williams
Flynn	Morris, Okla.	Wilson
Flynt	Nelsen	
Forand	O'Brien, N.Y.	
	Passman	

The SPEAKER. On this rollcall 375 Members have answered to their names, a quorum.

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

ADMINISTRATION OF NATIONAL FORESTS FOR MULTIPLE USE AND SUSTAINED YIELD

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 527 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. 10572) to authorize and direct that national forests be managed under principles of multiple use and to produce a sustained yield of products and services, 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 Committee on Agriculture, 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. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Idaho [Mr. BUDGE]; and at this time yield myself such time as I may consume.

Mr. Speaker, House Resolution 527 provides for the consideration of H.R. 10572 to authorize and direct that national forests be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes. The resolution provides for an open rule, with 2 hours of general debate.

The purpose of H.R. 10572 is to provide a direction to the Secretary of Agriculture to administer the national forests for multiple use and sustained yield of their several products and services. It would name in a single statute the renewable surface resources for which the national forests are established and shall be administered.

In the effectuation of the act, the Secretary of Agriculture would be authorized to "cooperate with State and local agencies and others," which expression of authority should be construed as encouragement to the Secretary of Agriculture to stimulate State and local agencies and others to cooperate in the development and management of the national forests, particularly where benefits to the local community and local use are great.

It is made clear that nothing in the bill would affect the authority which the Secretary of the Interior has with respect to the mineral resources in the national forest lands. Thus, the bill would not impair mining operations and activities under the authorities which the Secretary of the Interior has with respect to such mineral resources.

Although the bill lists wildlife and fish among the purposes for which the national forests are established and administered, it should be understood that the enactment of the bill would not in any way affect the jurisdiction or responsibilities of the several States and their wildlife and fish agencies with respect to wildlife and fish in the national forests.

The act of June 4, 1897 (30 Stat. 35), refers both to watersheds and timber as purposes for which the national forests are established. Through the years by a number of congressional enactments, including appropriations for carrying out specific activities and functions, through court decisions, and through policy directives and statements, the management of the national forests under the principle of multiple use has been thoroughly recognized and accepted. The application of the principle of sustained-yield management has also been thoroughly established. It is thus desirable that the Secretary of Agriculture have a directive to administer the national forests under the dual principles of multiple use and sustained yield.

"Multiple use," as followed by the Forest Service, means the management of all the various renewable surface resources of the national forests so that they are utilized in the combination that will best meet the needs of the American people. It means making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform it to changing needs and conditions. It does not mean using every acre of land for all of the various uses, nor does it preclude managing some areas for less than all uses when necessary. Nor does it necessarily mean the combination of uses that will give optimum dollar returns or optimum unit output. Rather, it means harmonious and coordinated management of the various resources each with the other without impairment of the productivity of the land.

Sustained yield of the several products and services of the national forests means the achievement and maintenance in perpetuity of a high-level annual or regular periodic output of the various renewable resources without impairment of the productivity of the land.

The national forests yield to the Nation invaluable benefits from all of the resources enumerated in the bill. One of the basic concepts of multiple use is that all of these resources in general are entitled to equal consideration, but in particular or localized areas relative values of the various resources will be recognized.

The bill, however, would neither upgrade nor downgrade any resource, and the enumeration of the resources in the bill is by broad categories.

Enactment of the bill would entail no additional costs.

Mr. Speaker, I urge the adoption of House Resolution 527.

Mr. Speaker, I reserve the balance of my time.

Mr. BUDGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think this is very healthy legislation. It is a short and concise statement of the policies of the Forest Service of the Department of Agriculture extending over a great many years.

I think the Committee on Agriculture is to be commended for the statement which it has now placed in concrete form so that all may know what are to be the policies of the Department of Agriculture and the Forest Service in the management of our national forests in the future.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, since coming to the Congress and for many years previous, I have been intensely interested in all matters affecting the national forests and more particularly the Allegheny National Forest in my district.

This interest stems from many sources. Gifford Pinchot, of Pennsylvania, the first Chief of the U.S. Forest Service, was untiring in his efforts to develop a national forest system that would serve the American people. There is a great national forest in the State of Washington named in his honor. The Department of Agriculture and the American people can be proud of the bureau of Government which he helped to establish and which today operates under the same basic principles of service. The men of the Forest Service are dedicated to the task and are worthy of the confidence, respect, and support that has been given them by Congress throughout the years.

H.R. 10572, the bill we are considering today, is another forward step by Congress to assure the Forest Service and the citizens of this Nation that we stand squarely behind them in the wise and efficient management of these great public properties. The introduction of over 50 identical bills by my colleagues in the House and the fine support by many of our Members at the House Agriculture Committee hearings is further proof that interest runs high in matters affecting the future of our 151 national forests.

There is no need for me to point out to you Members the increasing demands for timber, pulpwood, water, forage, recreation, and wildlife by an economy that is growing by leaps and bounds. With a new citizen being born every 11 seconds a new demand is made on the natural resources of our forests. An example of the greater use of a forest resource is in the per capita consumption of paper and paper products. In 1900 each person used less than 50 pounds of paper a year. Now every man, woman, and child in America uses over 400 pounds each year. Paper comes principally from woodpulp and woodpulp comes from the millions of trees that must be grown and cut each year to produce it. There are over 6,000 other uses for wood.

Water, meat, wool, and game are other valuable products of the national forests.

Last year some 1½ million people visited the Allegheny National Forest in Pennsylvania. They came from surrounding areas and sister States to camp, picnic, hunt, fish, and enjoy the scenic beauty of the forest. The products and services of this forest were a source of income, satisfaction, and pleasure to our people and to thousands of people outside our State.

The impact of recreation use of the Allegheny National Forest is so great that the Forest Service is now studying this phase of multiple use at a recently established Forest Recreation Research Station at Warren, Pa. What is learned there will be helpful in handling this use of the Nation's forests throughout the East.

The substantial progress in the development and use of our national forests over the past 50 years was no accident. The Congress, leaders in industry, conservation organizations, and millions of Americans have made helpful contributions. The principles of managing these forests for the many products they provide have been widely accepted. Likewise, the policy of managing the resources for a sustained yield of products without destroying the productivity of the land on which they occur is logical and generally accepted.

It is timely that Congress again recognize the past accomplishments of our Forest Service in the administration of our national forests. It is imperative that this recognition be in the form of a single statute that recognizes that multiple use and sustained yield are principles of good management to which we wholeheartedly subscribe. It is important, too, that Congress name in a single statute the natural resources that are being managed—something that has not been done in past legislation.

Passage of H.R. 10572 will give this recognition. It will provide the policy statement and directive that we want the national forests to continue to be forests that serve our people on a multiple-purpose basis. This legislation is a new charter by the Congress, an unmistakable assurance that through multiple use and sustained yield principles of management, our great national forests can continue to service our people well and can continue to provide the resources, goods, and services that will be so much in demand in the years ahead.

Mr. BUDGE. Mr. Speaker, I know of no opposition to the rule. I have no further requests for time. I yield back the balance of my time.

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. MATTHEWS].

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

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

There was no objection.

Mr. MATTHEWS. Mr. Speaker, I am delighted to rise in support of this rule and of H.R. 10572, the bill to authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes. This bill is similar to my bill, H.R. 10858. As a member of the House Committee on Agriculture Subcommittee on Forestry, I want to congratulate the chairman of our subcommittee, the gentleman from Alabama [Mr. GRANT], for bringing this matter to the floor for consideration.

The purpose of this bill, Mr. Speaker, is to provide direction to the Secretary of Agriculture to administer the national forests for multiple use and sustained yield of their several products and services. The bill states specifically that it is a policy of Congress that the national forests are established and shall be administered for outdoor recreation, range, timber, watershed, and wildlife and fish purposes. It should be emphasized that this bill if enacted into law will not in any way mean a departure from the management policies of the Department of Agriculture that have been in effect in the national forests during the past few years. Rather, it would seem to me that the purpose of the bill is to name in a single statute the renewable surface resources for which the national forests are established and how they shall be administered. I am sure that it is the intention of the Department of Agriculture, as a result of our hearings, to keep in mind the various problems of the localities in which the forests are located as they carry out the administration of the national forests. For example, in my district, the Eighth Congressional District of Florida, we have the Osceola National Forest. One of the purposes of the forest is to make possible a variety of uses for the timber that is produced. One of the uses is naval store production, and this has meant much to the people in my district. This industry is vitally important to a large segment of the people in the southeastern United States. During the hearings on this measure, officials of the Department of Agriculture assured me that there would be no change in the policy of the administration of the Osceola National Forest. Our people will still be able to lease timber in the forest for naval stores production. They will be able to get timber for saw-

mills, for telephone poles, for pulp and paper production, and for a variety of other uses.

The Osceola National Forest has meant much to the people of Baker and Columbia Counties in my district. Revenues from the forests that have been returned to the counties in lieu of taxes have amounted to many thousands of dollars. In Baker County at the present time, some of these moneys are being held for the development of a vitally needed recreational program in the county.

I am pleased that this bill points out that the national forests shall be administered for outdoor recreation, range, timber, watershed, and wildlife and fish purposes. Again, to be specific insofar as the Osceola National Forest in my district is concerned, I think we can and will have greater opportunities in this beautiful forest for recreation, for wildlife and fish purposes, and for the other facets of the multiple use program.

The national forests of the United States are great national assets and are found in 41 States and in Puerto Rico. There are 181 million acres of national forest land grouped into 151 national forests. The timber, forage, and land alone are appraised at well over $7 billion. More than half of the commercial forest land in the West occurs on the national forests. One-third of the Nation's big game is found within their boundaries. One-fifth of the Nation's sheep and one-eighth of the Nation's cattle graze national forest ranges. National forests are major sources of water for 1,800 towns and cities, including major western metropolitan areas. Many millions of people seek the national forests each year for rest, relaxation, and spiritual uplift.

In the Eighth Congressional District we have the Southeastern Forestry Experiment Station and the Naval Stores Research Station, located in Baker and Columbia Counties. The experienced and able scientists at these installations have done a magnificent job in promoting the best of forest practices and in finding new uses for naval stores products. I want to salute them, the Forest Service and the Department of Agriculture, for doing what I consider to be a very fine job in the administration of and the promotion of our national forests. I believe that this bill that we are now considering will not give the Forest Service any new authority, but will be a simple declaration of the authority that has existed, and will uphold their hands in the most objective and efficient administration of our national forests, not for the sole use of any one specific group, but for the good of the whole community and the whole Nation.

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to insert in the RECORD certain correspondence at the conclusion of my statement on the bill to follow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COLMER. Mr. Speaker, I have no further requests for time.

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.

CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1960

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 528 and ask for its immediate consideration.

The Clerk read 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. 11761) to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, 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 consume, following which I yield 30 minutes to the gentleman from Idaho [Mr. BUDGE].

Mr. Speaker, House Resolution 528 provides for the consideration of H.R. 11761 to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes. The resolution provides for an open rule, waiving points of order, with 2 hours of general debate.

H.R. 11761 was introduced in lieu of H.R. 7628 after hearings on the earlier bill and consideration of recommended changes therein. An examination was made of the maze of existing laws under which the Secretary of Agriculture is authorized to make and insure loans to farmers who are unable to secure necessary agricultural credit from private or cooperative sources. These existing provisions and the provisions of the bill were considered in the light of present-day agricultural problems creating the need for such credit. Following the open hearings, the full committee devoted 6 days of executive sessions to consideration of the bill and then ordered the introduction of H.R. 11761 embodying numerous amendments.

The last prior overall consideration and revision of such authorities led to the enactment of the Farmers Home Administration Act in 1946, which included a revision and reenactment of the Bankhead-Jones Farm Tenant Act of 1937. Since then the Congress enacted several complex and piecemeal amendments to the basic law, providing among other things substantial new authority for loans for farm dwellings and other farm buildings—in the Housing Act of 1949—and several different types of emergency credit. The result has been an unnecessarily complicated legislative base for this type of credit.

The bill provides for credit services to be made available primarily for family-type farms. While there is some need for credit for the acquisition of land which would not by itself constitute a family-size farm, as authorized by existing law, it is not the intention of this legislation to foster a general program to finance the acquisition of units too small for successful farming operation. However, there are instances where the acquisition of a small tract will permit the owner to conduct bona fide farming operations with the use of other land resources and some nonfarm employment. A good example is the acquisition of headquarters units in grazing areas where grazing leases or permits are used to complete an economic unit. The requirement that applicants for purchase loans must derive their principal income from farming and that the applicant must have farm background and recent farm experience will limit this assistance to bona fide farmers.

The provisions of the bill authorizing operating loans establish the same eligibility requirements as for real estate loans to individuals with the exception that operating loans may be made to persons who will operate their farms as tenants, as well as to farmowners. The bill contains no changes in loan purposes or loan terms, except that the maximum total indebtedness for operating loans to any one borrower cannot exceed $30,000, instead of the ceiling of $20,000 under existing law; and that 25 percent, instead of the present 10 percent, of the money available annually for operating loans may be used for loans which cause the individual borrower's indebtedness for such loans to exceed $10,000.

The basic concept of the emergency loan provisions of the bill is to authorize the Secretary to make such loans available promptly to meet the general need for agricultural credit which has become restricted in an area by reason of the occurrence of a natural disaster or severe production losses.

Disaster loans would be made for the same purposes as real estate type loans and the same as loans for operating purposes. The terms of the loans would also be comparable, except that under section 304 emergency-loan interest rates are not to exceed 3 percent. This is the existing statutory rate except for the 5 percent special livestock loans. It is the same as small business disaster loans.

Section 303 places a new $50,000 limit of unpaid principal emergency loan indebtedness, except for supplemental loans to borrowers presently indebted for emergency-type loans when necessary to accomplish orderly repayment or liquidation of their obligations. On supplemental loans neither the $50,000 limitation nor the time limitation will

apply. The $50,000 limit, the Committee on Agriculture believes, will not seriously handicap the availability of emergency credit. With this emergency assistance, other creditors should be willing to continue a portion of the borrower's line of credit until he can recover financially from the effects of the disaster. It must be recognized, of course, that emergency loans are made only to established farmers and ranchers, including corporations and partnerships, and that most operations which require a line of credit in excess of $50,000 of Federal money would normally expect to retrench and convert some of their assets temporarily into operating capital.

Administrative provisions and provisions applicable to all types of loans which are described in title IV compare substantially with the provisions of title IV of the Bankhead-Jones Farm Tenant Act.

H.R. 11761 constitutes a comprehensive and adequate basis for the credit programs now available through the Farmers Home Administration, which will be continued substantially in the present area of serving those farmers who cannot secure credit to meet their needs from private and cooperative sources on reasonable terms and conditions, and who will graduate or return to such other sources of credit as soon as their obligations have been reduced or their net worth is raised to the point where they are eligible for conventional credit.

There is a need to simplify the operations of the Farmers Home Administration which have become unduly complicated by the many statutory authorities under which it operates.

Mr. Speaker, I urge the adoption of House Resolution 528.

Mr. BUDGE. Mr. Speaker, I have no requests for time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WASHINGTON METROPOLITAN AREA TRANSIT REGULATION COMPACT

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 543 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 resolution (H.J. Res. 402) granting the consent and approval of Congress for the States of Virginia and Maryland and the District of Columbia to enter into a compact related to the regulation of mass transit in the Washington, District of Columbia, metropolitan area, and for other purposes, and all points of order against said resolution are hereby waived. After general debate, which shall be confined to the resolution and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, this resolution makes in order the consideration of House Joint Resolution 402, which is reported from the Committee on the Judiciary. The purpose of the joint resolution is to give the consent of the Congress to a compact between the States of Maryland and Virginia and the District of Columbia to set up a regulatory body for the control of transit among the three jurisdictions, which is now subject to varying organizations from both States and the District of Columbia. They are now under four different types of regulation. The operation is to put them all under one type of regulation.

Mr. Speaker, I yield 30 minutes to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Speaker, I have no requests for time.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADMINISTRATION OF NATIONAL FORESTS FOR MULTIPLE USE AND SUSTAINED YIELD

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10572) to authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services, 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 consideration of the bill H.R. 10572, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

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

Mr. COOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill now under consideration was transmitted by Executive communication to the Speaker of the House on February 5, 1960. Since that time more than 50 Members of the House have introduced identical or similar bills. The bill is very simple and, yet, it is very important. It is supported not only by the Department of Agriculture and the Secretary of Agriculture but it is supported generally throughout the Nation. I do not recall that any one person appeared in opposition to this measure. However, there were some discussions with the chairman of another committee, after which I agreed to accept an amendment. I submitted the amendment to our committee this morning, and the committee unanimously authorized me to submit it as a committee amendment. An amendment was worked out with our colleague, the gentleman from Colorado [Mr. ASPINALL] with regard to mining and prospecting in the national forests. Another amendment has to do with the wilderness areas in the national forests. We were prompted to accept that amendment by action taken in the other body. Then the other body adopted another amendment, writing into the bill definitions of sustained yield and multiple use. We had a reference to sustained yield and multiple use in our report, but we did not actually have it in the legislation. So at the proper time, I will offer these amendments as committee amendments.

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

Mr. COOLEY. I yield.

Mr. BALDWIN. Would the gentleman be kind enough to read the amendment dealing with the wilderness areas so that we might be informed as to the wording of that amendment?

Mr. COOLEY. I will be glad to do so. The amendment will be at page 2, line 9, as follows:

At the end of section 2 add the following new sentence: "The establishment and maintenance of areas of wilderness are consistent with the purposes and provisions of this Act."

Mr. BALDWIN. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I want to point out to our colleagues that the gentleman from West Virginia [Mr. STAGGERS] has been intensely interested in the subject we are now dealing with. Many months ago, he introduced a bill which is vital to his area, as it is to other areas of the country. The gentleman from Alabama [Mr. GRANT] is chairman of our subcommittee that considered and reported this measure to the full committee. Our colleague, Mr. GRANT, likewise has been greatly interested in the subject matter covered by the bill. So, Mr. Chairman, I now yield to my colleague, the gentleman from Alabama [Mr. GRANT] 10 minutes.

Mr. GRANT. Mr. Chairman, I wish to give a brief explanation of the bill H.R. 10572, "to authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services and for other purposes."

The national forest lands are invaluable national assets consisting of forest and rangelands and high mountain watersheds occurring in 41 States and Puerto Rico. There are 181 million acres of national forest land administered in 151 national forests. They consist largely of land reserved from the public domain by the Presidential proclamation under the act of March 3, 1891. They were first called forest reserves and in 1905 were placed under the administration of the Secretary of Agriculture, at which time the Forest Service was established. On the same day, the Secretary of Agriculture directed that questions of policy in their management

should be decided from the standpoint of "the greatest good of the greatest number in the long run." In 1907, it was provided that they would thereafter be known as national forests.

Those reserved from the public domain lie almost entirely in the West. A smaller part of the national forests is in the East and consists mainly of lands acquired under the Weeks law of 1911.

The national forests yield to the Nation many benefits from their renewable surface resources. In fiscal year 1959, 8.3 billion board feet of timber was cut. This year it is expected that 9.6 billion board feet will be cut, an increase of 87 percent over the 5.2 billion board feet cut 7 years ago.

Six million domestic livestock are dependent upon the national forests for a substantial portion of their forage.

In fiscal year 1959 national forest receipts from timber, range, and land uses exceeded $122 million. The value of the use of other resources cannot be measured in dollars.

In the 11 Western States the national forests received one-third of the precipitation and furnish over half the streamflow. The national forests are major sources of water for municipal, industrial, and agricultural uses, and supply water for over 600 hydroelectrical developments. No realistic dollar value can be placed on the water that the national forests supply.

In 1959 there were 81½ million recreation visits to the national forests, a threefold increase from the 27.4 million visits in 1950. These included over 20 million visits for hunting and fishing.

In March of last year there was presented to the Congress the program for the national forests. This is a program to provide for the development of all of the renewable natural resources of the national forests. It contained long-range objectives and a short-term conservation program so that the national forests can contribute their fair share to the needs of the greatly expanding national economy. It is a truly multiple-use program and has been widely commended. Hearings were held by the committee on that program, at which many people expressed widespread support for it. The committee unanimously approved the program by a resolution adopted on August 4, 1959.

The national forests have long been administered under the dual policies of multiple use and sustained yield. There is no suggestion of a lack of authority to so administer them. There are four basic reasons for the enactment of this bill as set out in the committee's report: First, there should be a statutory directive to administer the national forests under sustained yield; second, there should be a similar directive to administer the national forests for multiple use; third, all the renewable surface resources for which the national forests are established and shall be administered should be named in a single statute; and fourth, enactment would help to implement the program for the national forests sent to the Congress in March of 1959.

I would like to explain some of the things which this bill would do and some of the things which the bill would not do. This bill would, first, establish the policy of the Congress that the national forests are established and shall be administered for five named purposes: outdoor recreation, range, timber, watershed, and wildlife and fish; second, direct the Secretary of Agriculture to develop and administer the renewable surface resources of the national forests for multiple use and sustained yield; and third, authorize cooperation with others in the development and management of the national forests.

The act of June 4, 1897, provided that:

> No public forest reservation shall be established, except to improve and protect the forest within the reservation, or for the purpose of securing favorable conditions of waterflows, and to furnish a continuous supply of timber for the use and necessities of the citizens of the United States.

Through the years, the management of the national forests under the principle of multiple use has been thoroughly recognized and accepted. The application of the principle of sustained yield in their management has also been thoroughly established. The bill as amended by the committee would supplement but not be in derogation of the purposes for which national forests were established as set forth in the 1897 act. Any establishment of a national forest would have to be based on one or more of the purposes set out in that act but could also be based upon one or more of the additional purposes set out in the bill.

In directing the Secretary of Agriculture to develop and administer the renewable surface resources for multiple use and sustained yield, I wish to call attention to the definitions of those terms included in the committee's report. Those definitions are the guidelines to the Secretary of Agriculture in his application of these principles to the national forests.

This bill will direct the Secretary of Agriculture to administer the national forests for all of their renewable surface resources, and none of these resources is given a statutory priority over the others. All of these resources provide great benefits to the Nation, and all of these resources in general should be given equal consideration in managing the national forests under the principle of multiple use. The dominance of resource uses will vary from one locality to another. Decisions as to the particular combination of uses in different areas will be arrived at after consideration in the broadest public sense of the relative values of the resources in such areas. This does not mean that tangible values alone are to be considered but contemplates that both the tangible and intangible values will be considered. As made clear in the definition of multiple use, the combination of uses that will best meet the needs of the Nation will not necessarily result in the greatest dollar return or the greatest unit output.

The enactment of this bill would give to the Secretary of Agriculture a directive to administer the renewable surface resources of the national forests for multiple use and for a sustained yield of their several products and services. At the present time, the Secretary of Agriculture has the authority to apply these principles to his management of the national forests but he has no congressional mandate to back up his efforts to resist economic or other pressures for overutilization of particular areas or particular resources. The growth of the Nation with an estimated population of 226 million by 1975 and over 330 million by the year 2000 and with an expected rise in the gross national product from $512 billion to $1,830 billion in the year 2000 serve to emphasize the need to develop and manage the national forests on a high level of sustained yield without impairment to the productivity of the land. Enactment of this bill will contribute significantly to the achievement of the long-range national forest program objectives.

Inclusion in the bill of provisions for the Secretary of Agriculture to cooperate with interested State and local governmental agencies and others in the development and management of the national forests is intended to encourage the Secretary to stimulate additional cooperation particularly where local benefits and local use are great.

Now I would like to mention some of the things which the bill would not do.

The bill enumerates the resources by broad categories. Various uses of these resources would be recognized. There are some uses of the national forests outside these categories which the Secretary of Agriculture is authorized to permit. Such uses may be illustrated by reference to the authority to grant easements for telephone and power lines. This bill would in no way affect or repeal the authorities under which such uses are permitted. Such uses would be continued under the existing authorities.

This bill would not in any way affect the mining laws or the mineral leasing laws as they apply to the national forests. The operations of prospectors and miners on the national forests would not be affected by the enactment of this bill. This is made clear by the provisions in section 1 and is further explained in the committee's report.

The general mining laws and mineral leasing acts are administered by the Secretary of the Interior. It is true that as administrator of the national forests, the Secretary of Agriculture makes certain investigations and recommendations as to the occupancy of national forest lands for prospecting and mining purposes. This bill, however, would not in any way modify, supersede, or repeal the laws which govern those activities. This bill would not change the procedures under which prospecting or mining, including the discovery and production of oil and gas and the other leasable minerals, are carried out on the national forests. This bill would in no way enlarge the authority of the Secretary of Agriculture with respect to mining on the national

forests nor would it in any way diminish the authority of the Secretary of the Interior with reference thereto.

In this regard it is to be noted that the provisions of this bill are directed at the functions performed by the Secretary of Agriculture in the protection, development, and administration of the national forests. It does not modify authorities which other departments and agencies have with respect to Federal lands that are in the national forests, such as the authorities of the Secretary of the Interior through the Bureau of Reclamation, and the Federal Power Commission. Those authorities would remain intact and the enactment of this bill would not affect the procedures followed under those acts.

Open hearings were held by the Forests Subcommittee of the committee. The bill was widely endorsed by conservation groups. There was widespread support for and no expressed opposition to the principle that the national forests should be administered for multiple use and sustained yield.

I urge the adoption of this bill.

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

Mr. GRANT. I yield to the gentleman from Utah.

Mr. DIXON. I understand from the gentleman's statement that the Department of the Interior, the Department of Agriculture, the fish and game and wildlife associations, and all those agencies, have come in and testified in the hearings that they are unequivocally for this measure.

Mr. GRANT. That is correct.

Mr. DIXON. I would like to state further that the gentleman from Alabama [Mr. GRANT] has taken his assignment as chairman of the subcommittee very seriously. He has visited all our forests and understands their problems. He is among the leadership in the development of a very fine bill which certainly deserves our wholehearted support.

Mr. GRANT. I thank my colleague from Utah very much. He has devoted much time and effort toward this legislation.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, I am pleased that H.R. 10572, the multiple-use bill, has reached the floor. I am hopeful for its speedy enactment as an indication of the support by the Congress of the great national-forest system of our Nation.

This bill merits the support of our members from the 41 States where the national forests are located as well as the support of our members from States with national forests nearby.

I am extremely proud of the Chattahoochee National Forest in my district in north Georgia. It is one of the oldest of the forests in the east purchased under provisions of the Weeks law of 1911. All of my life has been lived near this forest. From boyhood I have hiked its trails, fished in its streams, enjoyed the scenic beauty spots and watched the sawlogs and pulpwood being cut to be made into wood products in our mills and factories.

My constituents throughout the 18 counties in the Ninth District are familiar with the Chattahoochee National Forest and the program of diversified resource development that has characterized its development. Because of the monetary returns to the counties in the forest from the sale of forest products, the value of recreational and wildlife uses, and the fresh water that serves wide areas, this national forest has achieved a position of tremendous economic importance in north Georgia and surrounding areas.

This national forest like some 150 others throughout the United States and Puerto Rico has been managed for many years under the principles of multiple use for the sustained yield of timber, fish and game, water, and outdoor recreation. Timber is managed as a crop throughout most of the forest to sustain our sawmills and provide jobs for our people. Multiple-use management also recognizes the importance and value of recreation, water yields, and hunting and fishing over the same areas where timber is produced. Cooperation with the Georgia State Fish and Game Commission is another segment of this multiple-use principle of management that has resulted in our wildlife now becoming a valuable sustained resource of the forest.

While every acre of the Chattahoochee is not used for all of these purposes I have mentioned—there is a coordinated management of the various resources in the combination best suited to the needs of our people. At the same time, the Forest Service has as its management objective the sustained yield of the several products and services which the forest provides. And this objective must be achieved without destroying or diminishing the productivity of the land.

The value of these national forest resources, not only in Georgia, but throughout America, is greater today than at any time in our history. The pressures for a single use of a specific resource by favored groups is increasing.

As our population grows—the pressures on our national forests will grow for all of the products they can provide.

H.R. 10572 is a bill that will establish by statute the multiple use and sustained yield program that has been carried on for some 50 years by the Department of Agriculture's Forest Service. The five major natural renewable resources are named in the bill. This has not been done in any previous legislation. The bill assumes that each resource on the national forest will be given the attention it deserves on the localized or more general area where the resource occurs.

Under the basic principles of forest management stated in this bill the pressures for a single use, such as recreation, in an area predominantly of value for timber yields cannot supersede the logical use of the area to provide sawlogs or pulpwood for the mills on a sustained-yield basis. Recreational use and development coordinated with timber cutting operations and in combination to best meet the needs of the users of the forest would be possible, however, under the principle of multiple-use administration.

This is desirable legislation as demonstrated by over 50 companion bills introduced by Members here today. The committee report and excellent testimony at the subcommittee's hearing are further evidence that there is general agreement and widespread support for this legislation.

As we near the close of the 86th Congress, I hope that we will be able to take credit for the enactment of this bill which will be another milestone in the activities of Congress in providing for the administration of our national forests in a way to meet the growing needs and pressures in the years ahead.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, we have before us a piece of legislation which has been needed for some time. I feel that the administrative practices which have been developed by the U.S. Forest Service are sound and to the benefit of all persons concerned with the operation and use of the national forests.

Therefore, I feel that this Congress should give legal status to the principles of multiple use and sustained yield which are stated so well in the bill as reported out by the Committee on Agriculture, chairmaned by our able colleague, the gentleman from North Carolina [Mr. COOLEY].

The House report which accompanies this legislation sets forth quite clearly the need for this legislation and I quote the four basic reasons for the enactment of this bill:

First. There should be a statutory directive to administer the national forests under sustained yield.

Second. There should be a similar directive to administer the national forests for multiple use.

Third. All the renewable surface resources for which the national forests are established and shall be administered should be named in a single statute.

Fourth. Enactment would help to implement the program for the national forests sent to the Congress in March of 1959, and unanimously approved by this committee by a resolution adopted August 4, 1959.

As the Representative of a district which contains some 12½ million acres of national forest land, may I express my sincere appreciation to Chairman COOLEY and members of his staff for their fine work on this bill.

The Second District of California ranks third in the Nation in acreage of national forests so I have a real interest in the multiple-use and sustained yield concept and cosponsor this legislation.

The 15 national forests in California's Second Congressional District are concrete examples of the results obtained when all elements of the natural resource picture are coordinated and recognized under the multiple-use principles of national forest management for a sustained yield of the resources present.

The attributes of our California national forests are many and varied. They are available to the timbermen, the sportsmen, and recreationists including the wilderness people. Ranchers graze their herds on areas designated as best for forage production. And of vital importance is the water for wells, streams, and hydroelectric development. Water for irrigation is an essential use in our country.

All of these multiple natural resources are available to our people. Regulation by acts of Congress and rules and regulations of the Department of Agriculture and the Forest Service are held to the minimum needed for the best interests of all our people and sufficient to sustain the yield of these resources for future generations.

Under such a concept, and policy of managing the renewable resources of water, timber, wildlife, recreation, wilderness, and forage the true values of multiple-use stewardship emerge.

Statutory recognition of multiple use as contained in the bills under consideration is needed for full recognition of the many resources now in demand by forest users and to protect entire forests for a single use.

We need the timber products from our California national forests. Last year there were over 23 million man-days of recreational use. This is double the man-day use on the national forests in any other region. We have national forest wilderness-type areas that must be maintained. Hunting and fishing in designated use areas is in demand and is a recognized multiple-purpose use.

Ranchers need to graze their herds in areas suitable for this phase of multiple use. And water yields from the national forests are now more important than all other uses in many areas.

I want to make special note of one use not mentioned in the bill, mining important to all our communities.

The committee report makes it clear that nothing in this bill would affect the authority which the Secretary of Interior has with respect to the mineral resources in the national forest lands. Thus the bill would not impair mining operations and activities under the authorities which the Secretary of the Interior has with respect to such mineral resources.

So the orderly development of the national forests may continue with the full sanction of the Congress in accordance with our fine program for national forests. I respectfully urge this Congress to support this legislation before us.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, I rise in support of the pending legislation. I think it is a very desirable measure and with the amendments that will be offered it will be a very acceptable bill and will be helpful in the administration of our national forests. This multiple use and sustained yield policy should long ago have been written into law. This bill would accomplish that desirable event.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, proper management of our forest resources merits the attention of every citizen, but we in Minnesota have a special interest. By intelligent management, we are witnessing a restoration of what were once great virgin forests and we have a real stake in wise utilization.

In the past half century we saw first a serious decline in forest resources and we are now seeing the benefits of reforestation.

A report of the Lake Forest Experiment Station maintained at the University of Minnesota by the U.S. Forest Service puts it well when it says:

> The picture is encouraging since it suggests that Minnesota forests have touched bottom and are now on the upgrade. It shows that they respond rather promptly to improved treatment. It suggests that even now there are opportunities for expansion of industries using selected materials and that these opportunities seem likely to grow.

Minnesota is estimated to once have had about 31.5 million acres of forest out of a total land area of 51.2 million acres. The timber industry boomed at the turn of the century and by 1926 the accessible virgin timber had been largely harvested.

Significant reforestation activities started during the thirties and we now have 19.3 million acres of forest land, of which 18 million are regarded as commercial forest area for raising timber crops.

We have surpluses in several kinds of trees and our forests unquestionably are able to support more forest industries. While we have a hardwood surplus, the heavy cut of softwoods during World War II has reduced the commercial softwood area to 4.4 million acres. Because of the continuing great demand for softwoods, an accelerated planting program is under way to balance out forestry potentials.

Fifty-six percent of Minnesota forest lands are owned by the county, State, and Federal Government. Farmers own another 27 percent while the remaining 17 percent is held by private owners.

This complicates the forest management problem since the public-owned lands have most of the surplus wood while many of the private lands have been or are being overcut.

Part of the surplus in the Chippewa and Superior National Forests may be attributed to inadequate road and highway systems in some areas. As a result, the managers have been unable to market the full allowable cut.

Attention is being given to the possibilities of additional industries closer to the forest. The steady progress being made in development of access roads would enhance these opportunities.

Nature is at work healing the wounds of our past mistakes in conserving this valuable resource. It is important that we direct our attention to wise management that will properly utilize this growth and provide the industries for future growth.

The very existence of a surplus in an area like the Chippewa National Forest is a credit to the managers who have labored so long and hard to rebuild and conserve this forest area. This work must now be put to use for the benefit of the people who have supported it and this should be done by pursuing a sound policy of judicious multiple use and sustained yield.

This means we can properly use this valuable crop while enjoying the additional benefits of watershed protection, preservation of the soil, recreation and maintenance of forage for game.

We have learned valuable lessons in the management of our forests and it is proper that we should now carry them forward in intelligent use of these resources. Careful use is in itself an essential of conservation.

Mr. Chairman, the bill before us will accomplish this worthwhile purpose while preserving the important gains we have made in forest development. It clearly and effectively states a sound public policy for the best uses of our forests in the public interest. I urge its passage.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, I rise in support of this measure and in support of the amendments which the Agriculture Committee is recommending. My colleagues in this body know of my consistent support of the principle of multiple use of our great resource heritage. This philosophy is not only economically sound, but is, I believe, in full accord with the maxim of the greatest good for the greatest number. My particular interest in this specific measure is increased by the fact that there are more than 9 million acres of national forests in my district.

I recognize and fully endorse the desire of the Forest Service to have more clearly established in law the policy of multiple use and sustained yield management of our national forest resources. This policy is important to the economies of the areas in which these forests are located. It also answers the Nation's concern in protecting our renewable resources and in securing the maximum benefits for the people. Finally, it is important to the many users of the national forests, whose numbers are steadily increasing.

Mr. Chairman, I was one of a number of members who questioned whether the original language of this proposal was sufficiently clear. Testimony of the bill's supporters and particularly of witnesses from the Department of Agriculture as well as the committee's report on the measure were intended to clarify some of these matters. In a bill designed to establish policy guidelines, however, Mr. Chairman, I think that we must be very careful that the language is concise.

Mr. Chairman, I want to make clear that I am confident that we all were and are aiming at the same goal with regard to this matter. With respect to minerals, for example, we desire neither

to add to nor detract from the existing situation relative to minerals development. We do not wish to create in this bill, without full consideration by the appropriate committee, new rights or practices in mineral prospecting and developing on national forests lands. By the same token, we do not want to restrict these activities in any such manner. I think the amendment which has been worked out with my committee's chairman, my good friend, the gentleman from Colorado [Mr. ASPINALL], fully meets those desires and I am pleased that the Agriculture Committee is in support of this charge. I urge that it be adopted, along with these other changes which, to my mind, serve to clear the air of questions as to congressional intent and insure that the measure does just what it is meant to do—establish more firmly in law the existing policies of multiple-use and sustained yield management of our forest resources.

Finally, let me say that I think the amendments being recommended by the committee make it more fully clear that this bill does not and is not intended to either downgrade or upgrade any single resource. Such an approach is fundamental to the concept of multiple-use management. While I share, Mr. Chairman, the feeling of the gentleman from Colorado [Mr. ASPINALL] that this bill represents to some extent a piecemeal approach to a matter of broad public policy, and that the multiple-use concept is certainly not limited to the operations of the Department of Agriculture, I am in support of this bill with the changes which are being proposed. I merely raise this point to further clarify the record and emphasize that we are here dealing with only one segment of a general policy matter. It is important also in that amendments being proposed, such as the one dealing with minerals development, are intended to insure that in dealing with this one segment, we do not disturb or bring questions of intent into the picture relative to the other segments. As I have tried to make clear, this is the basic reason for my conviction that these clarifying amendments are not only desirable, but essential.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, first I would like to say that I am in favor of the pending legislation and I rise at this time only to give a little history in reference to it. I have been in favor of such legislation for some time.

In 1958 I introduced a bill in the House for this very purpose, which I have before me. In 1959 I introduced this same bill. I make this statement for the purpose of the record only.

In 1959 the chairman of the Committee on Agriculture sent my bill down to the Department of Agriculture for a report. In February 1960, the Department came back stating that it favored the legislation and asked to offer their draft of the bill. The gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, said that I should probably offer the new bill that the administration wanted, that I had been working on this legislation for some 2 or 3 years.

I might just say how this first started. There are within my district in West Virginia 9 of 15 counties included in the national forests.

In consultation with some of the men who man the national forests, and with one of the regional directors of the national forests, I called on the National Forest Service here in Washington to help draft a bill which would carry out the intentions of multiple use and sustained yield. They all helped draft the first bill and they helped draft the second bill which is now being considered by the committee. So, of course, I am for the bill and I hope it passes.

Mr. Chairman, some very extensive work has been done on it. It is not a new thing. I have seen motion pictures of this very multiple use of the forests in my area that has been practiced now in small areas for some time, and I can assure the committee that it is worthwhile. It has developed those areas fully, and I am sure that it will be of further great help to the country. We all know we have no more frontiers to roll back to acquire new lands and to expand. We know what we have now. We know what we are going to have in the future in America, so we must make use of what we have.

In Proverbs 29, chapter 18, there is a verse which says:

> Where the people lack vision, they shall perish.

Certainly we are forewarned of what may happen in the future, and we must make use of it, and I believe this bill does try to take care of the basic natural resources of the country, because, as the chairman of the committee mentioned when he spoke, 10 percent of the land area in America is controlled by the national forests, and they supply a lot of our basic natural resources.

Mr. Chairman, all we have to do is to go back and read some of the history of 7,000 years ago relating to the abuse of our land, and you can see the story of the rise and fall of civilization in those thousands of years in the misuse of the land. I think the history of any nation or any people is written in the basic natural resources that the good Lord gives to that part of the world. Today we are changing civilization in that most of our people are moving from the cities into the suburbs. Ten to fifteen years ago the records will show that in a lot of our large cities 12 families were located on 1 acre of land. Today, in our urban developments, three families or less occupy 1 acre. We know full well the extent of our expanding population, and it is up to the Congress to look ahead and provide for it.

Mr. Chairman, the bill does not require any further appropriations, and the Bureau of the Budget have said they had no objection to its passage. As you will note, the bill has been amended in committee and may be amended on the floor later. I want the committee to know that I am firmly in accord with its passage. I believe it will do a great deal for not only our present generation but for the future citizens of this Nation by looking out for their welfare and the basic fundamental things that have made America great.

So, Mr. Chairman, I do recommend the passage of the bill.

Mr. HOEVEN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this bill is a directive from the Congress that our 181 million acres of national forests will be administered in the manner best suited to meet the needs of our expanding population for the resources and services these valuable public properties provide.

This legislation has been introduced by 53 Members of Congress and has been unanimously approved by the Committee on Agriculture.

In meeting the needs of the American people in the decades ahead, the various surface resources of the national forests must be maintained and utilized without impairing the sustained productivity of the land to provide timber, range, outdoor recreation, wildlife, and water.

The bill lists these renewable resources. There is no intent that any one resource has priority over another. The testimony of the Department of Agriculture representatives and the Agriculture Committee report on H.R. 10572 is clear on this point.

As stated in the report:

> In practice, the priority of resource use will vary locality by locality and case by case. In one locality timber use might dominate; in another locality use of the range by domestic livestock; in another outdoor recreation or wildlife might dominate.

The bill does not upgrade or downgrade any of the five resources enumerated. The aim of the bill, therefore, is to achieve coordinated and harmonious management of the resources on the national forests and at the same time to provide sufficient latitude for periodic adjustments in the use of the resources to meet the changing condition and needs of our people.

This is desirable legislation. It recognizes the excellent management achievements of the Department of Agriculture's Forest Service over the past 50 years on public property appraised at over $7 billion. It will assure continued good management of valuable forest, range, watershed, recreation, and wildlife lands in 41 of our 50 States. At a time when use pressures on the national forests from millions of recreationists, water users, timbermen, hunters and fishermen, and ranchers are increasing rapidly, this legislation will insure the best use of all the resources of our national forests by the people who use them.

No appreciations or additional costs are involved.

Mr. Chairman, I now yield as much time as he may require to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Chairman, almost one-third of the 2½ million acres of national forest land in Michigan is in my congressional district in the Upper Peninsula. While Michigan, as a State, is famous for the manufacture of automobiles and heavy equip-

ment, the Upper Peninsula is best known for its natural resources and scenic beauty. Our millions of acres of forest land are a prime factor in the economic well-being of our industries, and our people.

Our forests, which have been cut over in the past, are now in various stages of regeneration whereby new crops of second growth trees are available for our mills and products plants. The other resources of these forests are filling the daily needs of our people for recreation, hunting, fishing, and a variety of outdoor activities.

The multiple-purpose concept of management is responsible for the tremendous contributions these forests are now making. Coupled with the management and utilization of these properties for a sustained yield of all the products available, the outlook is good for future generations in the Upper Peninsula.

Our forest watersheds yield an abundance of clean, pure water so essential to the future development and use of any area. Some of the finest outdoor recreation in America is available on the streams and lakes in our forests. In fact, Michigan has been nicknamed the "Water Wonderland" because of the abundance of this resource of our forests.

In Michigan, therefore, our forests are put to many uses. Not all uses are possible on every acre of land. The multiple-use principle of management, however, recognizes all the uses available and then seeks to coordinate these uses for the benefit of the greatest number of our people.

I support H.R. 10572, and introduced H.R. 10708 as a companion bill, because this system of forest resource management has been successful on the national forests in Michigan. Enactment of this legislation will make all the users of our national forests more secure in whatever activity they are engaged whether it be timber cutting, hunting, fishing, camping, or other outdoor recreation pursuits. This bill is a good bill because it protects the interests of the rancher who grazes his stock on the national forest ranges in the West, the outdoorsmen who hike the trails on the national forest roadless areas in Minnesota, or the millions of other users who depend on the national forests for timber, water, and wildlife. It is desirable legislation not only for the national forests in Michigan but also the national forests in some 40 other States. Is it therefore of significant interest to every Member in the Congress.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may require to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I favor this legislation. I am the author of 1 of the 53 bills introduced on this subject. I want to commend the gentleman from Alabama [Mr. GRANT], the gentleman from Maine [Mr. MCINTIRE], and the committee for bringing this bill to the floor.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may require to the gentleman from Washington [Mr. WESTLAND].

Mr. WESTLAND. Mr. Chairman, I rise in support of H.R. 10572, which would authorize and direct that the national forests be managed under principles of multiple use and would provide for sustained yield of products and services. In fact, I have introduced a companion bill, H.R. 10778.

The population explosion concerns many persons, including myself, and it affects the Nation as a whole as well as my native State of Washington. Nationally, forecasts indicate our population will increase to about 310 million persons by the year 2000, approximately 70 percent above the present population. The current census supports this estimate.

In Washington State we have about 9.7 million acres in six national forests. Three of these are in my own district. I must say the forest supervisors and their staffs in the national forests are doing an excellent job in carrying out a program of multiple use. But tomorrow the people will need more timber for their economy, more recreational opportunities for their leisure time, more wildlife and fish to insure the hunter and fisherman some degree of success and more water for irrigation, industry, and domestic purposes.

Mr. Chairman, the Forest Service recognizes these needs and has prepared a long-range program to meet them. This program, which was presented to the Congress on March 24, 1959, is based on the concept of multiple use. This concept or principle is not new to the Forest Service. For 50 years the Service has believed that the application of multiple use in the management of national forests is a sound principle. It is based on the recognition of the many elements of the forest and their interdependence. Its application has given the people of the United States a greater sum total value than could have been obtained by single-purpose treatment of individual resources.

Multiple use is a principle rather than a system of management. It does not have a precise or universal meaning for each acre, nor can it be applied to small areas. It must be applied in the planning of large areas such as our national forests.

Mr. Chairman, at this point I want to point out that this legislation and the concept of multiple use which it embraces has the support of many people in my district and Washington State. These supporters include the Department of Natural Resources of the State of Washington, the Washington State Grange, and the timber industry. I have received many telegrams and letters from private individuals and organizations in support on H.R. 10572 and H.R. 10778.

This legislation would set the record straight and would give the Forest Service the statutory authority to carry out principles which it has accepted for half a century, and it would prevent single-interests groups of all kinds at some future date from pressuring the Service into single-purpose development of parts of our forests.

Our expanding population and growing economy demand the best economic use of our forest soil. The Congress by expressing belief in the multiple-use principle can assure for future generations the benefits that flow from good forest management and proper timber harvest. These benefits include the increased production of clear and usable water for irrigation and municipal purposes; silt-free streams for good fishing; a better habitat for game, and the development of more accessible and better appearing forest for recreational enjoyment.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I arise in support of H.R. 10572 which is similar to H.R. 10826, a bill I introduced and which in turn is similar to some 60 other bills all of which would "authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and for other purposes."

As will be recalled, last year Secretary of Agriculture Ezra Taft Benson transmitted to Congress a "Program for the National Forests," including all the renewable resources of the national forest system.

In addition to outlining an interim program for the next 10 or 15 years, long-range objectives for the next 40 years were also included.

While it was revealed in submitting the proposed program that legislative authorities for the recommended "Program for the National Forests" are generally adequate, it was stated that the need would arise for supplemental legislation.

It is to fulfill such a need that H.R. 10572, now under consideration by the House, and the many similar bills were introduced.

It is pertinent to state that enactment of the legislation would not increase costs of managing or developing the national forests.

At the same time, enactment of the legislation will assist in the attainment of the long-range national forest objectives advocated by Secretary Benson in the proposed "Program for the National Forests."

Briefly, the pending legislation, if approved, will accomplish the following results:

First. Direct that the national forests be administered for sustained yield of their several products and services.

Second. Direct that the national forests be developed under multiple-use principles, and declare a congressional policy that they are established and shall be administered for watershed, timber, range, outdoor recreation, and fish and wildlife values.

Third. Authorize cooperation with State and local governmental agencies and others in development of the national forests.

It is recognized that for many years the national forests have been administered under the policies of multiple use and sustained yield.

The act of June 4, 1897 (30 Stat. 35), specified that one of the purposes for which national forests are established is "to furnish a continuous supply of timber." The act also authorized the Secretary of Agriculture to "regulate their occupancy and use, and preserve the forests thereon from destruction."

As a result of such authority, the regulations prescribed by the Secretary of Agriculture direct that "management plans for national forest timber resources shall be based on the principle of sustained yield." In carrying out this directive the Forest Service Manual defines the principle of sustained yield, adding that—

> The policy is to manage each national forest working circle so that it will produce the maximum sustained yield of the product it is best suited to grow.

Mr. Chairman, I am informed that other than the directive mentioned and the Sustained-Yield Unit Act of 1944 (58 Stat. 32), which is of limited and local application, no specific statutory recognition or directive exists that would authorize administering national forest resources on a sustained-yield basis.

In addition, the references cited relate only to timber yet all of the renewable resources of the national forests are being administered under sustained-yield principles.

In the absence of specific statutory authority, it is deemed proper for Congress to direct the Secretary of Agriculture to administer the national forests for sustained yield of their several products and services.

Such action it is pointed out would first give specific statutory recognition to sustained yield as a desirable principle of management; second, it would apply the concept of sustained yield not only to timber but also to other renewable national forest resources; and third, the enactment of such legislation would protect the national forest resources from possible overutilization in the future in the event of economic pressures or by the activities of single-interest groups.

While it is true that water and timber as a national forest resources are named in the act of June 4, 1897, and that other public laws authorize the utilization of grazing resources and the authority to administer recreation and wildlife resources, there is a definite need to have the five major renewable resources specified in the same statute.

That is the prime purpose of the bill before the House and which embraces a number of bills on the subject, including my bill, H.R. 10826.

The principle of "the greatest good of the greatest number" has been adhered to in operating the national forests for over 60 years.

This has been found to be good policy and an effective means of guarding againt the increasing effort being made to limit some national forest areas to a single use.

Finally, the provision contained in H.R. 10572 authorizing cooperation with State and local governmental agencies and others in development of the national forests would simply mean that greater cooperation would be given since the spirit of cooperation has been in effect for many years as a matter of prudent policy.

Mr. Chairman, in concluding my statement, I am keenly interested in the development and use of the 181 million acres of national forest land represented by 151 national forests which yield water, timber, forage, recreation, game, and other wildlife.

Therefore, I hope that H.R. 10572 will be approved and sent to the Senate since it is designed to provide the "greatest good of the greatest number" by providing that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may require to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I have introduced a bill which is similar to H.R. 10572. I am in favor of this bill and I hope it passes.

Mr. HOEVEN. Mr. Chairman, I yield 6 minutes to the gentleman from Maine [Mr. McINTIRE], the ranking member of the Subcommittee on Forests.

Mr. McINTIRE. Mr. Chairman, I rise in support of H.R. 10572 as introduced by the distinguished gentleman from Alabama and as amended and unanimously reported by the Committee on Agriculture. There has been widespread support for this legislation from many sources as evidenced by the introduction of over 50 similar bills by Members of the House and by the great interest shown at the hearings held by the Subcommittee on Forests.

Over the past 50 years our 151 national forests have become an invaluable source of natural resources and services to the American people. They are major sources of water for some 1,800 cities and towns in the West. They are important water producing areas in the East, often protecting the huge investments in dams and reservoirs. Fresh water for industry, agriculture, and hydroelectrical developments is produced on these public lands. In the West more than one-half of the commercial forest land occurs on these nation forests. Within their boundaries we find one-third of the Nation's big game animals. There are priceless fishing streams and lakes. One-eighth of the Nation's cattle and one-fifth of the Nation's sheep find grazing on the more than 60 million acres of rangelands within their boundaries. In 1959 over 80 million people went to the national forests for camping, relaxation, and outdoor pleasures. They provide a source of low-cost vacations for more people each year. Sawmills, pulpmills, and forest communities depend on the national forest timber stands as a source of raw materials, jobs, and steady incomes. There are some 14 million acres of wilderness and primitive areas where the hardy type of outdoorsman can go to enjoy nature in its entirety and obtain spiritual uplift.

The demands for all of these resources and services of our Nation's forests will not diminish in the present decade or the next half century. All indications are that the skyrocketing population will make heavier demands on these public forests in the years ahead.

Enactment of this legislation is necessary if we are to assure the continued best use of all the resources, goods, and services which our national forests are capable of supplying. A sustained yield of the resources named in the bill is possible because they are renewable resources if managed wisely and well. The purpose of H.R. 10572 is to direct the Secretary of Agriculture to follow such management practices.

The national forests have been administered for a long time under the principles of multiple use and sustained yield based on authority from numerous statutes, regulations, and directives in appropriation acts. H.R. 10572 will provide in a single statute a directive from the Congress that the Secretary of Agriculture continue the administration of the national forests for multiple use and sustained yield of the valuable products and services from these public lands.

This bill is popularly referred to as the multiple use bill. While "multiple use" is a rather self-explanatory term I want to quote from the committee report to indicate the exact meaning of the term as used in this pending legislation and as applied to the management of the national forests. I quote:

> "Multiple use," as followed by the Forest Service, means the management of all the various renewable surface resources of the national forests so that they are utilized in the combination that will best meet the needs of the American people. It means making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform it to changing needs and conditions. It does not mean using every acre of land for all of the various uses; nor does it preclude managing some areas for less than all uses when necessary. Nor does it necessarily mean the combination of uses that will give optimum dollar returns or optimum unit output. Rather, it means harmonious and coordinated management of the various resources each with the other without impairment of the productivity of the land.

"Sustained yield" is the other significant term used in the bill. The report defines "sustained yield" as, and I quote, "Sustained yield of the several products and services of the national forests means the achievement and maintenance in perpetuity of a high-level annual or regular periodic output of the various renewable resources without impairment of the productivity of the land."

These are dual principles of management under which our national forests have been managed for many years under numerous statutes. They are statements of policy and principles of great importance to the future good management of these valuable Federal properties. They provide the basis for this directive by the Congress which names the five renewable surface resources so valuable to the future well-being of our Nation.

The bill gives congressional recognition to multiple use and sustained yield as desirable principles of management

for our 151 national forests. It will protect the national forest resources named: outdoor recreation, range, timber, watershed, and wildlife and fish from the possibility of overuse in the decades ahead. It is the means whereby extreme economic pressures, and pressures from single-interest groups can be effectively kept in balance with the resource needs from the national forests of all our people. H.R. 10572 establishes a policy of "the greatest good for the greatest number." It merits widespread support by the House.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may require to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. I rise in support of H.R. 10572. I am happy to give this bill my full support.

This bill authorizes and directs that the national forests be managed under principles of multiple use in order to produce a sustained yield of products and services. There is widespread interest in this legislation, and I feel that this measure has general support in Colorado.

I have several national forests in my congressional district and this bill is of great importance to my area. I have received a number of letters in support of this legislation. This is a good bill and deserves the support of the House.

Mr. Chairman, it is highly essential that we continue to operate our national forests under the multiple-use principle. Our people recognize the importance of our national forests to the economy of our Nation. We must do everything possible to obtain the maximum use of our forests, as this bill provides.

I have a letter from Mr. Charles K. McHarg, president of the Bessemer Soil Conservation District in Pueblo County, Colo. He calls attention to the fact that several hundred landowners within the district depend on our national forests to supply their water. I wish to quote from his letter, as follows:

> Most important, our irrigation water, upon which we have been completely dependent for successful diversified agriculture during the past 65 years, is in large part produced from the stored winter snows of the Arkansas River watershed of this national forest land. It is essential to our continued welfare that the Secretary of Agriculture be authorized by the Congress to develop and administer all the renewable surface resources for multiple use and sustained yield and to cooperate with interested agencies, specifically and permanently.

In Colorado and other Western States water is of tremendous importance and has been called the lifeblood of our economy. We are doing everything possible to conserve our water resources and to put them to the best possible use. In order to accomplish this objective, it is important that wise use be made of our national forests. For this reason, everyone interested in irrigation is supporting this bill.

The multiple-use principles in handling our national forests have always been recognized. I personally feel that our national forests should be used to benefit the largest number of persons possible. I think it is significant that various groups are appearing in support of this legislation who are interested in using our forests for widely different purposes. Stockmen who are interested in grazing in our national forests are in support of this bill. Those who are interested in fish and wildlife are also supporting this bill. Those who are concerned over conserving our water resources favor this legislation. Those who wish to use our national forests for recreation purposes feel that this legislation is in their best interests.

Mr. Chairman, I urge the passage of H.R. 10572, as I believe this bill is in the best interests of our country. The continued multiple-use operation of our national forests will produce large dividends in the years ahead.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, near the beginning of this discussion, I called the attention of the House to the splendid work of our subcommittee chairman, the gentleman from Alabama [Mr. GRANT]. At this time I desire also to draw your attention to the devoted work of the gentleman from Maine [Mr. MCINTIRE], the minority leader of the Subcommittee on Forests. He likewise has traversed our forests and learned of the problems of the forest lands. He has helped to develop this fine legislation—H.R. 10572—which I wholeheartedly support. In fact, I introduced a bill similar to H.R. 10572.

Now, Mr. Chairman, I ask the privilege of asking our chairman of the Committee on Agriculture a question. In line 3, page 2, of the bill, section 2, I read:

> The Secretary of Agriculture is authorized and directed to develop and administer the renewable surface resources of the national forests for multiple use.

Mr. Chairman, some of the State fish and game officials have a bit of apprehension concerning this clause for fear that it might transfer to the Secretary of Agriculture the administration of the fish and game laws of the forests. Would you please state for the RECORD the official position of our committee in that respect?

Mr. COOLEY. As you well know, the laws of the several States with respect to fish and game apply generally to the national forests. Thus, the State regulations with reference to season, bag, and other limits apply to hunting and fishing generally on the national forests. This bill would not change the situation in any way. The States and their fish and game agencies would continue to have the same jurisdiction and responsibility that they now have over fish and game in the national forests.

Mr. DIXON. I thank the gentleman for making that clear.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield so that I may ask the gentleman from North Carolina [Mr. COOLEY] a question?

Mr. DIXON. I yield.

Mr. HOFFMAN of Michigan. Where do you find what you just read—in the report?

Mr. COOLEY. It is in the report on page 2.

Mr. HOFFMAN of Michigan. How do you figure the report is binding on the Secretary of Agriculture when he comes to administer the bill?

Mr. COOLEY. He has to look at the legislative history and the intent and purpose of the Congress in the passing of the bill.

Mr. HOFFMAN of Michigan. I have been reading the Supreme Court cases. They are great on this legislative history.

Mr. COOLEY. The gentleman certainly would not say that. They are as great as the Committee on Agriculture.

Mr. HOFFMAN of Michigan. What?

Mr. COOLEY. The court is not as great as the Committee on Agriculture, I am quite sure the gentleman would not make that assertion.

Mr. HOFFMAN of Michigan. It seems I have heard a great deal from your side that you cannot understand what the Secretary of Agriculture, that is the present Secretary of Agriculture, Mr. Benson, is trying to get at.

Mr. COOLEY. We are trying to find out.

Mr. HOFFMAN of Michigan. Do you have any assurance that the next Secretary will be any better?

Mr. COOLEY. The law does not give the Secretary of Agriculture any new authority. You want the explanation of this bill and it is in the report. This is compatible with the traditions of this great House of Representatives; we have written in the report something that would indicate the purpose and intent of the Congress. I will be glad to read what the report says.

Mr. HOFFMAN of Michigan. No; you do not need to read it. I can read it without Federal aid to education. I learned that before there was Federal aid to education.

Mr. COOLEY. Then I will not read it.

Mr. HOFFMAN of Michigan. I want to join with the gentleman from Utah. The gentleman is a great fly fisherman—he is a purist. He never fishes with a worm except when the fish will not bite a fly. Suppose the Secretary wants to raise something on this land and grows some crop? What would you do?

Mr. DIXON. There is no one I would rather go fishing with than the gentleman from Michigan. But we do want this clear. I believe the committee has the privilege of defining the terms here, and this term "surface resources" or habitat can be defined as not including the fish, game, and wildlife and the committee so defines it.

Mr. HOFFMAN of Michigan. But the Secretary will have us clear on the outside of the park.

Mr. DIXON. The Secretary and the Department have approved this bill as written, and we have their testimony that they agree, that he does not have or want jurisdiction over fish and game laws as administered by the States.

Mr. HOFFMAN of Michigan. When it comes under the 5-minute rule I will get some more time to ask some more questions about that.

Mr. DIXON. Thank you.

The CHAIRMAN. The time of the gentleman from Utah [Mr. DIXON] has expired.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, may I begin by assuring the distinguished gentleman from Michigan [Mr. HOFFMAN], as one who shares his great love for fishing, as one who represents the great State of Washington, which has such wonderful fishing opportunities, I would not have been as great a supporter of this bill if I had not checked these questions he poses very carefully. Being satisfied, I give this legislation my 100-percent support. It is a good bill for all of us, including the fishermen.

Mr. HOFFMAN of Michigan. That is what you think, but you will not be the first woman that was deceived.

Mrs. MAY. The gentleman offers me a statement I cannot deny.

Mr. Chairman, as a member of the Forestry Subcommittee of the House Agriculture Committee, I am pleased that so many of my colleagues on both sides of the aisle have sponsored and subsequently supported H.R. 10572, the bill to authorize and direct the management of our national forests under the principles of multiple use and sustained yield.

This is important legislation of major significance to the future of our national forests. It is an appropriate adjunct to the "Program for the National Forests" which was sent to the Congress by the Department of Agriculture in March 1959. All Members of Congress received a copy of this program—popularly known as "Operation Multiple Use." Hearings before the Subcommittee on Forestry of the House Agriculture Committee, the House Committee on Public Works, and Senate Committee on Appropriations revealed scores of supporters for this "Program for the National Forests."

H.R. 10572 is a logical corollary to this "Program for the National Forests" in a decade when these public properties, worth over $7 billion, are of increasing importance in the economy of the Nation and in the 41 States and Puerto Rico where they are located. Demands for timber, water, recreation, forage, and wildlife are increasing under impact of the skyrocketing rise in population. The cut of national forest timber has more than doubled in the past 7 years. A cut of nearly 10 billion board feet is expected in 1960. This will have a total consumer value of over $3½ billion. A cut of 21 billion board feet is predicted to meet the needs of our people by the year 2000, just 40 years from now.

Increasing leisure time resulted in an alltime high in 1959 of 81½ million recreation visits to the national forests.

In Washington and Oregon there were over 10 million man-days of recreation use on our national forests. By 1969 recreation use on the 151 national forests is expected to reach 130 million visits and this estimate may be low. The people making these visits will spend nearly a billion dollars for sporting equipment, gas, oil, lodging, and other recreation expenses.

The value of wool, meat, hides and other livestock products from the millions of cattle and sheep grazing on the 60 million acres of national forest rangelands is important in our economy.

Water from the national forests for irrigation, hydroelectric developments, and home use is invaluable to our rural and metropolitan areas.

Hunting and fishing on national forest lands, in cooperation with the State fish and game commissions, is a heavy use which grows heavier each year. Sportsmen spend several billion dollars annually on gear, guns, ammunition, transportation, and other supplies. This is a source of steady revenue to many communities in or near the national forests.

These are the many uses of the renewable resources of our national forests which must be recognized and provided for in our modern-day economy. We are entering the so-called space age. Notwithstanding the American people are in competition for land and its resources right here on our planet—in America to be exact.

The national forests must be managed for a sustained yield of the products and services that I have just mentioned. The various renewable natural resources that produce these goods and services so essential to modern existence must be administered so that they are utilized in a combination to best meet the needs of our people.

The various surface resources of water, timber, forage, outdoor recreation, and fish and wildlife must be managed in a harmonious and coordinated manner—without impairment of the sustained productivity of the land.

No single use of one or two resources must be allowed to dominate the other essential uses over large areas if management of the national forests are to continue to meet the test of the greatest good of the greatest number in the long run. Under the multiple-use policy of management we can have timber harvesting to provide forest products, local jobs, and community stability while at the same time the watershed is providing usable water, recreationists are enjoying camping facilities, sportsmen are pursuing game or fishing in the forest streams, and ranchers are grazing their livestock on the forest ranges.

Multiple use does not mean that all of these many activities will be progressing on every acre of land in the national forest. Neither does it mean the combination of uses that will bring in the most dollars. It does mean that all of the uses I have mentioned are coordinated to make the best possible use of the resources available to best meet the needs of our people.

There are now some 14 million acres devoted to wilderness type use on our national forests. In my State of Washington there are three such areas of over 925,000 acres. These areas are set aside for the hardy-type outdoorsman who takes his pack on his back and visits the scenic grandeur of these areas alone or with a small group. These wild or primitive type areas have been set aside as the best use for the land and its inherent scenic values. Hence multiple use does not preclude the management of some areas for less than all the uses when necessary and desirable.

H.R. 10572 merits the support of Congress because it provides in a single statute the directive that our national forests will be administered for sustained yield and under the principle of multiple use.

The act of June 4, 1897, outlined a broad policy which made it possible to open up the newly created forest reserves to use by our people. This act with later amendments, subsequent statutes, Department regulations and language in numerous appropriation acts for the past 30 years have developed the framework for the principles of sustained yield and multiple use which the Forest Service has been following in the administration of the national forests.

It is now timely and highly desirable that we have in a single statute the recognition of the multiple-use objectives of national forest management for sustained yield of the products and services they provide. The bill recognizes the five major renewable resources of these forests—something which has not been done in any previous legislation.

Most of the national forest acreage is in our Western States. There are, however, numerous national forests of great importance in the East. In Washington, the 9,700,000 acres of national forest land must be managed under the principles provided in this bill if they are to meet the accelerated need for all the products available. This is the basis for the widespread support for this legislation in the West.

Over the past 50 years, the Congress has watched and guarded the Nation's national forests with a nonpartisan attitude and interest that is commendable beyond words. We are again faced with legislation that will be another milestone in the wise, orderly, and thoughtful management of these public properties. We have the backing and support of conservation groups, women's organizations, the stockmen, lumbermen, recreationists, the American Forestry Association, and others for the passage of this legislation. There are no appropriations involved, there is no interference with pending legislation on wilderness or other conservation activities. This is a policy statement and directive by the Congress for the Department of Agriculture's Forest Service to move ahead under time-tested principles in the management and use of the resources on our national forests. This is legislation in which every Member of the Congress can take pride in having had a part in its enactment.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I congratulate the gentleman from Alabama [Mr. GRANT] and the Committee on Agriculture for introducing and reporting

this bill. It is a bill which is needed. I sincerely hope it will have the unanimous support of the committee and of the House.

Mr. Chairman, the forest resources of our Nation are invaluable to our security, economic well-being and daily existence. Wood and the other products of our forests are everywhere. We have only to look around this Chamber to realize the utility, beauty and adaptability of wood. Water which we use so lavishly in our abundant living is taken for granted by most people. It has been said many times that water is the lifeblood of our modern industrial and agricultural economy.

Meat for our tables, wild game, and fish for the sportsman, and a place for healthful outdoor recreation are other valuable resources and services that come from our forests.

To be useful an area or resource must be utilized. Utilized, that is, in a wise and sustained manner that will best satisfy the needs of our people. The management policies applied to the national forests of America are excellent examples of wise, effective, and sustained use of a variety of natural resources and the products and services they provide.

Some 50 of my colleagues have introduced identical bills to H.R. 10572, the bill we are now considering. These sponsors and those who appeared in support of the bill at the hearings all recognize the need for this legislation at a time when use pressures on our national forests are mounting.

The national needs for the renewable surface resources of these forests are increasing annually. More people, more leisure time, more income, more mobility and a desire for a better life all combine to intensify the use of our available forest lands and their resources.

I will not go into great detail as to the importance of the 151 national forests located in 39 of our States and Puerto Rico. There are a few facts, however, of significant interest.

The 180.8 million acres of national forests represent about 8 percent of the land area of the United States. About 17 percent of all the commercial forest lands in the United States is on these forests. There are 64.3 million acres of rangelands.

H.R. 10572, the multiple use bill, recognizes the best possible multipurpose management of this public property. Fifty percent of the national forest area in the United States is used for five different purposes: Outdoor recreation, range, timber, watershed, and wildlife in combinations that vary according to location, need, and availability of the resource; 28 percent is used for four multipurposes; 21 percent for three uses; and only 1 percent is used for a single purpose such as corrals, pastures, summer homesites, and so forth.

This is concrete proof that the national forests in my State of Florida and elsewhere throughout America are managed to serve the greatest number of our people in the best way possible and for a sustained yield of the resources and services that these forests provide.

This bill should be enacted because the Congress must never lose interest in the continuation of national forest management under the principles of multiple use and sustained yield; principles which have proven effective over the past 50 years. Too, the bill is designed and tailored to the job of national forest management at a period in our history when abundant natural resources are necessary to a successful race into space. We cannot tolerate a ruthless exploitation of the renewable surface resources of our forests to meet the mounting needs for raw materials, neither can we tolerate the withdrawal or locking up for a single purpose use any area where multiple use has been the accepted way of managing the land for a sustained yield of the things we need.

The directive in H.R. 10572 for multiple use and sustained yield management of the national forests is clear. It will assure the best possible handling of all the resources, raw materials, and services that these forests provide for the crucial periods ahead.

I have been involved in conservation and forestry activities for many years. I have studied this proposed legislation. I have introduced an identical bill. I can assure the Congress that the bill is aimed at the national forests; there are no appropriations involved, it interferes with no other pending legislation or the management of national parks or State or private lands; and it establishes by statute what the Forest Service has been practicing for many years in the fulfillment of the basic duties of stewardship on our great national forests. It is a bill worthy of the support of every Member of the Congress. I hope it will receive your support.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I have asked for this time to express my appreciation of the efforts of the committee in bringing this type of legislation to the floor. I am convinced that many of the practices which this legislation would authorize have been put into use in recent years. It is wholesome and important legislation.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, I, too, rise in support of the bill H.R. 10572 as author of a companion bill, and also to congratulate the chairman of the subcommittee, the gentleman from Alabama [Mr. GRANT], and the gentleman from Maine [Mr. MCINTIRE] for working so zealously on this legislation over a long period of time. Also I wish to congratulate the Committee on Agriculture for their painstaking work on this worthwhile legislation. I am satisfied that this is one of the most important pieces of legislation to be brought before the House this year, and I am more than pleased that it is an unanimous report from the committee. As far as the national forests are concerned, there is no doubt it constitutes major legislation. This bill directs that the national forests be administered for sustained yield of their several products and services.

It further directs that they be developed under multiple use principles and declare a congressional policy that they are established and shall be administered for watershed, timber, range, outdoor recreation, and fish and wildlife values. It will under its provisions encourage and of course authorize cooperation with other groups in national forest development. We in the Congress that represent industrial areas are well aware that many of our people seek national forests each year for vacations, rest, recreation, relaxation, and to enjoy nature in the great outdoors. Our forests are increasing year after year in importance due to the easy availability of transportation to these places of interest, and since our people have so much more leisure to spend enjoying themselves in these interesting surroundings. Our forests are ideal camping grounds and places of amusement for our young families in view of the fact that the cost is so low to the visitors.

I am glad to join with so many of my colleagues in urging support of this bill with the added hope that it will pass unanimously.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Alaska [Mr. RIVERS].

Mr. RIVERS of Alaska. Mr. Chairman, I have supported this legislation from its inception and introduced a like bill to denote my cosponsorship. My interest stems from life as a youth in the wide-open spaces and forests of Alaska. The forests of Alaska, including the Tongass and Chugach national forests, exceed 20 million acres and constitute a great storehouse of wealth for Alaska and the Nation as a whole. The concept of multiple use which has been tested in actual practice within our country for over 60 years has proved successful and should now be recognized as national policy for the future in the field of forest management. This concept of multiple use combined with sustained yield conservation practices will, if adopted as our policy for the future, constitute a positive measure for the benefit of our children and our children's children on the basis of the greatest good for the greatest number. In so saying I assure you that I reflect the great preponderance of opinion of the people of Alaska as well as the official policy of my great State expressed in section 4 of article VIII in Alaska's State constitution on the subject of natural resources as follows:

> Fish, forests, wildlife, grasslands, and all other replenishable resources belonging to the State shall be utilized, developed, and maintained on the sustained yield principle, subject to preferences among beneficial uses.

In the light of Alaska's position just stated you can well understand my interest in the bill before us. It enunciates the same principles for future Federal policy as are already set forth in Alaska's constitution for management of State lands, including forests. The

point becomes more meaningful when you consider that the greatest of Alaska's forests are national forests which will remain under Federal jurisdiction and management. Passage of the legislation before us will insure the application of the same basic principles throughout the great area of Alaska regardless of whether particular acreage be State or Federal.

The national forest areas in Alaska are rich not only in timber for pulp mills and lumber mills, but endowed with a great water supply for hydroelectric production, salmon runs of great renown and great recreational value for the people of America in terms of boating, hiking, sports fishing, and hunting for bear, moose, deer, mountain goats and sheep and other forms of wildlife which are abundant in this scenic wonderland.

I join with the sponsors and cosponsors in urging passage of H.R. 10572.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I thank the gentleman from North Carolina for yielding to me. I would very much appreciate clarification of one point that has been concerning me. I would like to ask the distinguished gentleman whether or not this bill will in any way affect mineral leasing laws within the national forests, or water rights within the national forests, State and Federal laws existing at this time on water rights within the national forests, mineral leases, grazing leases, and other use permits within the national forests. I am particularly concerned that the bill might in some way change Federal property rights and Federal prerogatives on national forest lands.

Mr. COOLEY. I think I can assure the gentlemen that there is nothing in this legislation that will interfere in any way with any of the matters the gentleman has mentioned.

As I said earlier, when the bill is read for amendment, I will introduce an amendment providing that nothing herein shall be construed as to affect the administration of mineral leases, prospecting and other use of Federal land within the national forests.

Mr. DINGELL. I thank the gentleman. I am very glad to hear that the bill is not intended to change existing law. I had been much concerned over this point and am grateful for the help of the distinguished chairman of the Agriculture Committee in clarifying this point of legislative history.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. PIRNIE].

Mr. PIRNIE. Mr. Chairman, as a member of the House Committee on Agriculture and as sponsor of a companion bill, H.R. 10720, I welcome this opportunity to indicate my support of this legislation.

The only federally owned lands administered by the U.S. Forest Service in my State of New York are some 13,750 acres, devoted to the land utilization program. There are no national forests. Notwithstanding, the citizens of New York are interested in the management and utilization of the national forests from Maine to Alaska and to the Gulf of Mexico. Our people travel; they visit these forests for recreation, hunting and fishing. They eat meat raised on the national forest grazing lands in the West. Douglas fir timber and plywood from west coast forests are used in our buildings. Our people realize that hydroelectric developments using water produced on the national forests are important to our national strength and security. And they know that a Nation with well-managed forests faces the future better able to meet the challenging demands of our times.

I particularly want to mention section 3 of the bill we are considering. It has been the policy of the Congress since forestry activities were established in the Department of Agriculture in 1891 to cooperate with the States in the development of private and State-owned natural resources. Cooperative authority for tree planting, forest fire control, forest management advice, insect and disease control and forest research exists and will not be superseded by the legislation under consideration. The proposed legislation will be a policy statement by the Congress of the merits of the activities and the need to encourage the full development of State and privately owned natural resources.

In New York, there are over 11 million acres of farm, industrial, and other nonfarm owned woodlands. There are some 3.2 million acres of State forest preserves, forests, parks, game management, county, and municipal forests. Salaries and wages of persons employed full time in our New York forests amount to $½ billion a year. The value of the products of our State's wood-using industries is some $2 billion annually. These are significant contributions to our economy. New York's Representative Clarke was cosponsor of the Clarke-McNary Act of 1924, which stimulated the development of the national forests in the East and provided cooperation with the Forest Service in fire control, extension forestry work, and tree planting. New York started forest tree planting with the first State-owned tree nursery established early in this century. Our State has been of constructive assistance to other States as they embarked on programs for the development and management of natural resources.

Therefore, Mr. Chairman, I have a deep and continuing interest in any proposed legislation that will strengthen resource management activities regardless of who owns the land or where it is located. Multiple-use and sustained-yield management practices are good for any forests whether State, Federal, or privately owned. I believe H.R. 10572 is a good bill and merits favorable action.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Wyoming [Mr. THOMPSON].

Mr. THOMSON of Wyoming. Mr. Chairman, having introduced a similar bill to H.R. 10572, I rise at this time in support of the pending measure. It is very important legislation, particularly for the 11 Western States, which have large areas of national forest lands within their boundaries.

At the outset of my remarks I would like to clarify a question that has arisen primarily since the legislation was considered in committee. The bill provides that "the national forests are established and shall be administered for outdoor recreation, range, timber, watershed, and wildlife and fish purposes." The question has been raised as to whether or not "grazing of domestic livestock" should be specifically added by amendment. It is my understanding that the committee in the consideration of this bill has limited itself to the listing of resources from the forests without listing the uses to which the resources are to be put.

It is my further understanding that by including "range" as a specific listed resource, it is contemplated and intended that this includes as a use of that resource the grazing of domestic livestock. I would like to ask the chairman of the committee if that is the reasoning and intent of the committee.

Mr. COOLEY. Yes. The word "range" is in line 5 of the bill.

Mr. THOMSON of Wyoming. And the use to which it would be put, though, would refer to the grazing of domestic livestock as each Member has pointed out in his remarks.

Mr. COOLEY. That is right.

Mr. THOMSON of Wyoming. I thank the gentleman.

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

Mr. THOMSON of Wyoming. I yield to the gentleman from Maine.

Mr. McINTIRE. The gentleman from Wyoming is vitally interested in forestry matters and we value his counsel on all matters including forestry. The gentleman has expressed the purpose of this language and the listing of renewable resources express this broader term, then you divide these resources in the several uses, a range into grazing, and so forth.

Mr. THOMSON of Wyoming. I thank the gentleman from Maine. I understand the problems that are involved. If we attempt to list all of the uses that come in these various categories, it would become almost a 10- or 20-page bill instead of the type of precise legislation we have today. For example, under "watershed" we would have the listing of water for irrigation, for domestic use, for municipal use, for industrial use, and so on down the line.

Mr. McINTIRE. The gentleman has expressed the problem which was before the committee, and so rather than get into the separate divisive definitions, we have supported the concept which we have outlined in our colloquy.

Mr. THOMSON of Wyoming. I again thank the gentleman.

Mr. Chairman, how the national forests are administered is of great importance to the Nation, in the present and in the future. The area of the forests alone is indicative of their importance. Within the continental limits of the United States there are over 181,100,000 acres of national forest lands. Within the public land States of the

West, the concentration is, of course, greater. As an example, within the State of Wyoming which it is my privilege to represent, over 8,568,000 acres are national forest lands, which amounts to almost 14 percent of the total area of the State.

This is a semiarid area, in which water is most important to the future growth and the development of all of our abundant natural resources.

Situated as they are, the forests are a key to water development, storage and utilization.

The livestock industry, both cattle and sheep, is one of Wyoming's largest businesses. Forage on the national forests is not only important in itself, but has become a major factor in the economic utilization of a large portion of the nonforest lands. Anything that would disturb the balance of this would create serious economic problems.

Third of importance in Wyoming's industries is the tourist industry. Wyoming is second to none in scenic splendors and tourist attractions. Hunting, fishing, and camping within the national forests of Wyoming attract thousands of sportsmen and tourists each year.

Lumber and other timber products produced from the forests are becoming of increasing importance. Several communities depend upon this for their economic well-being.

As the Department of Agriculture has administered the national forests, a policy of administration has been developed so as to recognize all of these and other uses, and has been commonly referred to as administration for multiple use and sustained yield. The purpose of this legislation is simply to codify that policy and to express it as the policy of the Congress. It is most important that this should be done. From first hand observation, I believe wholeheartedly in the multiple-use principle and, although there are times when relative values must prevail, in almost all instances the forests can be administered to give to the public the benefit of the various resources simultaneously.

I think we should pay particular attention to the things that this legislation does not do. In the first place, it will not in any way affect or restrict the future development of the mineral resources within the national forests. It would not in any way interfere with mining operations or the production of oil and gas. This is most important and has been specifically provided in the legislation.

In the Department communication requesting this legislation, in the hearings, in the committee report, and in the debate, it has been clearly indicated that it is not the intention to in any way extend to the Secretary of Agriculture or any other agency of the Federal Government authority to manage the fish and wildlife on the national forests. This is now and should remain the sole jurisdiction and responsibility of the States. To make doubly sure of this, I will support an amendment to specifically write this into the law.

As a matter of fact, Mr. Chairman, this legislation gives no authority to the Secretary which he already does not have. The effect of the legislation is merely to write into the law the principles of multiple use and sustained yield for the managing of the national forests. It is most important that we should do so, and I urge favorable consideration of this legislation.

Mr. HOEVEN. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I do not know that I should take this time. I am too close however to some of the problems which have existed in the past, too close to the present use of various lands out in the West under supervision of the Forest Service not to be prompted to make a few remarks when a bill, so inclusive as this one, dealing with the future use and the future production of our forest lands is under consideration. I think the very universal acceptance that has been expressed here this afternoon of this bill precludes the necessity of my making any further remarks in defense of the bill.

Mr. Chairman, I think I should point this out, that a part of the reasons for this universal acceptance of this bill stems from the fact that we have had in recent years some very enlightened, very constructive, very sound, very realistic management of the forest lands. I well remember as a rancher the day when the rancher in the West sometimes looked upon the representative of the Forest Service as almost in the same category as a predatory animal, you might say. I am very glad to say that that day has long passed. The rancher and other people, it has been gratifying to me to learn, the wildlife people, the wilderness people, the watershed people, and the timber people now accept grazing as one of the proper uses of forest lands if it is properly administered. The ranchers and the Forest Service have resolved their differences through the years and now this conflict of interest that used to exist no longer exists. The rancher now is just as concerned about the long-time protection of the renewable resources on these forest lands as anyone.

Mr. Chairman, I think this bill deserves the support of everyone in the House and I urge its passage.

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

Mr. SHORT. I yield.

Mr. COHELAN. Mr. Chairman, I rise in support of this legislation.

I wish to commend members of the Committee on Agriculture for submitting amendments to H.R. 10572 to clear up certain confusions and reservations which I have shared with a number of my colleagues.

Specifically, I support the addition of language to section 2 of the bill to stipulate that wilderness areas can be set up and maintained in full consistency with the purposes of the act—that is, that "wilderness" is a multiple use equal in status to commercial uses. At the same time, I understand that this new language does not in any way preclude later action on a separate wilderness bill for it remains for the Congress to act on the problems of how and when wilderness areas are to be established and how public control is to be exercised.

Furthermore, I appreciate the committee's amendment to include in this legislation definitions of the key concepts "multiple use" and "sustained yield."

With these amendments I support the measure with the understanding that the record today clearly expresses the intent of the House of Representatives that this bill shall in no way be taken as a restriction or prohibition of the Secretary of the Interior's authority to continue to conduct studies of various Federal lands, including national forest lands, to assess their park and recreational potential.

Mr. HOEVEN. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, I take this time to direct a question to the chairman of the committee. I should like to ask whether there is anything in this bill which will change the basic principles laid down in 1905 by Gifford Pinchot when he outlined the uses for which our national forests were to be maintained.

Mr. COOLEY. I do not have Governor Pinchot's words before me and I do not know what he said at that time. But I know that this bill does not make any change in the program that we have had through the years.

Mr. SAYLOR. The reason I ask that question is this. From 1905 until today the statement of Governor Pinchot has been followed as the bible in the Forestry Service. I wanted to know whether or not there is any intention in this bill to change any of the principles which he laid down.

Mr. COOLEY. This bill simply tries to clarify the administrative responsibilities of the Secretary of Agriculture. It is to provide the greatest good for the greatest number of the people. I do not think that we make any basic change at all.

Mr. SAYLOR. I have been informed by the chairman of the committee that he expects to offer an amendment on page 2, line 9, which will state that the establishment and maintenance of wilderness areas is consistent with this act.

Mr. COOLEY. Yes.

Mr. SAYLOR. If that is the case, would the chairman object to including the preservation and use of wilderness areas as one of the purposes of the bill in section 1?

Mr. COOLEY. I think that is already covered by the term "outdoor recreation." I do have a wilderness amendment which I have read to the House; I should be glad to read it again.

Mr. SAYLOR. I have read that. I just wondered if the gentleman would object to an amendment which would add the preservation of wilderness areas to section 1.

Mr. COOLEY. I cannot see any reason to have any amendment to section 1.

Mr. HOEVEN. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I join my colleagues in commending the Committee on Agriculture for bringing this legislation to the floor of the House. I believe the purpose of the proposed legislation as a multipurpose bill should encourage and enable marked accomplishments in the improvement of our national forests. However, I have concern about one thing and at this time I should like to direct the chairman's attention to page 7 of the committee report, the last paragraph, which states:

Enactment of this legislation would not increase costs of managing or developing the national forests. It would help to assure attainment of the long-range national forest objectives described in the program for the national forests referred to above.

Mr. Chairman, I am quite concerned, based on my personal observation, about the lack of policing in the management of our national forest parks. I was in my congressional district over this past weekend. In addition to tending to other business I went on an inspection tour of the national parks in my area and also visited the site of one which is contemplated. I was amazed and appalled at the vandalism to which these beautiful facilities had been subjected, where there is no or inadequate policing of our national forest parks. It would seem to me that if we are launching on such a wide program with the meritorious objectives that this program has, we should certainly recognize that it is going to cost some additional money to have the right kind of supervision in the form of policing these parks so they will be kept clean and so vandalism will be eliminated.

There have been evidences of people deliberately taking logs or axes or some other implement to smash windows and screens of bathhouses. They have left liquor bottles, wine bottles, beer cans and other trash strewn all over the park. As long as a group of park users misuse park facilities, there is only one way the other citizens of our Nation, and I might add the vast majority of our citizens, can have a good park service, and that is to have adequate and effective policing. The question I raise is that the committee report states that the enactment of this legislation will not entail additional cost.

Mr. COOLEY. I think the gentleman is in error. Is the gentleman aware of the fact that he is quoting from the Acting Secretary's letter?

Mr. KNOX. The committee put it in as part of the report. They must have believed it.

Mr. COOLEY. Not always have we agreed with the Secretary, nor do we always agree with his report. Acting Secretary Peterson said just what the gentleman quoted, that the enactment of this legislation would not increase costs of managing or developing the national forests.

Mr. KNOX. May I also state that members of the committee have also said on the floor there would not be any additional cost. I am interested in assuring that sufficient money is available to do a complete job.

Mr. COOLEY. Does the gentleman take issue with Mr. Peterson, who made the statement?

Mr. KNOX. I take issue with the report, because I believe it is going to cost additional money.

Mr. COOLEY. If the gentleman takes issue with Mr. Peterson, I suggest he take that up with him.

Mr. KNOX. Mr. Peterson did not report the legislation to the House.

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

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

Mr. HOEVEN. The directives of the Forest Service are very clear as to maintaining and policing these parks. If there is not enough money made available, that is within the jurisdiction of the Committee on Appropriations.

Mr. KNOX. That is correct, subject, of course, to the limits of the authorization.

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

Mr. KNOX. I yield to the gentleman from Maine.

Mr. McINTIRE. I think the gentleman from Michigan understands, also, that the total receipts from the national forests are in excess of the amounts of money which are made available for the Forest Service in their work. There are a number of us, and I personally, who have visited the national forests on the problem of recreation within the national forests and have strongly encouraged some additional legislation in this field, which has not yet reached the floor, but who have also been aware of the fact that there is a problem in this area. The Forest Service management recognizes and within the extent to which funds are provided which can be used for these purposes is attempting to discharge its responsibility.

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

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

Mr. JENSEN. I have been interested in listening to the colloquy that has taken place on this issue. I happen to be the ranking minority member of the Committee on Appropriations for National Parks. It comes under the Public Works Committee. Never to my knowledge has there been brought to the committee's attention that there was not sufficient protection and provision of funds.

I may say this. That the personnel in the Forest Service is quite large, as the gentleman knows.

Mr. KNOX. That is correct and I believe that to the extent of their numbers in terms of the magnitude of their responsibility, they are to be commended for the work they do.

Mr. JENSEN. And I believe that personnel could be moved from other places into the park, which the gentleman has just explained, in his State, and take proper care of that. So, it is possible that money will be needed. I want the gentleman to know that I will look into this matter from the standpoint of the Committee on Appropriations. I want to thank the gentleman for bringing it to the attention of the House.

Mr. KNOX. I thank the gentleman from Iowa, and I support the legislation. I do hope the necessary appropriation will be made available so that proper policing can be done in the National Park Service.

Mr. HOEVEN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, I rise in support of this bill. It so happens I have had a long acquaintance with the national forests in the Far West even though I am a New York Member. I own some property completely surrounded by a national forest and I have worked over the years in conjunction with the U.S. Forestry Department. I commend the Department of Forestry for the awareness they have shown in recent years in protecting and utilizing our natural resources to the utmost. This is one of the most important pieces of legislation that has come before this House since I have been a Member. The national forests are one of the precious assets this Nation has. These assets must be utilized carefully.

There should be no waste. This bill is a step in that direction. Multiple-purpose use of our national forests will redound to the best interest of every citizen in America and contribute to the long-term strength of our Nation not only in providing recreation but also in providing timber as well as metal ores which play such an important role in all that has made America strong.

Mr. Chairman, I thank the gentleman for the opportunity to speak in behalf of this bill at this time.

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

Mr. COOLEY. Mr. Chairman, I yield such time as he may require to the gentleman from South Carolina [Mr. McMILLAN].

Mr. McMILLAN. Mr. Chairman, I want to go on record as supporting this proposed legislation. I am a member of the Forestry Subcommittee and as vice chairman of that committee I had the opportunity to hear all the testimony before our committee on this proposed bill. We made a desperate effort to meet the objections of the opposition and to comply with the wishes of every segment of the lumber industry and all other people who had an interest in the forests of this country. I think we have a good bill and I hope it will pass unanimously.

Mr. COOLEY. Mr. Chairman, I yield such time as he may require to the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, I am delighted that H.R. 10572 is to be enacted. I believe it will provide for an economical and productive use of our forest products and the incidental potentials such as wildlife preservation, grazing, soil conservation, water conservation, and preservation of natural resources.

Our natural forests are always a bulwark against erosion, a place for experimentation, and management of forestry

can be safely and expeditiously practiced, and a paving of refuge for those who want the peace of mind nature provides.

I congratulate the committee on its excellent work. I am delighted that the States are considered and I urge the passage of this legislation.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER. Mr. Chairman, as the sponsor of a bill identical to H.R. 10572, I urge the House to enact this vital measure.

The State of West Virginia today is in the midst of a reappraisal of its resources, in the hope of finding new means of employment and increasing our gross product—and thus to alleviate the depressed economic condition of the State.

In every discussion of these resources and possibilities, the vast potential of the State's timberland is mentioned as one of the most promising prospects.

This is easy to understand. Sixty-four percent of our State is covered by timber, and within our borders lie two great national forests—Monongahela and George Washington.

Timber last year was a $100 million industry in the State of West Virginia, and the tourist trade—which is largely centered in our heavily forested areas—accounted for another $270 million.

This is but a glimpse of what lies ahead. Dr. Warden M. Lane, director of the West Virginia Conservation Commission, said only this past Tuesday that the tourist trade could readily reach an annual volume of a billion dollars, if proper promotion and management can be attained. He pointed out that the tourist business, which depends largely on the handsome vacation grounds located in the main in our national forest land or other timbered areas, can be an even more lasting resource than the vast deposits of coal underlying our gorgeous mountains. Dr. Lane said:

> It little matters to me whether we get $8 for a ton of coal or $8 from a tourist. But when a ton of coal is taken out, it is gone—and a satisfied tourist will come back again.

He pointed out that a protective cover of trees is an ideal way to preserve the topsoil of many acres of West Virginia which is arable but not needed now for agricultural use. This, of course, is a means of creating a ready-made and foolproof soil bank.

Dr. Lane also pointed out in a corollary to the recent meeting of Appalachian State Governors to discuss the economic problems of that area that forestry already provides 1 job in 10 for West Virginians, and that this figure can become much higher if we can attract lumber processors, such as furniture manufacturers and plywood firms.

In short, there appears to be a bright future for West Virginia through the use of its forest resources—provided that one catalyst enters the picture. That one catalyst is wise, intelligent, long-range management of this priceless resource.

Without this, potential fortunes can be lost, jobs will fail to materialize, tourists will not be attracted—and a golden opportunity will be lost to West Virginia forever.

To achieve these twin aims of increasing the production of timber and wood products, and at the same time expanding our attractions for the tourist and vacationer, a basic conflict in the aims of the timber producer and vacation promoter seems inevitable.

It is not easy to pull together the divergent views of the timber cutter, the vacationer, the hunter and fisher, and the conservationist, but it is an urgent and pressing need.

The passage of H.R. 10752 is a means of achieving this, at least in regard to the national forests lying within the State. While it is true that the multiple use, sustained yield principle has long been an established policy and philosophy of the Forest Service and the Department of Agriculture, I believe it is important that this principle be established in law.

I might point out that there is virtually no opposition to this measure—for conservationists, lumber companies, and the various Government departments all seem to recognize that the passage of such legislation will be permanent insurance against the stripping or abuse of our national forests by any single-interest group.

Passage of H.R. 10752 would be good for the various interests most closely interested in the national forests, it would be good for West Virginia, and it would be good for the Nation.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, I rise in support of the general policy of multiple use and sustained yields in our national forests. I shall support the pending legislation with the amendments being proposed under the sponsorship of the Committee on Agriculture.

The national forests, as is commonly known, originated through reservations created from the public domain. They then were expanded to include lands acquired by various means. Committee jurisdiction in the Congress is divided along this historical line—forest reserves created from the public domain, totaling 160 million acres, come under the Committee on Interior and Insular Affairs. Acquired national forest lands, totaling 26 million acres, come under the Committee on Agriculture. The two committees cooperate closely with each other in their consideration of national forest affairs. This spirit of cooperation is further exhibited in discussions that I have had with the distinguished chairman of the Committee on Agriculture and the distinguished chairman of the subcommittee concerning this legislation.

Let me say at the outset that I was critical of the framework in which this legislation was sent to the Congress by the administration. We all know that multiple use and sustained yield, as general policies of natural resource management, are not confined in their application to the national forests. They are beneficial policies of wise land use having general application. Multiple use is and should be the general rule in the management of all rural lands in Federal ownership. There are but few, if any, defensible instances in which a policy of single use is applicable. Yet the Executive communication, from which was originated the bill before us, reflects only a fragmentary or piecemeal approach.

May I say that there is no monopoly in the Department of Agriculture so far as multiple use is concerned. The Department of the Interior has just published a very fine booklet, Conservation Bulletin 42, on "Forest Conservation." The booklet makes it very clear that the administration of forest lands by that Department has goals of multiple use and sustained yield. I believe that my colleagues are familiar with the so-called O. & C. lands in Oregon, administered by the Bureau of Land Management. The O. & C. Act, enacted in 1937, represented the first time in the history of forestry in America that a plan of sustained-yield management was authorized by law for a specific Federal forest property.

It should be remembered that the modern idea of forest conservation originated in the 1870's in the Department of the Interior. Undoubtedly the existence of a staff of professional foresters in the Department of Agriculture was an important reason for the transfer of the forest reservations to that Department in 1905. The minerals administration was retained in the Department of the Interior because of expert knowledge in that field.

Now that multiple uses have been extended, the nontimber uses have greatly expanded. The Secretary of Agriculture stated that recreational use of national forests will increase ninefold by the year 2000. The prospect is that the nontimber functions of the Forest Service may become predominant.

As the Forest Service emerges more and more as a general land management agency, the original distinction which caused it to be placed in the Department of Agriculture loses its significance. This is confirmed by no less an authority than the assistant secretary in charge of the Forest Service, who, in a speech in 1959 stated:

> The Forest Service is now not only a forestry agency—it is a land management agency with wide ranging areas of responsibility for the multiple-use sustained-yield management of the national-forest system, and for the continuous improvement of that system so that the values obtainable from it may be fully realized as the need for them develops.

The assistant secretary went on to criticize what he called proposals to dedicate areas of the national-forest lands to public parks and to transfer them to what he called "single use." He cited as an example of those proposals the movement, reflected in legislation pending before the Committee on Interior and Insular Affairs, to establish a national park in the North Cascades area in the State of Washington. He

referred to this proposal under the category of a "single use," and stated that such proposals would tend to dismember the national forest system and would be contrary to the public interest.

I shall have more to say later about the effect of H.R. 10572 on the full and fair consideration of pending and future legislation of the type referred to by the Secretary.

The principles of multiple use do and should apply to Federal lands generally, and the Congress, as the custodian of public lands has a duty to see that these principles are carried out.

At this point I wish to commend the Conference of Western Governors for a resolution adopted by them in September of last year, in a meeting at Sun Valley, Idaho, urging, among other things, that a study be made to determine whether the principles of multiple use of Federal lands are, in fact, being carried out by the Government. Hearings held by the Committee on Interior and Insular Affairs in the past few years have revealed serious shortcomings in this regard in certain areas administered by our military departments. The Committee on Interior and Insular Affairs is endeavoring to build into legislation that comes before it a sound program of multiple use. The most recent example of this is my bill—H.R. 6597—to readjust the boundaries of Dinosaur National Monument, providing for continued grazing use for an extended period.

It is not, of course, a fatal defect that this pending legislation deals with only one element of the general problem. We should, however, assure ourselves that in dealing with one segment we do not cause disturbance to other elements.

I shall now turn to the constructive results of an exchange of letters that I have had with my good friend the chairman of the Committee on Agriculture, and I shall include the letters in the RECORD following my statement.

I wrote first on April 4 expressing my belief in the basic policies, but raising questions as to specific language. I asked in effect nine questions. Let me summarize the answers obtained from the chairman of the Committee on Agriculture in the form of a letter of May 5 from the Department of Agriculture, as follows:

First. The policies of multiple use and sustained yield already fully apply to national forest lands under existing laws. The present legislation merely provides a directive that these policies be continued.

Second. Under this guiding directive, and the definition of "multiple use" contained in the committee's report, the pressures for overutilization of national forest lands can be avoided.

Third. The bill is directed only at those functions performed by the Department of Agriculture in the administration of the national forests. Laws administered by other departments, such as those applicable to prospecting and mining, would not be affected by this legislation.

Fourth. Multiple use does not rule out single or other restricted use in limited areas.

Fifth. Both tangible and intangible resource values are to be considered by the forest administrator in arriving at the combination of uses that will best meet the needs of the people.

Sixth. Applicants who desire to use national forest lands for single uses in limited areas will have an opportunity to have their applications considered by the Forest Service and they will not be dealt with arbitrarily.

Seventh. Enactment of H.R. 10572 could not in any way prevent the full and fair consideration by the Congress of any pending or future legislation. This, of course, includes various proposals to transfer national forest lands to the national park system.

Eighth. Enactment will not modify the authority of the President to restore public lands in national forests to ordinary public domain status; and

Ninth. Enactment will not directly affect the placement of the Forest Service as an agency in the Department of Agriculture.

These answers are fully set out in the text which I shall include in the RECORD. I think that they go a long way toward resolving doubts that many of us have had about the legislation. There remain two exceptions. One exception concerns prospecting and mining. The other concerns certain inferences that may be drawn from the legislative history regarding land use policies for other classes of Federal lands.

First. Regarding mining, I join with those who have believed that a serious problem remained, under the legislation as reported, concerning the treatment to be given to mineral resources in the national forests. For example, the Baker, Oreg., Chamber of Commerce has concluded, on advice of counsel, that the bill as reported would cause uncertainty and confusion in the matter of access rights and other rights connected with mining claims situated on national forest lands.

Second. I think that the Congress, through this bill, should not infer in any way that a policy of multiple use is not generally applicable to the national park system, or to any other class of Federal lands of rural character. I am especially concerned as to the references made by the Assistant Secretary of the Department of Agriculture, to which I have referred, which imply that all lands in the national park system are administered under a policy of single use. Lands in the national park system, as my colleagues know, are administered generally under a multiple use policy, providing for watershed protection, outdoor recreation, habitat for fish and game, forestry—in the sense of forest protection—and in some cases grazing and mining, or other purposes, in accordance with authorizations and limitations provided in the authorizing legislation.

In view of these two considerations, I have proposed certain language which I am glad to say was accepted by the Committee on Agriculture and has been included in the committee's amendment.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., April 4, 1960.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This refers to the bill pending in your committee, H.R. 10572, by Representative GRANT, authorizing and directing that national forests be managed under principles of multiple use and to produce a sustained yield of renewable products and services. Sustained yield and multiple use are well established as principles of resource management, and further congressional recognition of them as proposed in the measure is to be desired so that all legitimate uses and values may be protected. There may, however, be some problem with respect to specific language, and your consideration of the following comments and suggestions will be appreciated.

As I understand the executive communication from the Department of Agriculture, the purpose of the bill is to give statutory recognition to certain policies and practices already in effect. These policies and practices are identified as follows: (1) Administration of national forests for a sustained yield of products and services; (2) administration of the national forests for multiple uses; and (3) cooperation with State and local agencies and other groups in developing the forests. There is some implication in the executive communication that the existing policies of the Department with respect to national forests differ from the policies of Congress, but I think that this is a matter of form rather than of substance. I would object if I felt that the purpose is to realine statutory authorizations so as to reflect changes in policies placed into effect without authority from Congress.

The executive communication indicates that the legislation would not expand or extend the Department's programs and activities and that the costs of managing and developing the forests would not be increased. The expressed need is to retain or protect lands and resources in the national forests from overuse or disposition. The communication states that the legislation "would protect national-forest resources from possible over-utilization in the future as a result of economic pressures or those of single-interest groups."

It is not apparent to me from the bill itself or from the executive communication how these pressures would be avoided. If it is intended that only the five uses named in the bill will be permitted on national forest land, I would have to object since there are other traditional and legitimate land uses that are not included within the five-named uses. Among these are prospecting, mining, water storage, rights-of-way, and industrial or occupancy uses in limited areas.

I recognize that in many instances persons have established private nonmining uses of national forest lands under the guise of mining. Such practices should be prevented, but such prevention should not interfere with beneficial exploration and development of mineral resources.

As you know, the multiple-use principle does not rule out the single use or restricted use of limited areas for beneficial purposes. Perhaps a more liberal expression of the multiple-use principle would be appropriate in the bill, such as to say that the national forests shall be administered for conservation and multiple use, including, but not limited to, forestry, grazing, habitat for fish and game, outdoor recreation, prospecting and mining, watershed protection, and water supply purposes.

I trust that the word "values" in the second sentence of section 2 of the bill does not refer to monetary values alone, to the exclu-

sion of nonmonetary measures of relative importance, and that the language of the sentence in which that word appears does not contemplate the values of resources other than the five named in section 1 of the bill will be disregarded.

The bill gives little guidance as to how the relative values of the resources or the relative merits of competing uses will be established, or what disposition will be made in case of dispute. I trust that there is no intention to deal arbitrarily with applicants for single uses, even though appearing in the form of pressure groups, and I assume that there is no intention that the legislation will prevent the full and fair consideration of pending or future legislation to dispose of tracts of national forest land or transfer national forest areas to other agencies for administration, such as for water-storage or national park purposes. I also assume that nothing in the bill is intended to prevent the return of national forest areas to vacant public land status in appropriate cases as provided in 16 U.S.C., sec. 473.

I assume that nothing in the bill is intended to affect the placement of the Forest Service within the organization of the executive branch. I suspect, however, that there will be those who will view the bill as an opportunity to raise the perennial organizational question. I think it is clear, at any rate, that the Forest Service has evolved from an agency primarily concerned with watershed protection and raising timber as a crop to a general land management agency concerned to a major extent with mineral recreational (park), fish and wildlife, mineral, and grazing matters, in addition to forestry matters, in the administration of public lands.

Sincerely yours,

WAYNE N. ASPINALL,
Chairman.

HOUSE OF REPRESENTATIVES, U.S.,
COMMITTEE ON AGRICULTURE,
Washington, D.C., April 7, 1960.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Thank you for your letter of April 4, 1960, commenting on H.R. 10572, relating to the administration of the national forests.

I believe that most of the assumptions you have made in your letter are correct and that you have nothing to fear from the provisions of this bill in respect to any of the matters you have mentioned.

The terms of the bill are quite broad and, I believe, need some additional clarification before action is taken on it. I am, therefore, sending a copy of your letter to the Department of Agriculture and asking for comments on the points you have raised. I am sure that their reply will be helpful to both of us in clarifying the intent of this legislation.

With cordial good wishes, I am,
Sincerely yours,

HAROLD D. COOLEY,
Chairman.

HOUSE OF REPRESENTATIVES, U.S.,
COMMITTEE ON AGRICULTURE,
Washington, D.C., April 10, 1960.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: In further response to your letter of April 4, 1960, commenting on H.R. 10572, as indicated in my reply of April 7, 1960, I transmitted a copy of your letter to the Department of Agriculture with the request for its comments thereon. I am enclosing herewith a copy of the reply I have received from Assistant Secretary Peterson.

I am also enclosing a copy of the committee report on the bill which has been favorably reported after the inclusion of amendments which have been carefully worked out with some of the groups having a particular interest in the national forests.

In the light of our committee report and of the comments on your letter received from the Department of Agriculture, I believe you will agree with me that the enactment of this measure can have nothing but beneficial effects in making the national forests serve to an even greater degree the needs and welfare of all of the people of the United States.

With cordial good wishes, I am,
Sincerely yours,

HAROLD D. COOLEY,
Chairman.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 5, 1960.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture, House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in response to your letter of April 7, 1960, requesting our comments on questions raised by Congressman ASPINALL, chairman of the Committee on Interior and Insular Affairs, with respect to H.R. 10572.

H.R. 10572, a bill "to authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes," is the same as the draft bill transmitted to the Speaker of the House of Representatives with our letter of February 5, 1960.

We are pleased to note Congressman ASPINALL's statement that "sustained yield and multiple use are well established as principles of resource management, and further congressional recognition of them as proposed in the measure is to be desired so that all legitimate uses and values may be protected." We will comment on his questions in the order in which they are presented:

1. Whether existing policies of the Department with respect to the national forests differ from the policies of Congress: It was not the intent of our letter of February 5 to the Speaker to indicate that this bill would bring about any realinement of statutory authorizations so as to reflect changes in policies placed in effect without congressional authorization. We believe that the policy of administering the national forests under principles of multiple use and sustained yield, which have long been in effect, are within congressional authorizations. As stated in our letter of February 5, "The Department does not believe there is any question as to its authority to so manage the national forests, and the recommendation that this draft bill be enacted should not be so construed." Enactment of the bill would provide a statutory directive that these policies continue. They have been applied in the past within the framework of existing authority but without any specific directive to do so.

2. How would over-utilization as a result of economic pressures or those of single-interest groups be avoided? Although the principle of sustained yield may be applied in the management of the national forests at the present time, there is no directive that such principle must be applied. Thus, the various pressures for heavy use of particular resources must be resisted at the present time by the application of discretionary decisions without the supporting directive from the Congress that the principle of "sustained yield of the several products and services" be applied. The report of your committee includes a definition of this term as follows: "Sustained yield of the several products and services of the national forests means the achievement and maintenance in perpetuity of a high-level annual or regular periodic output of the various renewable resources without impairment of the productivity of the land." With this guiding definition and directive from Congress for its application, the pressures for overutilization can be avoided.

3. Whether "it is intended that only the five uses named in the bill will be permitted on national forest land": Emuneration of the five resources in the bill is by broad categories. Various uses of these resources would be recognized. Neither this enumeration nor any other provision in the bill should be construed in any way as indicating that uses of the national forests heretofore, or which may hereafter be, recognized or authorized are to be prohibited or should not continue. The bill is directed, of course, at those functions performed by this Department in the administration of the national forests. It would not in any way affect the authorities of other departments or agencies, including those of the Department of the Interior and the Federal Power Commission. Neither would it affect activities carried out under laws administered by other Departments, such as the mining laws and the mineral leasing acts. The laws applicable to such activities as prospecting and mining would continue, unaffected by the enactment of this bill.

4. Meaning of multiple use: It is correct that the principle of multiple use does not rule out single or other restricted use in limited areas. This is made clear in the definition of the term "multiple use" contained in your committee's report on the bill. That definition includes the statement "It does not mean using every acre of land for all of the various uses; nor does it preclude managing some areas for less than all uses when necessary."

5. Whether the word "values" in the second sentence of section 2 is limited to monetary values: This word definitely is not to be limited to only tangible values which can be expressed in monetary terms. The values of certain of the renewable natural resources of the national forests, such as timber which is harvested and forage that is consumed by domestic livestock, can be expressed in monetary terms. The value of the water which comes from the national forests cannot realistically be measured in dollars; nor can the value of the outdoor recreation and wildlife and fish resources of the national forests be expressed in dollars. The definition of multiple use used by the committee makes it clear that the result of multiple use does not necessarily mean optimum dollar returns, nor for that matter, optimum unit output. Both tangible and intangible values are to be considered in arriving at the combination that will best meet the needs of the American people.

6. Would applicants for single uses be dealt with arbitrarily? No. Most users are single users. Furthermore, as explained above, single uses in limited areas would be recognized and both tangible and intangible values would be considered in trying to attain the best combination of uses so that the national forests will be managed for the greatest good of the greatest number in the long run.

7. Effect upon future legislation: It is fully recognized that the enactment of this bill could not in any way prevent the full and fair consideration by the Congress of any pending or future legislation. In matters of this kind, there is no thought that the enactments of one Congress would prevent subsequent Congresses from considering any legislative matter.

8. Effect upon section 473, title 16, United States Code: Enactment of this bill would in no way modify or affect the authority of the President under this section to revoke, modify, or suspend Executive orders and proclamations establishing national forests.

9. Placement of the Forest Service within the organization of the executive branch: Enactment of this bill would in no way affect the placement of the Forest Service as an agency in this Department for administering the national forests, the land utilization projects, and other related lands; to carry out its program of forest and related research; and to carry out its program of cooperation with State and private owners of non-Federal lands in forestry matters. It is true that with respect to the administration of the national forests, the Forest Service fully recognizes its responsibilities to protect, develop, and administer all of their renewable natural resources.

Sincerely yours,

E. L. PETERSON,
Assistant Secretary.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., May 19, 1960.

Hon. HAROLD D. COOLEY,
Chairman, Agriculture Committee,
New House Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: I appreciate your letter of May 10 concerning a multiple-use policy for the national forests. I believe that most of the questions raised in my letter of April 4 on H.R. 10572 have been satisfactorily answered in the letter from the Department of Agriculture which you have supplied to me. I consider the Department's letter to be very informative, and I plan to include it in my remarks when H.R. 10572 is considered on the House floor.

There remain, however, several questions concerning this legislation that I consider not completely resolved, and I take this means of bringing them to your attention.

There are some who believe that a serious problem remains as to the treatment to be given to prospecting and mining under the legislation. For example, the Baker (Oregon) Chamber of Commerce writes, on advice of counsel, that the bill in its present form would cause uncertainty and confusion concerning access and other rights connected with mining claims on national forest lands. The Chamber suggests that, at the end of section 1, a comma be substituted for the period, and there be added the words "nor to affect any access or other rights, including the rights to prospect for, locate, develop, and acquire minerals and mineral lands within the national forest as provided by existing law." There may be several alternative methods of accomplishing the same objective, such as by limiting the multiple-use policy to surface resources, as in the bill introduced by Representative CLEM MILLER (H.R. 11944), only expanding the named multiple uses to include the prospecting and mining of mineral resources and the provision of access thereto. I believe that some type of amendment is needed to overcome this problem.

I realize that the report of your committee on the legislation and the Department of Agriculture's letter both offer as justification for omitting recognition of mineral resources the fact that the multiple-use policy within the legislation was intended to be directed only to functions performed by the Department of Agriculture on national forest lands. It is stated that the bill would not in any way affect the authority of other departments or agencies, such as the Department of the Interior or the Federal Power Commission, with respect to national forest lands. I do not find, however, that the first sentence of the bill or its title makes this distinction, and in any event I feel that the distinction is artificial and may be impractical in its application to the natural resources involved. Also, the distinction fails to recognize the fact that the Department of Agriculture, under Public Law 167, 84th Congress, and other laws, has been delegated certain important functions with respect to mineral resources of national forest lands.

In view of these considerations, I believe that I would prefer an amendment providing a more comprehensive statement of multiple-use policy applicable to functions of all departments and agencies so far as they are concerned with national forest lands.

A question has also arisen whether the Congress, through this bill in its present form, by stating a multiple use and sustained yield policy limited to only one department in performing its functions with respect to only one class of Federal lands, may be inferring that these same beneficial policies are not applicable to the same department or to other departments or agencies with respect to other classes of Federal lands of similar character. It has been suggested that an undesirable or destructive result might occur if by implication it should be established that Federal lands not in national forests may or should be managed under a policy of "single use." I am especially concerned over the committee amendment making the policy of multiple use inapplicable to lands within the national park system. Lands in that system are administered generally under a multiple-use policy, providing watershed protection, outdoor recreation, and habitat for fish and game, and in some cases grazing and mining, as we all know.

With cordial good wishes, I am,
Sincerely,

WAYNE N. ASPINALL,
Chairman.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, with the growing value of national forest resources and their increased use and accessibility, the pressures for single use of large areas of national forest land have also grown tremendously. That is why it is so important for Congress to reaffirm and clearly state the long-standing principles of multiple-use management and sustained yield for our national forests.

H.R. 10572, which has been introduced by my colleague from Alabama, Congressman GEORGE GRANT, would accomplish this purpose. It would state as the policy of Congress that the national forests have been established and shall be administered for five purposes—outdoor recreation, timber, watershed, range, and wildlife and fish. The bill also directs the Secretary of Agriculture to develop and administer the renewable surface resources of the national forests for multiple use and sustained yield. It also authorizes cooperation with others in the development and management of the national forests.

While the national forests have been administered for many years under the dual conservation policies of multiple use and sustained yield, and there is no question of the Department of Agriculture's authority to so manage the forests, it would be both timely and desirable to recognize in a single statute these multiple-use objectives now found in a variety of statutes and regulations. It would also be advisable to name each of the five major renewable natural resources as purposes for which the national forests are established and shall be administered. Such recognition would serve as protection against excessive advocacy of single use.

Mr. Chairman, Wisconsin's Chequamegan and Nicolet National Forests are of great importance to the State and the entire Midwest. They furnish wood for pulp and lumber, water that is so vital in manufacturing and agriculture, some of the best hunting and fishing in the region, plus many wonderful areas for both summer and winter recreation. Much of this wilderness affords a unique kind of outdoor recreation for people from all over the United States who like to get into the wild country and rough it.

Of course, all of these uses cannot be applied to every acre of national forest land. However, the best use or combination of uses is determined for each area, and then it is so managed to meet the needs of our growing population.

I have joined 50 of my colleagues in introducing legislation similar or identical to Congressman GRANT's bill. I strongly urge that this measure be enacted into law.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I favor this legislation. It is right that recreation should be explicitly stated as a use of our great national forests. Certainly millions of our citizens have enjoyed, are right now enjoying, and will long enjoy the uniquely refreshing and inspirational benefits of these areas where a person can renew himself in mind, body, and soul.

No one has better described, praised, and promoted the national forests than my late friend, Senator Dick Neuberger. He had, as I do, high respect and great affection for the officials of the Forest Service. He knew them as I know them, as able and dedicated public servants.

This legislation does not change existing law or practice. It simply makes clear that the national forests are to be administered for multiple use and sustained yield of their products and services. No additional costs are involved. The bill should pass—and, as I am sure will happen, millions of Americans should continue to enjoy and appreciate the many benefits of our national forests as administered by the Forest Service.

Mr. CLEM MILLER. Mr. Chairman, I would like to express my views on this legislation—the Forest Service multiple-use bill. I support the amended bill as submitted today by the gentleman from North Carolina [Mr. COOLEY] but with reservation.

This legislation to define the mission of the Forest Service is the first comprehensive effort to do so in the 60 years of existence of that agency of Government. It is of utmost importance to those Members with national forests in their districts and also to those Members whose constituents supply the vast numbers of visitors to the national forests.

It is imperative that the language in a bill of this sort be precise and meaningful. It is regrettable that the administration's draft bill was deficient in these respects. It was particularly unfortunate that in a bill which purports to de-

fine, the definitions of the key terms—"multiple use" and "sustained yield"—were missing. Forest Service officials have complained that the fundamental principles under which they manage the forests have been misconstrued, misunderstood, and misconstructed. What finer opportunity than the administration's draft bill to define these terms in language incapable of misinterpretation? What more meaningless than to have a bill of definition which fails to include the key definitions? While the proposed amendment is somewhat verbose and recondite, it does, in the end, do the job of defining the two key definitions.

It is also regrettable that section 1 does not spell out in clear and precise terms exactly what are our national forest resources. Similarly, the principal uses in the national forests should be identified. Third, it would be valuable if the resources and the uses are clearly separate and distinct from one another. Some of the resources serve more than one use or purpose. For example, timber is an integral part of watershed management and recreation enjoyment as well as logging.

In addition to mixing uses with resources, section 1 fails to include several fundamental resources and uses. Soil is not named. Water is not mentioned. Mining is not named as a use, nor is occupancy use. I am pleased to see a more positive statement on minerals in the amended bill.

Section 2, by combining the phrases "multiple-use" and "sustained yield," renders the meaning of the section cloudy and uncertain. This is made even more unclear by doubts as to the antecedents of the phrase, "several products and services obtained therefrom."

The second sentence of section 2 is worthy of note—"in the administration of the national forests due consideration shall be given to the relative values of the various resources in particular areas." The use of vague adjectives renders the meaning of the sentence unclear at the precise moment when the utmost clarity was necessary. What the bill means to say at this point is that multiple use shall not apply to every acre in a national forest. Certainly, a better way to say it could have been found.

The committee made two amendments which, in my opinion, confuse the situation. The bill now states, first, "that the national forests are established and shall be administered for" several purposes. The committee has amended the bill to say:

> The purposes of this act are declared to be supplemental to, but not in derogation of, the purposes for which the national forests were established as set forth in the act of June 4, 1896 (16 U.S.C. 475).

The committee report points out that this means national forests can be established for only two purposes, timber and water, but may then be administered for the several purposes listed. If this were desired, I see no reason for stating erroneously in the first sentence of the bill that "the national forests are established for" the several purposes.

I believe the sentence concerning wilderness areas which has been added to section 2 is a significant contribution. I understand it as a statement of policy that wilderness is a multiple use with stature equal to the commercial uses. I do not believe that action on this bill should or will preclude action on other legislation—the so-called wilderness bill. The problems of how and when wilderness areas are to be established and how to achieve better public control will remain to be solved. The proposed wilderness bill legislation sets forth in precise terms how these problems and conflicts are to be handled for wilderness areas.

I am wondering at this point whether the Forest Service should not make better provision for public scrutiny of proposed management plans for other areas before the plans go into effect. I am thinking of the Administrative Procedures Act, for example. I am also wondering how the Forest Service is to process appeals from those various groups whose use desires in a particular area may differ and be virtually irreconcilable. I hope these problems will be considered in subsequent legislation.

Through the efforts of the chairman of the Committee on Interior and Insular Affairs the language of the last sentence in section 1 has reverted to much the same form in which it was introduced. This has been done by removal of the amendment which said the bill is not applicable to national parks. The fact that this bill deals solely with national forests seemed so obvious that there was no need for mention of the national parks. The committee report confused me further when it said that the policies of multiple use and sustained yield are not "to be regarded by virtue of the legislation as in any way applicable to the national park system."

The national parks are, in fact, multiple-use lands. At least three of the purposes in this national forests bill are clearly and fully applicable to the national parks. National parks provide for outdoor recreation, watershed, and wildlife and fish purposes. These purposes are emphasized in the parks, above timber and range.

Unfortunately, the bill—even as greatly improved by today's amendment offered by the chairman of the Committee on Agriculture—represents a fragmentary approach to problems affecting management of Federal lands generally. It seems that the Executive Office of the President, or the Bureau of the Budget, or whoever in the administration screens legislative proposals of the various departments, failed when they cleared this bill for presentation to the Congress. This bill states basic Federal public lands management policy. But it deals with only one class of lands managed by one agency of one department of the Government. The Bureau of the Budget, which is supposed to exert a coordinating influence, has failed completely to present a comprehensive program for Federal land management.

It may be that after the dust has settled, and with the passage of time, we will achieve a greater measure of historical perspective and the haste with which we have considered this far-reaching legislation may be regretted by all.

But this bill should not be confused as being the whole substance of multiple-use legislation. Balanced use and development of the resources of the national forest system can only be accomplished by timely and proper investments in conservation.

The Department of Agriculture has submitted a program for the national forests calling for a 12-year investment which will total $1.7 billion. This large investment is needed because there have been delays over the last 7 years, and for longer, in meeting the needs that are known to exist.

The administration has opposed increased funds for reforestation and roads. It has sold out its modest 1957 Operation Outdoors recreation investment program. It failed by 50 percent to ask for the funds needed to implement this new program for the national forests for its first year—fiscal year 1961.

I say to my colleagues that this bill will solve nothing standing by itself. The increased demands to use the forests for their many uses cannot be met simply by pronouncing a policy of multiple use.

Let us look at the imbalance in the program for the national forests. The budget submitted by the administration was at 100 percent of needed funds for only one minor activity—land acquisition. For three vitally important programs the record shows less than 20 percent of needed funds. Only 8½ percent of the needed amount was requested for reforestation and stand improvement, only 15.2 percent of soil and water management fund needs, and but 18.1 percent of wildlife requirements. These three programs are inextricably tied in with the concept of multiple use. What sort of harmony in use will be achieved if the water, the soil, and the wildlife are not protected and the denuded lands not reforested? For the vast bulk of the national forest activities the budget request ranged between 34½ and 49.8 percent. It is ludicrous to note that insect and pest control funds are but 44.7 percent of the needed amount. Timber sales funds are 75.3 percent of the amount needed but reforestation is only 8½ percent. Roads and trails are at 52½ percent of needs and soil and water at only 15.2 percent. Research is at 27.9 percent of need and fire protection at only 49.8 percent.

With this illogical and program-damaging imbalance is it any wonder that there is conflict in the demands for forest use? If the Secretary of Agriculture and the one-eyed bookkeeper in the Bureau of the Budget are going to continue to operate the program for the national forests at but 42.7 percent of needs, the result will be continual conflicts among users of the forests.

There is a rush to get this multiple-use bill enacted into law and the Department has exerted itself greatly on this semantical exercise.

But when it comes to budgeting funds to operate the national forests—to put "multiple use" into action—the administration closes not only one eye, but both

eyes to the only method by which multiple use will ever be achieved.

Everyone who has familiarity with Forest Service employees knows of their dedicated efforts in the cause of conservation. I shall continue to support efforts to provide adequate funds so that they may accomplish the most important job they have, toward the end that the Nation's future needs for the resources and uses of our national forests can be met.

Only in this way will these forest lands fulfill the role foreseen by Gifford Pinchot and provide for "the greatest good of the greatest number in the long run."

Mr. McINTIRE. Mr. Chairman, in relation to the consideration of H.R. 10572, may I express my appreciation of the great pleasure I have had working with the gentleman from Alabama [Mr. GRANT], chairman of the subcommittee of the House Committee of Agriculture which deals with forest matters. Included among those who have been most helpful in developing sound legislation I would express sincere thanks to Dr. Richard McCardle, Chief of the U.S. Forest Service; Mr. Edward Craffs, Assistant Chief; Mr. Florence; and many others. It has been a real pleasure to assist in this very constructive step in forestry legislation.

Mr. BERRY. Mr. Chairman, I take this time to speak in behalf of a number of small ranch operators in my district who reside on national forest land in the Black Hills area. Because of the limited allotments, most of these people have a most difficult time in being able to make a living. To add to their problem, many of them are allotted grazing areas a number of miles from their homesite while others, located in the approximate vicinity of the spot where the first operator receives his unit, are granted a unit near the unit of the second operator.

In other words, the problem has become one of attempting to not only work out the best use of the grazing in the forest area but, more particularly, to work the most equitable grazing use.

On May 6 of this year I received from the State master of the South Dakota Grange a resolution passed by that organization as a result of the problems faced by their many members in living in the national forest area. After setting out these many problems in their resolution, they asked for five separate actions, as follows:

First. The U.S. Forest Service declare, define, and make public its long-range policy for the Black Hills and similar forest areas.

Second. Grazing permits be granted on a basis giving first preference to residents within the boundaries of the forest area.

Third. Resident ranchers and farmers be not limited in numbers of livestock to the amount of feed that can be grown on the farm or ranch.

Fourth. Funds available for water development and range improvement should be expanded by the Forest Service to assure equitable distribution on the basis of need, practicability, and feasibility.

Fifth. No individual, corporation, group, or combination thereof be granted permits in excess of 300 cattle or 1,000 sheep.

While I do not offer these problems as an amendment to the bill before us, I do wish to bring these matters before the Congress at this time.

Mr. CARNAHAN. Mr. Chairman, I favor the passage of this bill. It is in the interest of the proper administration of the previous laws enacted by this body providing for the establishment of our national forests that the principles of this bill be enacted into law. Our national forests are one of our truly great natural resources and it is certainly our duty to provide for as far as is possible that these resources be utilized for the greatest good of the greatest number and that they be preserved so that they may be passed on to those who come after us. Also, it is simply good business practice to insure that these resources are managed in such a manner as to provide for their multiple use and to encourage a sustained and continued yield of their services and products.

There are, Mr. Chairman, two large national forests of almost 1 million acres in my home district in Missouri. These forested lands abound in rich natural resources of timber and water. Also within these forests may be found many fine areas where our people go for hunting, fishing, boating, camping, picnicking, general sightseeing, and historical study. Last year alone over $200,000 was realized from the sale of timber, waterpower, and special use values including homesites and the like.

Three things of significance would be accomplished by the enactment of this bill into law:

First. It would direct that our national forests be administered for sustained yield of their several products and services. This is sound business procedure.

Second. Direct that the national forests be developed under multiple-use principles and declare it to be a policy of the Congress that these forests are established for watershed, timber, range, outdoor recreation, and fish and wildlife values.

Third. Authorize and encourage cooperation with State and private groups interested in national forest development, conservation, and multiple use.

Mr. Chairman, to those of us who live in areas where we are blessed by the presence of these great national forests, this bill is significant legislation. It makes it clear that Congress wishes to preserve, develop, and utilize to the maximum extent possible and on a continuing basis these resources. This bill provides a firm foundation for future management of the many renewable resources within these forest preserves. The directive of this bill is clear and concise. The task of carrying out the program for the national forests will be made easier through enactment of this legislation. I urge its adoption.

Mr. MURPHY. Mr. Chairman, I am interested in the passage of H.R. 10572 because of an early and intimate association with timber cutting and logging in the Lake States. During college vacations, I swamped out roads and trails ahead of the timber cutters. This was backbreaking work but through it I learned of the many resources and services that our forests provide. While timber for the sawmills was of prime importance then—these same forests with new crops of trees under good management now supply game, fish, water. recreation, and other valuable resources.

Only by careful and considered handling of these multiple resources of our forests can we sustain a steady flow of the products needed in a modern economy. This same coordinated resource management provides recreation for hundreds of thousands of people from Chicago and the surrounding urban areas. This use of our forests, that were once only valuable for timber, has grown each year until now over 80 million persons go to the national forests each year to camp, hunt, fish, and enjoy the out of doors.

Our forests are prime factors in the future welfare and security of America. Science and chemistry are discovering new uses for wood and its derivatives each year. More people are discovering the forests. And with each new discovery there are greater demands on the acreage of forests now existing. While the acreage remains generally the same, the uses by our people constantly grow. It is therefore timely that the Congress consider this bill favorably so that future generations will have the wood, water, wildlife, and recreational areas they need to maintain a desirable standard of living.

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

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the policy of the Congress that the national forests are established and shall be administered for outdoor recreation, range, timber, watershed, and wildlife and fish purposes. Nothing herein shall be construed to affect the authority of the Secretary of the Interior provided by law with respect to mineral resources.

With the following committee amendment:

Page 1, line 6, insert "The purposes of this Act are declared to be supplemental to, but not in derogation of, the purposes for which the national forests were established as set forth in the Act of June 4, 1897 (16 U.S.C. 475)."

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan to the committee amendment: On page 1, after the period in line 9, insert the following:

"Nothing herein shall be construed as affecting the jurisdiction or responsibilities of the several States with respect to wildlife and fish on the national forests."

Mr. HOFFMAN of Michigan. Now, I ask the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], what is objectionable about that amendment? It is the one proposed by the Department. I took it out of the papers sent us. It is the recommendation they sent up to the Senate; that is, to let the States retain the authority they now have, the one the gentleman from Utah [Mr. DIXON] was talking about.

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

Mr. HOFFMAN of Michigan. I yield.

Mr. COOLEY. Do I understand the gentleman's amendment comes after the period in line 9 and before the word "Nothing"?

Mr. HOFFMAN of Michigan. That is right.

Mr. COOLEY. And the effect is to add a new sentence.

Mr. Chairman, I ask unanimous consent that the amendment may be again reported.

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

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan to the committee amendment:

On page 1, after the period in line 9, insert the following:

"Nothing herein shall be construed as affecting the jurisdiction or responsibilities of the several States with respect to wildlife and fish on the national forests."

Mr. COOLEY. Mr. Chairman, I do not think it adds to or detracts from anything, so I do not object.

Mr. HOFFMAN of Michigan. But that is just what the staff told you. If it does not do any harm what is the objection to putting it in? You advocate States rights.

Mr. COOLEY. Although we believe in them, we do not like the Ten Commandments or the Lord's Prayer in every bill we pass.

Mr. HOFFMAN of Michigan. The gentlemans' position is that no one but the committee or the committee staff can write an amendment. You do not want it because you did not write it?

Mr. COOLEY. Take a vote on it.

Mr. HOFFMAN of Michigan. Well, I know; you have the votes, all right; but there is no reason why we should not make the bill clear.

Mr. COOLEY. I was going to vote for the gentleman's amendment, but if he keeps on talking I will vote against it.

Mr. HOFFMAN of Michigan. All right. You say you will vote for it if I quit. That is a trade. Now let me see you do it.

Mr. COOLEY. Sit down.

Mr. HOFFMAN of Michigan. That I will do and thank the gentleman for his support and especially for his courtesy.

Mr. McINTIRE. Mr. Chairman, I rise in opposition to the amendment.

Mr. HOFFMAN of Michigan. Well, there you are.

Mr. McINTIRE. Mr. Chairman, I sincerely appreciate that the gentleman from Michigan has every right to offer an amendment, and I appreciate that the language of the amendment is not objectionable, perhaps; however, I sincerely present the proposition that there is a very well-working and understood relationship between the Forest Service and the several States.

I point out to the gentleman from Michigan that in the report this very fact is covered, and I think this amendment adds nothing to the bill. Perhaps it takes nothing away from the bill, but I think it is extraneous and, there, I oppose the amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN of Michigan. Mr. Chairman, yesterday we just violated all the precedents of the House in the enacting of legislation: We had two bills in one, which was silly; contrary to sound practices. I say that with regret, because we passed the bill—two bills as one—though the projects are one thousand miles apart. But now here is an amendment that all of us who do not want to interfere with States rights should support. The bill tries to say that but does not.

Everyone who read the recent Supreme Court decisions remembers that the Court said on several occasions that we did not know what we were talking about and did not mean what we said. They took away jurisdiction from the States and gave it to the Federal Government in a number of cases.

What I am trying to do here is to make certain that the States will retain their jurisdiction in this matter. I do not know very much about this bill, perhaps, but I know something about this wildlife business. In Michigan we have over 5 million acres in national forests. There is one I am personally interested in, and I want to see wildlife protected. No one is more earnest or desirous of protection of the national forests than am I.

In another part of the State, in southern Michigan, we have another forest, which is in my own county, for example, thousands of acres now controlled by the State. It formerly was controlled by the Federal Government. But now you have the Government coming in on this migratory wildlife law.

You have these fellows down here in Chesapeake Bay, and I know what I am talking about because I fish down there. I go down there also during the hunting season. You will recall not so long ago in the newspapers was a long list of State officials charged with the enforcement of the law who were baiting the hunting grounds. They have been doing it right along. They had a few Congressmen mixed up with that, too, and that includes Senators. I know the Federal Government should have some control, in some cases but why not leave most of it to the States?

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

Mr. HOFFMAN of Michigan. I yield to the trout fisherman from Utah [Mr. DIXON].

Mr. DIXON. I can fully appreciate the concern of the gentleman from Michigan. Izaak Walton said that perhaps God could have created a better pastime than fishing but undoubtedly God did not. The gentleman from Michigan will agree with me on that, will he not?

Mr. HOFFMAN of Michigan. When a boy is fishing he is not in mischief. The gentleman is a professor with years of school experience, and I do not want that to be considered as in any way adverse to Federal aid to education either but to me his support of outdoor activities for youth is of equal value.

Mr. DIXON. The document that the gentleman submitted to the Clerk had a paragraph before this amendment.

Mr. HOFFMAN of Michigan. It is the one the Department sent to the Senate, and they did not take it.

Mr. DIXON. The paragraph from the Department, which went to the other committee over there, said that such an amendment is not necessary.

Mr. HOFFMAN of Michigan. They said it is desirable.

Mr. DIXON. It says that if the committee deems it necessary it might amend the bill as follows, and the gentleman repeated that wording. So his amendment is all right.

Mr. HOFFMAN of Michigan. The purpose is all right?

Mr. DIXON. Absolutely.

Mr. HOFFMAN of Michigan. And the language is clear?

Mr. DIXON. That is right.

Mr. HOFFMAN of Michigan. The gentleman is relying on what he thinks future Secretaries will do. He has faith in whoever is going to administer this law.

Mr. DIXON. I think we have enough evidence of that from the Department.

Mr. HOFFMAN of Michigan. But if you have some idea, or the people have, as to how the public parks should be administered, you are out.

Mr. DIXON. I will vote with you on the amendment.

Mr. HOFFMAN of Michigan. Thank you. It cannot harm. It may do good. As far as preservation of the national forests for the people is concerned, that amendment will strengthen that purpose?

Mr. DIXON. It will.

Mr. HOFFMAN of Michigan. You will vote for it?

Mr. DIXON. I will vote for it.

Mr. HOFFMAN of Michigan. Why do not the Republicans on the committee accept it, then? Because they did not write it?

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

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent to withdraw my motion.

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

There was no objection.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 1, after the word "resources" insert "or the national park system."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY as a substitute for the committee amendment on page 2, lines 1 and 2: On page 1, beginning on line 9, strike out the sentence "Nothing herein shall be construed to affect the authority of the Secretary of the Interior provided by law with respect to mineral resources." and insert in lieu thereof the following: "Nothing herein shall be construed so as to affect the use or administration of the mineral resources of national forest lands or to affect the use or administration of Federal lands not within national forests."

Mr. COOLEY. Mr. Chairman, as has been stated several times during the debate on this bill, the basic purpose of this legislation and its only legal function, so far as I am aware, is to provide a policy directive to the Secretary of Agriculture as a guide to him in carrying out his administrative responsibilities in connection with the national forests. The bill is not directed to any other executive agency of the Government nor to any lands other than national forest lands under the administration of the Secretary of Agriculture, nor is it directed to nor concerned with any administrative responsibilities which any other agency of the Government may have with respect to national forest lands.

This bill has probably been the subject of more consultation between Government and private citizens, and groups representing private citizens, than any bill which has come before the House in some time.

Even before the bill was introduced, its language was developed as the result of many conferences between the Forest Service and groups having a special interest in the administration of the national forests such as timber users, recreation and wildlife organizations, those interested in livestock grazing, and many others. Before the bill was submitted to Congress by Executive communication, the comments and advice of other governmental agencies having any interest in the subject matter also were obtained.

This process has continued since the hearings on the bill which were held by the Forestry Subcommittee earlier this year and have resulted in the several amendments which are being offered to the bill. In each case these amendments have been most carefully worked out in collaboration with several or all of the groups most interested in the national forests and in each instance the amendment is designed to make the bill a more perfect statement of the policy in which we all believe—that of using the national forests in such a way that they will be of greatest benefit to all the American people.

The amendment I have just offered is an example of this type of collaboration and cooperation. It has been worked out at the suggestion of, and with the assistance of, the distinguished chairman of the House Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL].

The committee amendment for which this is a substitute had also been developed in this same manner and for the same purpose with other persons very much interested in this bill. It made it clear that no provisions of this bill should extend to the Secretary of the Interior in carrying out his administrative responsibilities on national forests in connection with minerals and mineral rights, and that nothing was intended to affect the great national park system in any way.

With the able assistance of the gentleman from Colorado, the substitute language now makes it even clearer, I think, that nothing in this bill shall be construed to affect the use or administration of the mineral resources of the national forest lands—whatever Government agency or administrator may be charged with responsibility therefor—nor to affect the use or administration of any Federal lands within the national forests—whatever their character or whoever is charged with administrative responsibility for them.

I think that the amendment is an improvement to the bill and I am happy to offer it and ask that it be adopted.

Mr. SAYLOR. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to direct my remarks to the chairman of the committee. This amendment then strikes out the committee amendment "or the national park system," is that correct?

Mr. COOLEY. Yes. It strikes out the amendment which was just made to the section, and is in lieu of the committee amendment.

Mr. SAYLOR. Would the chairman tell us why, in view of the fact that the committee adopted the amendment "or the national park system," because it was stated here on the floor that one of the purposes of this bill was to see to it that nothing in this act interfered with the rounding out of the national park system. Why would the gentleman now offer an amendment to strike that language?

Mr. COOLEY. Did the gentleman hear the amendment read? I will read it to you again:

Nothing herein shall be construed to as to affect the use or administration of the mineral resources of national forest lands or to affect the use or administration of Federal lands not within national forests.

So, it includes the national parks.

Mr. SAYLOR. That is right, but you have taken out the words "or the national park system."

Mr. COOLEY. Those words are unnecessary now because the national park system is included in "Federal lands not within national forests."

Mr. SAYLOR. Is there any intention by this amendment to limit the present act which authorizes the Secretary of the Interior and the National Park Service to make surveys within national forests and, when proper, to add land to the national park system from the national forests?

Mr. COOLEY. It makes no such change at all.

Mr. SAYLOR. In other words, if this amendment is adopted, the Secretary and the Park Service will still have all the rights that they now have under the law?

Mr. COOLEY. Whatever legal authority they have now they would continue to have after the passage of this act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. The Secretary of Agriculture is authorized and directed to develop and administer the renewable surface resources of the national forest for multiple use and sustained yield of the several products and services obtained therefrom. In the administration of the national forests due consideration shall be given to the relative values of the various resources in particular areas.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 5, strike out "forest" and insert "forests".

The committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 2, line 8, at the end of section 2, add the following new sentence: "The establishment and maintenance of areas of wilderness are consistent with the purposes and provisions of this Act."

EFFECT OF H.R. 10572 AS TO WILDERNESS AREAS

Mr. COOLEY. Mr. Chairman, H.R. 10572 makes no specific mention of wilderness areas within the national forests. The committee's report recognizes that outdoor recreational use may include the establishment and protection of wilderness areas. The amendment proposed simply spells out what is already the intent of the bill.

In the administration of the national forests, the Secretary of Agriculture has for many years made provision for the establishment and protection of wilderness-type areas. The first area of such type was administratively established in 1924. Other such areas were subsequently established under regulations issued by the Secretary of Agriculture in 1929. These areas were called "primitive areas." The designation "wilderness area" came into use when the Secretary of Agriculture issued regulations in 1939

to provide for the establishment of wilderness and wild areas within the national forests. Since that time, 12 areas within the national forests have been designated as wilderness areas and 28 as wild areas. Many of these had previously been designated as primitive areas, with some changes being made in boundaries.

In reality, the designation of an area under the Secretary's regulation as a wilderness or wild area governs the manner in which the area is managed by the Forest Service and the uses which are permitted by the Forest Service under such management. The legal status of the lands remains unchanged and the laws applicable thereto, including those under which rights may be initiated, continue to apply as before.

Enactment of this bill would not change the situation as to wilderness areas. The Secretary of Agriculture would continue the practice of 35 years' standing of managing areas designated for wilderness-type uses. The status of such areas would remain the same as before. This bill would leave unchanged the procedures with respect to the designation and administration of such areas.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. In the effectuation of this Act the Secretary of Agriculture is authorized to cooperate with interested State and local governmental agencies and others in the development and management of the national forests.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 2, following line 13, add the following new section:

"SEC. 4. As used in this Act, the following terms shall have the following meanings:

"(a) 'Multiple use' means: The management of all the various renewable surface resources of the national forests so that they are utilized in the combination that will best meet the needs of the American people; making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; that some land will be used for less than all of the resources; and harmonious and coordinated management of the various resources, each with the other, without impairment of the productivity of the land, with consideration being given to the relative values of the various resources, and not necessarily the combination of uses that will give the greatest dollar return or the greatest unit output.

"(b) 'Sustained yield of the several products and services' means the achievement and maintenance in perpetuity of a high-level annual or regular periodic output of the various renewable resources of the national forests without impairment of the productivity of the land."

The CHAIRMAN. Does the gentleman from North Carolina desire recognition on his amendment?

Mr. COOLEY. Mr. Chairman, I think the amendment speaks for itself.

Mr. McGOVERN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, some time ago I received a communication from the South Dakota State Grange making certain recommendations with regard to the use of forest lands as that use relates to grazing. I had considered the possibility of offering an amendment to the legislation before us, but I think this subject is one that is entitled to a separate hearing and investigation in its own right. I should like, however, to relate to the Committee the major points suggested by the grange with regard to improving the grazing policies of our Forest Service. It is suggested that the Secretary of Agriculture shall develop and formulate a long-range policy to govern the grazing of national forest lands. A description of such policy shall be published in the Federal Register. The policy so formulated shall provide that—

First, first preference in the granting of grazing permits will be given to residents of the national forest area,

Second, the number of livestock which may be grazed by one person will not be limited by the amount of feed that can be produced on land owned or controlled by him,

Third, funds for water development and range improvement will be so expended as to insure equitable distribution on the basis of need, practicality, and feasibility; and

Fourth, no person may be granted permits for the grazing of livestock in national forests which, when added to permits granted any other person controlling, controlled by, or under common control with such person, would allow the grazing of more than 300 cattle and 1,000 sheep.

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

Mr. McGOVERN. I yield.

Mr. HOFFMAN of Michigan. The gentleman said there, as I understood him, that no consideration should be given to the amount of feed that a person could grow on his own land.

Mr. McGOVERN. That is correct.

Mr. HOFFMAN of Michigan. Does not that favor the fellow that has a lot of pasture or grazing land or feed for the cattle or sheep on his own land, but still wants to get some consideration from the Federal Government over and above the poor fellow who does not have any ability to grow feed?

Mr. McGOVERN. I think it has just the opposite effect.

Mr. HOFFMAN of Michigan. How does the gentleman figure that out, if you do not give ability to grow feed any consideration? I can grow a hundred tons and you cannot grow any. How am I going to stand on an equality with you in making my application?

Mr. McGOVERN. I misunderstood the gentleman. I thought he had a negative in there. I think this is the intent of the provision here, that the amount of feed a man can produce on his own land should not have any relationship to grazing rights in the national forest.

Mr. HOFFMAN of Michigan. Now the gentleman is getting to the position where if I can grow a hundred tons on my own and you cannot grow any we are on an equal basis, but I can keep mine or sell it and you do not have any, yet we get equal consideration of our application. The gentleman does not favor that? Remember, this is an election year.

Mr. McGOVERN. The intention of these four points standing together is to do what I think the gentleman is after. That is to limit the amount of land within the forest area that is available for grazing to any one person to what will take care of a maximum of 300 cattle or 1,000 sheep. That has the effect of limiting the use of the national forest primarily to what we call the family-size operator.

Mr. HOFFMAN of Michigan. But it does not reach the point where you discriminate against the fellow who can grow a great deal of feed on his own land as against the fellow who cannot grow any?

Mr. McGOVERN. Taking these four points together, it has the same impact.

Mr. BENNETT of Florida. 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 Florida?

There was no objection.

Mr. BENNETT of Florida. Mr. Chairman, I support H.R. 10572, the multiple use bill, because of the beneficial effects it will have on the national forests not only in Florida but also throughout America.

Our three national forests in Florida are valuable public lands which have been yielding multiple products for many years. Pulpwood, poles, piling, sawlogs, naval stores, grass, and fenceposts are some of the resources that bring employment and economic stability to many of our local communities. These resources must be grown and harvested on a sustained basis if they are to yield continuous supplies of the resources our people need. The same is true for any of the other 148 national forests whether located in the States of Washington, Maine, or Alaska.

We are experiencing in Florida a tremendous population increase—one of the largest in America. Our citizens have more leisure time and more money for recreational pursuits. Florida is a haven for retired folk who have spare time to enjoy the beauties of our forests and to hunt and fish. Multiple-use management considers the recreational needs of our people on national forests everywhere. Outdoor recreation is one of the five resources named in H.R. 10572 along with range, timber, watershed, and wildlife and fish. Thus consideration is given to this important forest asset in the wise and coordinated national forest management provided for in this bill.

This is sound legislation; it asks the Congress for no appropriations or authorizations of money; it is a statement of policy in support of time-tested practices in national forest administration and use; and, it is a bill that enjoys the support of the prominent industrial, civic, and conservation organizations throughout America.

Mr. BECKER. Mr. Chairman, I move to strike out the last word. I should like to ask the gentleman from North Carolina one or two questions. This bill

H.R. 10572, which we are discussing, has in italic some very minor changes which one would understand by reading it, but now, with the number of amendments that have been offered by the chairman of the committee, can the gentleman tell me how we can possibly put together these various amendments, incorporate them in this bill, and then vote on it? It is almost impossible to try to put them together in this bill.

Mr. COOLEY. I do not think it is unusual. We had conferences with the Department of Agriculture and other Members of Congress and other committees, and we agreed that this language was desirable and accepted it as a committee amendment. We had a meeting in our committee room this morning and discussed the amendments. I think everybody on the floor of the House understands the purpose of the committee amendments.

Mr. BECKER. I will be very frank to say that understanding each amendment is one thing, but then trying to put them together in relation to the entire bill is a very hard proposition.

Mr. COOLEY. The gentleman can read it in the RECORD tomorrow morning.

Mr. BECKER. But that is after we have voted on it. That is why I object.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield.

Mr. RHODES of Arizona. May I ask the gentleman from North Carolina if the implication I gathered from his statement as to the definition of "multiple use" as proposed in section 4 is correct? Has the Secretary of Agriiulture approved that definition?

Mr. COOLEY. These are the definitions that the Department or officials have been using through the years. We did not include them in the bill because we did not think it necessary. We included them only in the report. Other Members did think it necessary, however, so the amendment which was just adopted reads into the law the definition of multiple use and sustained yield appearing in the committee report.

Mr. RHODES of Arizona. Will the chairman inform the House why it is necessary to amend the bill so extensively here on the floor? Why can it not be done in conference between the two Houses?

Mr. COOLEY. I did not think these amendments were necessary but the other Members of the House do think they are necessary. I think the gentleman from California [Mr. MILLER] came before our committee and urged that these definitions be written into the law. The gentleman from Colorado [Mr. ASPINALL] wanted certain assurances put into the bill seeking to make this bill as perfect as possible. We took them up this morning in the committee and the committee agreed to them, and I present it here as a committee amendment.

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

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

Mr. HOEVEN. Mr. Chairman, apparently there is no opposition to the amendment the gentleman has just offered. The Department of Agriculture is fully aware of the proposed amendment. I want to point out further that the proposed amendment was in the Senate bill so I cannot see anything wrong about it. It is a definition that has been fully approved.

Mr. BECKER. I would just comment in closing that this is not a question, I would say to both gentlemen, the chairman and the ranking minority Member, of opposing each one of these amendments, but I find great difficulty in trying to place these amendments into the bill in relation to one another as it affects the entire matter that is before the House. I think this is not proper procedure. We should better have a bill more complete and act upon it intelligently and vote on it because we are all in favor of this type of legislation for the preservation of our national parks and forests.

Mr. COOLEY. What does the gentleman suggest then, that we do not discuss amendments on any bill that has been reported out by a committee?

Mr. BECKER. No, but I think the committee could have very well prepared a bill with the amendments in it.

Mr. COOLEY. We cannot always bring a clean bill before the House, but these amendments are so simple and so clear, it seems to me the gentleman should be able to understand them.

Mr. BECKER. I might understand each amendment but not one in relation to the other without having them before me, and I think that would be the proper way.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, 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. 10752) to authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes, pursuant to House Resolution 527, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on the amendments.

The amendments were agreed to.

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

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

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

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days within which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SEVENTH SEMIANNUAL REPORT OF OPERATIONS UNDER THE INTERNATIONAL CULTURAL EXCHANGE AND TRADE FAIR PARTICIPATION ACT OF 1956—MESSAGE FROM THE PRESIDENT

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

In accordance with the provisions of section 9 of Public Law 860 of the 84th Congress, I transmit herewith for the information of the Congress the seventh semiannual report of operations under the International Cultural Exchange and Trade Fair Participation Act of 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 2, 1960.*

CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1960

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11761) to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, 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 consideration of the bill H.R. 11761, with Mr. ROGERS of Colorado in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 1 hour, and the gentleman from Iowa [Mr. HOEVEN] will be recognized for 1 hour.

The Chair recognizes the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE], chairman of the subcommittee that handled the bill now being considered.

Mr. POAGE. Mr. Chairman, the bill presently before us is rather long, rather technical, and possibly to some of us complicated. But the objectives and purposes of the bill are clear. They are to simplify and coordinate the legislation relating to the Farmers Home Administration.

I think the bill does this in a rather simple manner. The bill had the unanimous favorable report of the Committee

on Agriculture. The bill was originally recommended by the Department of Agriculture as a means of simplifying their operations and reducing the cost of administering a rather extensive program.

I would not want the House to assume that there are no changes in substantive law, because there are some changes, but basically this bill continues the original objective of Farmers Home Administration. The Farmers Home Administration has grown up over a period of the last 25 years. One piece of legislation to meet a particular emergency, another piece of legislation to meet some other emergency, and a third piece of legislation pulled from the air to meet some other contingency.

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

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

Mr. COOLEY. In fact, I think the law has been amended as many as 30 times in the last 20 years.

Mr. POAGE. I feel sure that is a very conservative estimate. On several occasions it has been completely rewritten. The chairman of our committee, long before he was chairman of that committee, probably rose to fame in this House by restoring life to this agency when it was in bad shape. He got it back on the track, and it has rendered worthwhile service for a great many years. It is rendering worthwhile service today. I think it deserves to continue to render worthwhile service for many years to come.

We believe that under this bill which we are bringing you, it can do exactly that. I recognize there is one phase of this bill which doubtless needs attention, and we have given assurance that we would offer an amendment to protect the part of Farmers Home activities which was not originated by our committee—that portion which was originated by another great committee. We are going to offer an amendment to give protection to the housing portion of Farmers Home, which was not originally handled by our committee.

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

Mr. POAGE. I yield.

Mr. JONAS. I notice on page 3 that in discussing real estate loans one of the provisions is that the loan shall not exceed 90 percent of the normal value of the farm. Is that an increase over existing law?

Mr. POAGE. It is a change from existing law; whether it is an increase or not depends upon the administration. Let me explain it this way: The present law allows loans of 100 percent of the appaised value, but that appraised value is based upon the so-called agricultural earning capacity of the land.

This amendment authorized a loan of 90 percent of the appraised value, taking into consideration the market value of the land.

The Department tells us that it will probably result in about the same range of loans that they are making today, but it does create what we think is a much better situation, that of not allowing 100-percent loans. Frankly, our committee did not feel that a real estate loan should be for 100 percent of the value of the security. That is one of the things that was corrected. Whether it relaxes or tightens up is a question which can be debated endlessly, but it does change the law in that respect.

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

Mr. POAGE. I yield.

Mr. JONAS. Looking at the index of the hearings I cannot find any testimony from Federal land bank officials. Can the gentleman tell us whether or not the committee took testimony from the Federal land bank people or whether they have taken a position in respect to this?

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

Mr. POAGE. I yield to my chairman, the gentleman from North Carolina.

Mr. COOLEY. I may say to the gentleman that no land bank official appeared in opposition.

Mr. POAGE. No land bank official appeared; I agree, they did not appear in opposition. I have never heard that they expressed themselves one way or the other.

Mr. JONAS. I did notice some members of the banking fraternity filed statements supporting the legislation, and I was just curious because I did not see any reference to any testimony by the Federal joint stock land bank officials.

Mr. POAGE. May I say to the gentleman that the Federal land bank, or, more accurately, the Federal Farm Credit System, has legislation of its own which it has wanted considered, and, frankly, they do not want to be involved in anybody else's legislation. I know the gentleman can understand that situation.

Now, to get back to the bill, I want to call attention to the fact that the bill does make a few changes which I think the House will understand. I believe that there is possibly some feeling that we have completely destroyed a great system of Federal credit. I do not think we have.

There has been some feeling that we have tampered with the interest rates and that this bill proposes to apply a much harsher interest formula than presently exists. Let me give to the House the actual figures as to the interest rates, because I think these are the things in which the House is primarily interested.

In the past we have had six types of loans. We have only three under the new bill. This is a considerable simplification.

Under the so-called emergency loans, the old rate was 3 percent; the new rate is 3 percent.

Livestock emergency loans and livestock assistance loans: The old rate was 5 percent; the new rate, 3 percent. These loans are combined with the other emergency loans and are, correctly, we think, defined as emergency loans; and all emergency loans, all of these disaster loans, carry a low rate of interest, because we figure when a man is entitled to one of these loans he needs a low rate of interest, and the interest rate was fixed at 3 percent.

Operating loans: In the past the operating loans have carried an interest rate of not more than 5 percent. They are fixed in this bill at not more than 5 percent, the same as it was.

Real estate purchase loans: With respect to real-estate purchase loans and water facility loans, they are combined in this bill and considered real estate loans. In both of those instances we have had in the past what was known as direct and insured loans. We continue the direct and insured loans. The interest rate in the past on the real estate purchase loans was not more than 5 percent. On both the direct loans it was not more than 5 percent, and on the insured loans not more than 5 percent.

Mr. POAGE. The new interest rate on real estate loans: The direct loans, is still not more than 5 percent for both the land purchase and for the water facilities loans. But in each instance where there are insured loans the interest rate is allowed to be not to exceed 6 percent, which is the legal rate in many States.

The reason we have allowed this 1-percent increase is to try to get some insured loans. You do not get insured loans unless you can make loans for what they are being made in the community. We have in the past received, I think the figures are, about $30 million in these insured loans. We think it is well worth while to try to get the local people to invest their money in loans on these farms and on these water facilities and then let the Government insure them. It costs 1 percent to insure them, which means you have to allow a 6-percent rate in order for the lender to realize 5 percent. So these are still in effect a 5-percent loan, but you have to pay the insurance or you cannot get it, and unless lenders can get at least 5 percent you cannot get anybody to make these insured loans. You cannot get anyone to put up his money, with the result that we have a program of insured loans but no loans. We felt it was better to let the people make their loans as they see fit and to insure the kind of loans actually made than it was to try to tell the folks they have to make an unrealistic loan in order to get it guaranteed.

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

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

Mr. HOFFMAN of Michigan. Is one of the purposes of this bill to make it easier to get a loan?

Mr. POAGE. As I explained to the gentleman from North Carolina, everyone can place their own interpretation on it. We do make it possible to get a 90 percent real estate loan. The old law said 100 percent loans. We say 90. On its face that looks like it is making it harder, but the old law said that valuation was based upon the agricultural earning capacity of the land.

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

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

Mr. HOFFMAN of Michigan. I heard all that. The gentleman said that a few minutes ago. I place a very, very great value upon the gentleman's knowledge, his patriotism and his regard for the welfare of our people. My question is simple: In your opinion, does it make it easier or harder to get a loan?

Mr. POAGE. In my opinion, it probably does not change it at all.

Mr. HOFFMAN of Michigan. What is the use of doing it if it does not change the situation?

Mr. POAGE. The reason for doing it is to try to simplify the administration of the Farmers' Home Administration. The Department said it was expending a lot of money needlessly.

Mr. HOFFMAN of Michigan. We knew that.

Mr. POAGE. Yes; and we think we are stopping some of this waste. At least we are giving the Department the opportunity to do so.

Mr. HOFFMAN of Michigan. I wish the gentleman success.

Mr. POAGE. I thank the gentleman. We hope so, too.

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

Mr. HOEVEN. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, the House Agriculture Committee has carefully studied and approved H.R. 11761 called the Consolidated Farmers Home Administration Act of 1960. I believe that it will make a substantial contribution toward gearing the agency's agricultural credit program to the existing problems of our farmers. The essential purpose of this bill is to simplify the statutory authorities under which the Farmers Home Administration operates and therefore greatly improve the services which this agency renders to farmers.

For years now, the Farmers Home Administration has been providing a specialized credit service to thousands of deserving farm families, assisting them to improve their efficiency and become the successful operators demanded by present day agriculture. Farmers Home Administration is unique in the credit field in that it not only extends credit on a short, intermediate, and long-term basis but it also accompanies this credit with technical farm management assistance and guidance. The agency in line with the policy set up by Congress only supplements the credit provided by banks, production credit associations, land banks, insurance companies and other commercial lenders and does not compete with these lenders in any way. This major policy is continued in this bill.

Besides extending supervised credit to farmers who qualify for loans, the Farmers Home Administration, also, through its guidance and counseling program, assists many other farmers to significantly improve their farming and financial plans so they can qualify directly for credit from regular private and cooperative sources. As a result of Farmers Home Administration assistance, farm families across the Nation are able to improve their farms and farming methods, make better use of land and labor resources, and attain satisfactory living standards. Certainly we can congratulate this fine agency for the credit and guidance assistance it has provided farm families in helping them adjust to the complex problems they are facing today. The bill we have before us today, H.R. 11761, will enable Farmers Home Administration to continue to efficiently fill the gap in the agriculture credit field and carry out the responsibilities assigned to it by Congress.

The field of agricultural credit has been subjected to much of the same incredible revolutionary change as has taken place in other segments of our agriculture economy. And to meet this changing need for new and specific types of credit, we in Congress have been passing additional laws so that now the Farmers Home Administration is administering several different acts with their many amendments. H.R. 11761 will substitute a streamlined authority for the present patchwork of laws, and will authorize the agency to make two broad types of loans which will essentially furnish the same credit services to farmers as that contained in all of the previous legislation.

In presently administering the complex list of laws with their many subsequent amendments, Farmers Home Administration field personnel must follow hundreds of pages of regulations—regulations as they are held fiscally liable for each loan that they make. Consequently then, it takes years for the Agency to train capable people to become familiar with the complex detail in the many statutes, some of which overlap, and with the innumerable regulations accompanied by their many subsequent revisions. It is easy to see therefore that even some of Farmers Home Administration's most experienced people find difficulty at times in administering this credit program.

Because this bill completely overhauls and simplifies the credit program administered by the Farmers Home Administration, it will reduce the training and paper work and enable the field personnel to devote more time to making and servicing loans. Also applicants for loans should get speedier service and be able to understand the lending programs better since the bill reduces the various types of loans by at least 50 percent and set up similar eligibility requirements for all of its credit services.

In addition to vastly simplifying the Farmers Home Administration's lending program, the bill authorizes a revolving fund so that collections on loans are offset against the much more accurate picture of the cost of the Farmers Home Administration program and will reflect a clearer picture of the net costs for the farm program.

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

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, I will not take that much time but I simply want to add my support and recommendation of this bill to the House. I want to join with other Members of the committee in expressing my appreciation to the chairman of the subcommittee of which I have the privilege to serve as the ranking minority member, the gentleman from Texas [Mr. POAGE], for his diligence, for the assistance that we have had from other Members of the Congress interested in agricultural credit and for the assistance which the subcommittee and the committee have had from the officials of the Department of Agriculture and particularly the Farmers Home Administration. It has been my privilege over a number of years to observe the operations of the Farmers Home Administration, and I wish to commend them for their very diligent attention to the importance of lending, the job they are doing in the area of supervision, their recommendations in the field of farm management, and particularly the very complimentary job which has been done in relation to the collection of loans made.

Mr. Chairman, in relation to this bill, which offers a great improvement over the existing rather numerous statutes covering the field administered by the Farmers Home Administration, there are many improvements in the procedures and some substantive improvements in the legislation itself. I urge the adoption of this bill.

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

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

Mr. JONAS. Will the gentleman tell me what kind of associations and corporations are referred to in section 104, page 3, of the bill "The Secretary is also authorized to make or insure loans to associations, including corporations not operated for profit" and so forth?

Mr. McINTIRE. This provision refers to the authority which the Farmers Home Administration already has in relation to loans to watershed districts.

Mr. JONAS. And soil conservation districts?

Mr. McINTIRE. They are essentially water conservancy districts which might be within a Soil Conservation District but they are separate from Soil Conservation Districts as such.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The reference which the gentleman from North Carolina makes is contained in the Water Facilities Act, as I understand it.

Mr. McINTIRE. That is right.

This legislation has received long and earnest attention from the Committee on Agriculture which has unanimously reported it to the House. It is an important piece of legislation, both for farmers and for taxpayers. It establishes a permanent, understandable and efficient lending program designed to serve the needs of the farmer and to save the pocketbook of the taxpayer.

GENERAL OPERATIONS OF FARMERS HOME ADMINISTRATION

The Farmers Home Administration is the credit agency within the Department of Agriculture. This agency administers a number of programs that deal with almost all phases of agricultural credit. These programs include:

First. The farm ownership program which deals with the purchase of farms, the enlargement of farms or the development of farms of family-size or less. This program is handled through two funds, through direct funds borrowed from Treasury, and through an insured program in which money is furnished by private lenders. FHA loans the money, supervises the loans, and collects the loans. This is true for direct loans as well as insured loans. These loans are presently based on the earning capacity of the farm, and they can extend as long as 40 years, and in the case of the loans made through direct funds, can go up to 100 percent of the appraised value of the farm. Insured loans can go up to 90 percent of the appraised value of the farm.

Second. FHA conducts an operating loan program under which it extends credit for practically all phases of operation, such as equipment necessary to put in the crops, feed, fertilizer, livestock, and anything that goes into the operational unit.

Third. FHA also has an emergency program in areas that are designated as disaster areas for one reason or another by the Secretary of Agriculture.

Fourth. Farm housing loans under the Housing Act of 1949 are also administered by FHA.

Fifth. Soil and water conservation loans along with small watershed loans administered by this agency also provide an important source of credit in rural areas.

In 1959, as shown by the annual report of the Secretary of Agriculture, the Farmers Home Administration made some outstanding contributions to the Nation. These activities included:

First. Insuring of the second largest amount of loan funds advanced by private lenders in 1 year for farm ownership loans.

Second. A continued rise in the average size of operating loans. This reflected borrowers' needs to expand family-type operations and adopt more efficient and capital-requiring farm management practices.

Third. Farm housing loans nearly double those of 1958.

Fourth. Fewer countries designated for emergency loans than in any year since the program began 10 years ago.

Fifth. The first loans under the new watershed loan program.

Sixth. Farmers Home Administration made and insured loans totaling $361,629,000 in fiscal 1959, compared with $330,162,000 the previous year and an average of $329,347,000 per year for the past 5 years.

Seventh. Principal and interest collections totaled $347,700,000, as against $316,700,000 in fiscal 1958 and a 5-year average of $299,800,000.

Eighth. Loans outstanding on June 30, 1959, totaled $1,117,397,000 compared with $1,068 million on June 30, 1958, and the 5-year average of $1,007,533,000.

Ninth. Farm ownership loans totaling $64,733,000 were made to 4,452 farmers to improve and buy family-type farms, enlarge undersized farms to family-type size, and to refinance debts. Private lenders advanced $35,733,000 of this total through the insured loan program, country banks being the primary source of insured loan funds.

Tenth. Loans to construct and repair farmhouses and other essential farm buildings were made to 8,186 farmowners and totaled $60,674,000.

Eleventh. Operating loans to 74,405 farmers totaled $188,500,000, helping them buy machinery, livestock, fertilizer, insecticides, fuel, and other farm and home operating items necessary for using land and labor to maximum advantage. The average initial operating loan was $5,481, compared with $4,913 in 1958 and $3,295 in 1954.

Twelfth. Emergency loans amounting to $39,851,000 helped 11,405 farmers hard hit by conditions disastrous to crops and property, resume normal operations. Most of these emergency loans were made to farmers who had suffered losses from droughts and floods the previous year and were not yet in a position to obtain all their credit needs through regular channels.

Thirteenth. Soil and water conservation loans totaling $7,468,000 were made to 854 farmers and 53 associations. Of this sum, $2,492,000 was insured. These loans helped farmers develop irrigation and farmstead water supply systems and carry out recommended soil conservation practices.

Fourteenth. The first three watershed loans were made during the year. They totaled $402,500. This new program enables certain organizations to get credit to help pay for planning and carrying out measures to protect and develop small watershed land and water resources.

Fifteenth. There were 99,358 loans of all types made in fiscal 1959, but approximately 196,000 farmers, including those still employing credit received in previous years, made use of FHA credit services. During the year, more than 39,000 borrowers repaid their loans in full.

Sixteenth. Many other applicants for loans, after discussing their credit needs and farming plans with county supervisors and working out financial statements, found themselves able to obtain their financing from private or cooperative sources. The Farmers Home Administration extends credit only when it is not available elsewhere.

PURPOSE OF H.R. 11761

The basic purpose of H.R. 11761 is to provide a more simple and efficient method of administering the various legal authorities under which the Farmers Home Administration operates, but the bill does effectuate several substantive changes in existing law. For example, the bill sets interest rates for direct real estate loans at no more than 5 percent per annum the same as present law. But for insured loans the amendment to H.R. 11761 adopted by the Committee this morning sets the interest rate at a level as established by the Secretary taking into consideration the prevailing local rates, but not more than 6 percent. This is a change from present law which states that insured loans cannot exceed 5 percent per annum.

This bill provides for a more flexible interest rate on insured loans. It would help permit the return that lenders receive when they invest in these loans to vary with the rate of return available from similar investments. This in turn would keep this source of credit open to farmers. At the present time very few insured loans are being made, for the return is too low to be attractive to most investors. As I said before, under the bill the interest rate on insured loans would not be allowed to rise above 6 percent.

Another example of important substantive change is in the method of establishing a value for making loans. Under present law direct real estate loans can be made for up to 100 percent of the appraised value of the farm, and insured loans can go up to 90 percent of this appraised value. H.R. 11761 would allow both direct and insured real estate loans to be made for up to 90 percent of the normal value of the farm.

The program would still be for family-type farms; the loans would be accompanied by farm management and money management advice to the extent necessary. The purposes for which funds could be loaned would remain the same. Under the bill interest rates would remain at 5 percent for operating loans, 3 percent for emergency loans, and 5 percent for real estate loans except, as I have stated previously, those made on an insured basis, which would be 6 percent. Operating loans would have a maximum term for 7 years, and real estate loans would have a maximum term of 40 years. Applications from veterans would receive preference. County committeemen would continue to determine the eligibility of all loan applicants. No loan would be made if the applicant was able to obtain sufficient credit elsewhere.

H.R. 11761 would also authorize a revolving fund for the operating and real estate loan programs. By using this fund the collections would be utilized over and over again to make loans, and the amount of new funds that had to be appropriated for this purpose each year would be negligible. At the present time the total amount loaned is appropriated each year and these appropriations frequently appear as a part of the cost of the farm program. By using the revolving fund this misleading impression would be corrected. The Congress, under H.R. 11761, would continue to control the amount that could be loaned each year.

In addition there are other substantive changes which will no doubt be discussed during this debate, but I feel that the bill can be boiled down to this:

Under the bill, H.R. 11761, there would be basically two loan programs, real estate and operating. In addition in areas hit by natural disasters these two programs would be adapted to meet emergency needs. These two basic programs and the emergency program established by the bill would take the place of three real estate programs, two emergency programs, and an operating loan program now functioning under present law.

Because of this simplification there would be a considerable gain in the case of administration and in the public understanding of the scope of the services available.

The bill provides a similar set of eligibility requirements for both of the basic loan programs. This compares to the present situation when the eligibility requirements vary with almost every loan the agency offers. The current differences are minor but they are enough to cause confusion and misunderstanding.

In conclusion, Mr. Chairman, let me say that H.R. 11761 represents a sound, workable, and constructive step toward increasing the efficiency of the Farmers Home Administration, toward cutting "redtape" for farmers who utilize the services of this fine agency and toward saving substantial sums of money for the Federal Government.

Mr. HOEVEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, the purpose of H.R. 11761 is to simplify and strengthen the loan program of the Farmers Home Administration. The bill would combine about six loan programs into two, would strengthen the insured loan program and would make several improvements in the loan services available to family-type farmers.

Under the bill all of the standard earmarks of the Farmers Home Administration program would remain the same as they are now. The loans would not be competitive with those of other lending institutions. A farmer would only be eligible if he were unable to obtain adequate credit elsewhere. Borrowers would be graduated to other lenders as rapidly as they acquired sufficient equity. County committeemen would determine the eligibility of all applicants. Assistance in the development of sound farming systems and the adoption of efficient farm and money management methods would accompany each loan to the degree necessary.

I am a strong supporter of this measure because I am aware of the valuable service performed by the Farmers Home Administration in my own district. And any steps that can be taken to further improve the service rendered by this Agency will receive my full support.

There are hundreds of farmers in my district who need financial assistance in developing their farms. They need funds for land leveling, for the construction of farm houses and other farm buildings, for the purchase of land to enlarge their existing holdings, for the purchase of farm equipment and the replacement and repair of existing equipment, for the purchase of dairy cows and other livestock and for fertilizer, feed, seed, and other annual operating expenses.

It takes a good bit of capital to develop and run a modern farm. Our farms these days are mechanized and we are using far larger amounts of fertilizers and insecticides than we once did. The investment per farmworker these days averages about $20,000. Only 10 years ago this figure stood at $10,000.

In my district the Farmers Home Administration is one of the principal sources of farm credit. This is especially true so far as some of the younger farm families are concerned. The ones who have some of the livestock and equipment they need, but lack enough equity to be eligible, for the moment, for credit from conventional credit sources.

I believe the value of this organization is well represented by an article that appeared in a recent issue of the Wenatchee Daily World. This article tells about the progress made by the Ted Martin family, a farm family near Quincy in the Columbia Basin. In telling about this farm family the newspaper points out that the Martin family personifies the basin settlers that have been helped by the Farmers Home Administration.

In 7 years the Martin family has developed an 84-acre irrigated farm, a modern three-bedroom house, and a high producing dairy herd. The Farmers Home Administration not only helped the father of the family acquire his basic herd of 20 cows back in 1953 but has also made financing possible for the boys, Ted, Jr., and David Martin, in their FFA dairy projects.

Farm families like the Martins that work hard and that bring the farms of our country to their present high stage of efficiency, are the heart of our agricultural economy. And they form a bulwark of strength for the Nation as a whole. Any program, such as that of the Farmers Home Administration, that assists these families in their endeavor, is a program that is worth our careful attention and support.

I am especially interested in the phase of the bill that combines three real estate programs into one. At the present time the agency offers farmers assistance in developing farm land and farm buildings under three programs, farm ownership, farm housing, and soil and water conservation.

Under H.R. 11761 these three programs would be combined under one real estate loan program and the confusion that exists at the present time as to which authority should be used to meet which need, would be eliminated. With this simplification of the statutes would go a corresponding simplification in the regulations of the agency under which the statutes are administered. The net result would be an improvement in the service rendered to farm families and a clearer understanding by all concerned of the credit services available.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Chairman, I have taken this time to make some inquiry of the Committee relative to some of the items in this bill, particularly as they have to do with appropriations. First I should like to ask whoever may be able to answer the question for me, with reference to page 4, section 105, the provision which reads:

> The Secretary shall from time to time establish the interest rate or rates at which loans for various purposes will be made or insured, taking into consideration the prevailing private and cooperative interest rates for loans for similar terms and purposes.

My inquiry is, are these cooperatives such as REA, who are borrowing funds at 2½ percent? Does this mean that the Secretary can make loans at 2½ percent?

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

Mr. BOW. I am glad to yield to the gentleman from Maine.

Mr. McINTIRE. It is my understanding, I may say to the gentleman from Ohio, that we are directing our attention to that portion of the bill dealing with insured loans. In this particular area of activity there has been the problem of an interest rate which would be adequate to attract sources of money to supply the needs. This bill has proposed to make some revision from the existing 5 percent rate.

Mr. BOW. Does the gentleman mean by that that the purpose is to make lower rates?

Mr. McINTIRE. No.

Mr. BOW. When the gentleman refers to cooperative interests, would those be cooperatives such as the REA so that the Secretary would be permitted to make loans at 2½ percent?

Mr. McINTIRE. It very definitely does not mean what the gentleman has expressed.

Mr. BOW. Does it mean that the loan would be made at the going rates in communities and areas?

Mr. McINTIRE. That is the intent.

Mr. BOW. I thank the gentleman. Now I have one or two other questions. On page 6, section (c) it says:

> The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds—

And so forth. And then at the top of page 7 it says:

> For that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities.

Am I to understand that this bill is another back-door approach to the Treasury and that here again we will use a public debt transaction rather than appropriations?

Mr. McINTIRE. It is certainly not my understanding, I may say to the gentleman from Ohio, that this language provides for back-door spending. This provision is a restatement of existing law which has been in effect since 1946. The moneys referred to here are related to

the fund from which the Farmers Home Administration pays defaults on insured mortgages, accumulates blocks of mortgages for sale, and conducts secondary market operations. This is simply a reference as to how the Secretary of the Treasury may provide for the money going into this particular fund. I would call the gentleman's attention to the fact that further in this legislation in relation to the Farmers Home Administration revolving fund, as set forth in the report, and I believe covered in the legislation, it is the intention of the committee that the Committee on Appropriations shall have full control over the annual activities of the Farmers Home Administration in their several functions; and that the lending of the Farmers Home Administration shall be approved each year in the area of their functions by the Committee on Appropriations.

Mr. BOW. May I make this inquiry so we may get the legislative history and know exactly what we are doing. Am I to understand from the gentleman that with respect to the moneys borrowed under a public debt transaction, under paragraph (c) on page 6 and the language on page 7, the funds which are borrowed and received by the Secretary of Agriculture will be subject to distribution with the authority of the Committee on Appropriations or by appropriations?

Mr. McINTIRE. It is certainly my understanding that the Appropriations Committee will have full observation and supervision over these funds.

Mr BOW. I call the gentleman's attention to the further language on pages 26 and 27 on the question of the revolving fund. Here we have what I believe is perhaps subject to a point of order, the transfer of existing appropriations into a revolving fund. Is it the gentleman's idea, and can he tell us now, what existing appropriations are being transferred into the revolving fund and what control will be had of the revolving fund?

Mr. McINTIRE. I appreciate the point the gentleman from Ohio has raised relative to the point of order, although the rule waives points of order; but that point is neither here nor there. However, in reference to the question the gentleman has raised, it is certainly my understanding of the procedure in establishing this revolving fund that on the effective date of this legislation or within such time as it can be appropriately done administratively the existing outstanding notes and mortgages which are, you might say, the assets of the Farmers Home Administration, are to be transferred into the fund, the sums which are appropriated and available as a matter of record as of that particular time also are transferred into the fund, and the subsequent collections on notes and mortgages now outstanding will become an item going into the fund.

Mr. BOW. What we actually have here is a situation where with a spending budget of, let us say, $80 billion a year this will not reflect actually the expenditures or the spending by the Government, because you will have moneys coming in and being reloaned. If you have, say, $500 million and you took in $400 million one year, you would show actually $100 million in your budget rather than the full amount.

Mr. McINTIRE. I think the gentleman is correct on that point. May I make this additional observation, that in contrast to many revolving funds within our Government structure this bill provides that the Appropriations Committee shall have annual control over the size of the annual commitments out of the revolving funds set up under this bill.

Mr. BOW. The gentleman has explained, and I believe it has been very useful to get this legislative history made on these provisions. I thank the gentleman.

Mr. POAGE Mr. Chairman, we have no further requests for time.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, earlier today I made an effort to learn from the majority Member, I assume he is chairman of the subcommittee, the gentleman from Texas [Mr. POAGE], whether this bill in his opinion, and he has championed the farmers for many, many years, that is, the farmers in Texas, would make it easier or harder, more difficult, to obtain a farm loan. I did not get the answer. Am I right, may I ask the gentleman?

Mr. POAGE. In my opinion it will not be easier or harder. I think it will be about the same as it is today.

Mr. HOFFMAN of Michigan. That is what I understood. The gentleman says he does not know whether it will make it easier or harder?

Mr. POAGE. Yes.

Mr. HOFFMAN of Michigan. But the gentleman did say, if I understood him correctly, that it would do away with some paperwork, making the handling of the applications more efficient. That is right?

Mr. POAGE. I do not know that it might make the handling of applications more efficient, but we now have about 10 or 12 different programs handled by the Farmers Home Administration and this would reduce it to 3. We believe the administration can handle it much more simply when they are handling three programs when all of their loans fall into one or the other of these categories than when they have about a dozen.

Mr. HOFFMAN of Michigan. I listened very, very carefully to the gentleman from Iowa [Mr. HOEVEN], who is the ranking minority Member, as I understand, and knowing of his great service to the farmers not only in your own State of Iowa but in the Nation, I listened very carefully, but I did not hear you say anything about the question I was interested in—as to whether it would make the obtaining of a loan easier or harder; am I right?

Mr. HOEVEN. Is the gentleman asking for my opinion?

Mr. HOFFMAN of Michigan. Yes.

Mr. HOEVEN. I think it will make it easier to give a loan.

Mr. HOFFMAN of Michigan. It will make it easier.

Mr. HOEVEN. Because there has been so much duplication and paperwork involved. The loan agency can give more time to discussing the problems with the lender so that the lender will fully understand what his rights and prerogatives are. I think it would be easier in that respect.

Mr. HOFFMAN of Michigan. That being so, Mr. Chairman, I call the attention of my colleagues to this most remarkable situation. Here we are with a Department of the Government on its own initiative, and I call the attention of the chairman of the full committee, the gentleman from North Carolina [Mr. COOLEY] to this fact—here we have an executive department under control of the Republicans and headed by Mr. Benson who is trying to give more efficiency at less cost. Is that not startling to you with your fixed convictions? It must be. It is a good thing if that is all there is to it. But there is one thing I cannot quite understand.

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

Mr. HOFFMAN of Michigan. Yes, briefly, because I have one more idea.

Mr. HOEVEN. I did not mean to infer that it would be easier to get money. What I meant was that it would be easier to consummate the loan. I do not think it is going to make much difference otherwise, but I think it would make it easier to consummate the loan so far as the procedure and the mechanics of making the loan are concerned.

Mr. HOFFMAN of Michigan. Then, as the minister said here the other day, before a committee, that destroys——

Mr. HOEVEN. Yes, that destroys your argument. But only on part of it.

Mr. HOFFMAN of Michigan. But, as the minister said here the other day, "You just knocked my speech all to pieces." I have the idea that the buyers and purchasers in this country, both domestically and internationally, were overbuying. I had a letter from a merchant who has two or three large stores in the Fourth District, and he complains that the people who bought were not paying their debts, their bills to him, and he said to me inasmuch as he supported me over the years that I should get some legislation that will make these debtors pay him what they owe him. We wrote two or three letters back and forth, and finally I suggested to him that, perhaps, he had better go back to his salesmen because maybe they were too efficient and maybe they were persuading too many people to buy for a dollar down and the balance when they felt it was convenient. Just like they had here in Washington, you recall, when we had to get after the used car dealers. On the television you would see a nice car with the sales talk to drive it out and pay a dollar down and the rest when you got ready. You recall one of the stories that comes to my mind, about Mr. Tutt and I am sure the gentleman from Georgia remembers, about the jewelers and the customer paying when she got ready but she never got ready. I cannot see the advisability now with

our national debt and our other debt, our private debt, being what it is, making it easier for people to borrow money to buy more things and to buy things that they do not need. The banker, I know, from Alabama, understands my argument. As a nation and as individuals we are going ever deeper into debt—leaving to descendants the legacy of meeting the debts for the things we buy. You answer as to whether that is selfish and unsound.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. ANDERSEN]

Mr. ANDERSEN of Minnesota. Mr. Chairman, I would like to ask the chairman of the committee a question, either the gentleman from North Carolina [Mr. COOLEY] or the gentleman from Texas [Mr. POAGE]. I notice on page 7 of the report you have this language:

> But, in contrast to a true revolving fund, the plan does not in the least reduce congressional control over the use of the fund. Funds could be used for the various loan programs and for administration only in amounts stipulated in appropriation act.

Now would you identify the section of the bill which makes such mandatory requirements and explain just how it will work.

Mr. COOLEY. I think the gentleman from Maine [Mr. McINTIRE] explained that in connection with his discussion with the gentleman from Ohio [Mr. BOW].

Mr. ANDERSEN of Minnesota. But I would like you to refer to the particular language in the bill. Is the gentleman referring to page 30, section 2?

Mr. COOLEY. I think so.

Mr. ANDERSEN of Minnesota. May I ask with regard to that, the Farmers Home Administration comes before the Subcommittee for Agriculture asking for appropriations for fiscal year 1962, for a certain amount. Do they have to spell out that particular request as to the three segments contained under this bill or do they just ask for a blanket amount to reimburse them, like the Commodity Credit Corporation does?

Mr. COOLEY. I think the gentleman will find that section 408, beginning on page 26, down to the bottom of page 30, covers the items you have in mind. In my opinion the Department officials would have to make separate requests for the different functions performed by the Farmers Home Administration.

Mr. ANDERSEN of Minnesota. That is the point I wanted to make. They would have to make separate requests?

Mr. COOLEY. I think so.

Mr. ANDERSEN of Minnesota. The Congress through its Committee on Appropriations would not lose any of its jurisdiction over the activity of the Farmers Home Administration?

Mr. COOLEY. That is exactly right.

Mr. ANDERSEN of Minnesota. May I say I feel there is much good in this particular bill, and that it will simplify many things in relation to these various loan provisions that we have on the books today. I believe we have something like $65 million available in the emergency loan funds. I presume under the language of the bill that would be transferred into this revolving fund?

Mr. COOLEY. That is correct.

Mr. ANDERSEN of Minnesota. However, the bill does not say anything about the present rate on disaster loans, 3 percent. It maintains that particular figure?

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

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Maine.

Mr. McINTIRE. It maintains that particular figure.

Mr. ANDERSEN of Minnesota. With reference to interest on emergency loans, the legislation provides a continuation of the existing rate?

Mr. McINTIRE. Three percent.

Mr. ANDERSEN of Minnesota. And 5 percent on special livestock loans?

Mr. McINTIRE. I believe so, and may I say with reference to the question asked of the gentleman from North Carolina, it is our understanding that the answer which the gentleman gave you in relation to the appropriation items—we understand that each item under this new legislation would be requested separately but not as a lump sum to the Farmers Home Administration.

Mr. ANDERSEN of Minnesota. If that were not a fact I would have to work against this bill. I am glad to be reassured on that point.

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

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Texas.

Mr. POAGE. As I understand the gentleman from Maine, he said the livestock loans remain at 5 percent.

Mr. ANDERSEN of Minnesota. I asked that question on the assumption that they did.

Mr. POAGE. It is not my understanding that they do. All emergency loans go at 3 percent.

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

Mr. McINTIRE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. ANDERSEN of Minnesota. In the opinion of the gentleman from Texas, would he say that this bill would make it easier for small disaster communities to get action through the Farmers Home Administration on emergency loans?

Mr. POAGE. Just as Mr. HOEVEN stated, it will probably reduce a lot of redtape.

By so doing it will give relief to people the gentleman is talking about. I do not believe it changes the basic eligibility at all, but if you can get relief in 10 days instead of 3 months it makes a whole lot of difference to people who are flooded out or dried out.

Mr. ANDERSEN of Minnesota. May I say to the gentleman in quoting from his report on page 5, the statement is carried under title III:

> The basic concept of the emergency loan provisions of title III of the bill is to authorize the Secretary to make such loans available promptly to meet the general need for agricultural credit which has become restricted in an area by reason of the occurrence of a natural disaster or severe production losses.

Now, just how big is that area?

Mr. POAGE. That area is only one county, but it can be, by Presidential finding, a part of a county.

Mr. ANDERSEN of Minnesota. This statement is also made in the report:

> The conditions warranting such a determination may be somewhat less severe than those which would warrant a determination of major disaster under Public Law 875.

I think that is a very necessary provision, because to an average farmer the disaster is just as acute whether he lives in a small area or a large area.

Mr. POAGE. Either way he is just as bad off.

Mr. ANDERSEN of Minnesota. That is right. I think we should be concerned when conditions warrant the President to proclaim such an area a disaster area.

Mr. POAGE. That is true now.

Mr. ANDERSEN of Minnesota. I have much respect for the gentleman from Texas. Can you tell me whether the provisions of this bill will make assistance in emergency and disaster cases more immediately available, in cases such as I have outlined?

Mr. POAGE. I definitely do; I think it simplifies procedures.

Mr. ANDERSEN of Minnesota. I compliment the committee for bringing out a bill like this, and so long as I am assured that the Congress will not be bypassed in the matter of appropriations I am back of it, with the definite reservation that I do not like to see interest rates raised on loans made to our farmers who are already in economic straits.

Mr. McINTIRE. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. PIRNIE].

Mr. PIRNIE. Mr. Chairman, I wish to compliment the chairman of the subcommittee for his very fair leadership.

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

The CHAIRMAN. The Chair will count. [After counting.] Sixty-five 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. 115]

Alger	Griffin	O'Neill
Anderson, Mont.	Gubser	Passman
Anfuso	Hébert	Pelly
Ashmore	Hess	Pfost
Barden	Holifield	Philbin
Barrett	Jackson	Pilcher
Baumhart	Kasem	Powell
Boland	Kearns	Randall
Buckley	Kelly	Rivers, S.C.
Burdick	Kilburn	Saund
Carnahan	Kitchin	Shelley
Celler	Kluczynski	Sheppard
Coad	Loser	Sikes
Cook	McDonough	Smith, Miss.
Corbett	Macdonald	Spence
Derwinski	Magnuson	Springer
Donohue	Meader	Steed
Doyle	Metcalf	Taylor
Durham	Miller, Clem	Teller
Farbstein	Miller, George P.	Thompson, Tex.
Feighan	Montoya	Udall
Fino	Morris, N. Mex.	Widnall
Forand	Morris, Okla.	Wilson
Garmatz	Moulder	Withrow
Giaimo	Nelsen	Yates
Gilbert	O'Brien, N.Y.	Zelenko

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. ROGERS of Colorado, 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. 11761, and finding itself without a quorum, he had directed the roll to be called, when 354 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. PIRNIE].

Mr. PIRNIE. Mr. Chairman, at the time of the quorum call I was addressing some remarks to the chairman of our subcommittee. I might say, of course, the purpose of the call was not to gain attendance to hear my remarks. I suspect that this quorum call was the result of a missed signal as between the famous battery comprising the Independent Party, the gentleman from Iowa and the gentleman from Michigan.

Mr. Chairman, all I wish to say at this time is that in the consideration of this bill, we had extended hearings under the leadership of our able chairman, the gentleman from Texas [Mr. POAGE], and the leadership of our ranking minority member, the gentleman from Maine [Mr. MCINTIRE]. Our whole purpose has been to provide a more effective legislative background for the administration of the Farmers Home Administration. We believe we have accomplished just that.

Mr. Chairman, I would like to address my remarks today to a bill, H.R. 11761, which has as its purpose the simplification and improvement of the services rendered American farmers by the Farmers Home Administration.

This agency, in its role as a supplemental credit system for farmers, has demonstrated its usefulness on many occasions. There is a growing need for capital today and the Farmers Home Administration by providing credit over and above that which is available from conventional sources has assisted large numbers of our farm families through rather critical periods. I am thinking of the fairly young farm families who need additional equipment and livestock and land to set themselves up on a sound basis. I am thinking of the farm families who have to enlarge their farms and their farming operations in order to keep up with the fast-changing requirements of today's farm economy. I am thinking of the farm families who need a new house or milking parlor. Or the families whose crops and buildings have been severely damaged by floods and windstorms.

Thousands of these families turn to the Farmers Home Administration for assistance that cannot be obtained elsewhere. Their needs are temporary, but they are real.

For several years now various programs have been assigned to this agency in a manner that has made them become progressively more difficult to administer. Farmers and the public in general are easily confused as to just what services are authorized and just which groups are eligible to receive the assistance provided.

H.R. 11761 seeks to simplify the legislation authorizing the services provided by this worthwhile agency.

For example, the bill would authorize two basic types of credit, operating and real estate, in place of a series that from time to time has included a wide and complicated assortment of credit aids. An emergency program would also be provided, but it would in general simply adapt the two regular programs to meet emergency conditions.

The bill would also greatly simplify the eligibility requirements. Basically, the same farmers that would be eligible for both types of credit provided under the bill—there would be some differences because of the difference in the nature of the two lines of credit—but essentially the requirements would be the same. This is in contrast to the existing programs where there are rather wide differences between those who are eligible to obtain one type of credit and those who are eligible to obtain another.

H.R. 11761 will also make it possible for the agency, through a revolving fund, to use its collections as a source of funds for additional loans. At the present time the loan authorizations usually look like a net expenditure in the overall cost of the program. By using a revolving fund the collections would be balanced against the loans and the net difference would be a true reflection of what is being expended for this worthy credit service. This would help correct the false impressions that exist as to the cost of the farm programs.

This revolving fund would in no way lessen the congressional authority over the amount to be advanced for the various loan programs each fiscal year. For the Congress, in the appropriation bill, would determine how much of the collections in the revolving fund could be used for lending purposes.

The bill also provides a flexible interest rate on insured loans. This would enable the return to investors in this program to vary with the returns on similar investments and thus keep a steady flow of funds available for vital real estate programs. At the present time farmers are practically shut off from this source of credit because the rates are not in line with other investments.

Generally speaking, however, the services of the agency would remain the same as they are today. The agency would be directed toward serving the credit needs of family-type farmers. The important role that local county committees play in determining who is eligible for these services would be retained. Supervision in farm and money management matters would be provided to the extent necessary.

Altogether the only significant difference would be found in the increased efficiency of the agency's operations and in the increased understanding on the part of farmers as to exactly what credit services are available from the Farmers Home Administration.

Mr. CARNAHAN. Mr. Chairman, H.R. 11761 is a long overdue bill and I congratulate the distinguished chairman of the Agriculture Committee for bringing this bill to the floor. After previous studies on a similar bill and in consideration of changes recommended in the earlier bill, the gentleman from North Carolina introduced the bill before us today. Extensive hearings had been held on prior bills. I am confident that this bill up for consideration today represents the very best thinking and clearest judgment which members of this committee can give us.

Hearings on the previously considered bill, H.R. 7628, reveal a careful examination of the maze of existing laws under which the Secretary of Agriculture is now operating and which permits him to make and insure loans to farmers who are unable to secure necessary agriculture credit from private or cooperative sources. These hearings clearly show the need for this legislation—to revise and consolidate in one act the necessary provisions to enable present-day agriculture to operate in those areas where credit of this type is needed.

It has been around 14 years since any overall consideration and revision of this field of legislation was made. In 1946 the Farmers Home Administration Act was enacted. This included a revision and reenactment of the 1937 Bankhead-Jones Farm Tenant Act. Since that time and in the intervening 14 years Congress has enacted legislation in this field but it has been complex and piecemeal. This subsequent legislation dealt with such matters as authority for loans for farm dwellings and other farm buildings—in the Housing Act of 1949—and also dealt with several types of emergency credit. The result, in the committee's opinion has been an unnecessarily complicated statute. Committee hearings dealing with the complexities and conflicts in existing law show just how complex the task of administering the law has become. This complexity has resulted in confusion to applicants as to the availability of the agency's credit services for their particular needs.

H.R. 11761 seeks to eliminate this complexity and confusion and thus make the statute easier to administer and its services more readily available to farm folk needing and deserving such credit facilities.

It is to be stressed, Mr. Chairman, that the enactment of this bill will clarify the general objectives of the Bankhead-Jones Farm Tenant Act. This proposed bill will make it possible for farm tenants and other bona fide farmers to become farm owners under credit arrangements and management assistance which give reasonable assurance of success of family-type operations, and will assist present farm owners in enlarging and developing the land base of their operations. This bill will authorize loans for farm dwellings and other buildings and will make available credit to assist in solving such community problems as drainage and water supply in rural areas. Another provision of

this bill is to provide farmers with a necessary source of short-term credit for their operations.

Present national farm credit laws are outmoded. The machinery is so cumbersome that it drags its own weight around with it. It seems to me, Mr. Chairman, that implicit in this bill are several things essential to a good agricultural program:

First. This is a permanent program brought together into one consolidated act. This bill removes the ever-present specter of lack of credit made necessary by crop failure, drought, or difficult economic conditions. It should dispel fear from the farmer in this area of his operation.

Second. The bill is plain and simple. Local authorities can interpret this bill without some of the confusion that has existed in the past, when under a maze of legislation, and at times conflicting, it has become difficult to decide exactly where the authority resided. This bill eliminates that confusion.

Third. Implicit in this bill is the word "promptness." There are times when credit approval can move at a seemingly terrifyingly slow pace. This bill allows for a more rapid determination of credit approval eligibility.

Fourth. This bill is designed to serve the actual needs of family farmers living in the present decade of the sixties.

Basically, three types of loans are made available to family farmers under this bill: (A) Real-estate loans for the acquisition of land primarily for family-type farms; (B) operating loans including a provision for loans to be used for the consolidation, refinancing or reduction of debts; and (C) emergency loans.

I believe, Mr. Chairman, that the enactment of this bill will be a very constructive piece of legislative action and will reduce the redtape involved in obtaining necessary farm credit. It will gear farm credit to the needs of farmers living in the present day. It has long been needed and I am glad it is before us. I urge its adoption.

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

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Consolidated Farmers Home Administration Act of 1960".

(b) The Congress finds that the statutory authority of the Secretary of Agriculture, hereinafter referred to in this Act as the "Secretary," for making and insuring loans to farmers and ranchers should be revised and consolidated to avoid multiplicity of loan types and to provide for more effective credit services primarily for family-type farms.

TITLE I—REAL ESTATE LOANS

SEC. 101. The Secretary is authorized to make and insure loans to farmers and ranchers in the United States and in Puerto Rico and the Virgin Islands who (1) are citizens of the United States of America, (2) have a farm background and recent farming experience which the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operations, (3) are or will become owner-operators of not larger than family-type farms for each family and, in the case of farm purchase loans, will derive their principal income from farming, and (4) are unable to obtain sufficient credit elsewhere to finance their actual needs at rates and terms prevailing in or near their community.

SEC. 102. Loans may be made or insured under this title for acquiring, enlarging, or improving farms, including farm buildings, land and water development, use, and conservation, refinancing existing indebtedness, and for loan closing costs. In making or insuring loans for farm purchase, the Secretary shall give preference to persons who are married or have dependent families and, wherever practicable, to persons who are able to make initial downpayments, or who are owners of livestock and farm implements necessary successfully to carry on farming operations.

SEC. 103. The Secretary shall make or insure no loan under this title (1) for the purpose of acquiring or enlarging any farm which has a value as acquired, enlarged, and improved in excess of the average value of efficient family-type farm-management units in the county, as determined by the Secretary from time to time, or (2) to any individual which would cause (a) the unpaid indebtedness against the farm at the time the loan is made to exceed 90 per centum of the normal value of the farm, or (b) the loan to exceed the amount certified by the county committee, whichever is less. In determining the normal value of the farm, the Secretary shall consider appraisals made by competent appraisers under rules established by the Secretary. Such appraisals shall take into consideration both the normal agricultural value and the normal market value of the farm.

SEC. 104. (a) The Secretary is also authorized to make or insure loans to associations, including corporations not operated for profit and public or quasi-public agencies, for the purpose of providing facilities for soil and water conservation, development, use, and drainage primarily for serving farmers, ranchers, farm laborers, and rural residents. No such loan shall be made which would cause the association's unpaid principal indebtedness to the Secretary under this title and under the Act of August 28, 1937, as amended, to exceed $500,000 at any one time: *Provided, however,* That no initial loan under this section shall exceed $350,000.

(b) The service provided or made available through any such association shall not be curtailed or limited by inclusion of the area served by such association within the boundaries of any municipal corporation or other public body, or by the granting of any private franchise for similar service, within such area during the term of such loan; nor shall the happening of any such event be the basis of requiring such association to secure any franchise, license, or permit as a condition to continuing to serve the area served by the association at the time of the occurrence of such event.

SEC. 105. The period for repayment of loans under this title shall not exceed forty years. The Secretary shall from time to time establish the interest rate or rates at which loans for various purposes will be made or insured, taking into consideration the prevailing private and cooperative interest rates for loans for similar terms and purposes but for insured loans not in excess of the rate of interest allowed by the laws of the State where the farm is located and for direct loans under this title not in excess of 5 per centum per annum. The borrower shall pay such fees and other charges as the Secretary may require.

SEC. 106. Loans under this title may be insured by the Secretary, aggregating not more than $150,000,000 in any one year, whenever funds are advanced or a loan is purchased by a lender other than the United States. In connection with insurance of loans, the Secretary—

(a) is authorized to make agreements with respect to the servicing of loans insured hereunder and to purchase such loans on such terms and conditions as he may prescribe except that no agreement shall provide for purchase by the Secretary at a date sooner than five years from the date of the note; and

(b) shall retain out of payments by the borrower a charge at a rate determined by the Secretary equivalent to not less than 1 per centum per annum on the principal balance of the loan unpaid from time to time.

Any contract of insurance executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder has actual knowledge.

SEC. 107. (a) The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act, as amended, shall hereafter be called the Agricultural Credit Insurance Fund and is hereinafter in this title referred to as the "fund." The fund shall remain available as a revolving fund for the discharge of the obligations of the Secretary under agreements insuring loans under this title and loans and mortgages insured under prior authority.

(b) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary to the Secretary of the Treasury for the purpose of obtaining money for the fund.

(c) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this section and for authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this Act. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

(d) Notes and security acquired by the Secretary in connection with loans insured under this title shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

(e) The Secretary shall deposit in the fund such portion of the charge collected in connection with the insurance of loans at least equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations as he determines to be an appropriate insurance charge and the remainder of such charge shall be available for compensating lenders and others for loan servicing or for administrative expenses of the Farmers Home Administration to be transferred annually and become merged with any appropriation for administrative expenses.

(f) The Secretary may utilize the fund—

(1) to make loans which could be insured under this title whenever the Secretary has reasonable assurances that they can be sold without undue delay, and may sell and insure such loans. The aggregate of the principal of such loans made and not disposed of shall not exceed $10,000,000 at any one time;

(2) to pay the interest to which the holder of the note is entitled on loans heretofore or hereafter insured accruing between the date of any prepayments made by the borrower and the date of transmittal of any such prepayments to the lender. In the discretion of the Secretary, prepayments other than final payments need not be remitted to the holder until the due date of the annual installment;

(3) to pay to the holder of the notes any defaulted installment or, upon assignment of the note to the Secretary at the Secretary's request, the entire balance due on the loan;

(4) to purchase notes in accordance with agreements previously entered into; and

(5) to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections and other expenses and advances authorized in section 405(a) in connection with insured loans.

SEC. 108. The Secretary shall take as security for the obligations entered into in connection with loans first or second mortgages on farms with respect to which such loans are made and such other security as the Secretary may require, and for obligations in connection with loans to associations under section 104, shall take liens on the facility or such other security as he may determine to be necessary. Such security instruments shall constitute liens running to the United States notwithstanding the fact that the notes may be held by lenders other than the United States.

TITLE II—OPERATING LOANS

SEC. 201. The Secretary is authorized to make or participate in loans to farmers and ranchers in the United States and in Puerto Rico and the Virgin Islands who (1) are citizens of the United States of America, (2) who have a farm background and recent farming experience which the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operation, (3) are or will become operators of not larger than family-type farms, and (4) are unable to obtain sufficient credit elsewhere to finance their actual needs at rates and terms prevailing in or near their community.

SEC. 202. Loans may be made under this title for (1) paying costs incident to reorganizing the farming system for more profitable operation, (2) purchasing livestock, poultry and farm equipment, (3) purchasing feed, seed, fertilizer, insecticides, farm supplies and to meet other essential farm operating expenses including cash rent, (4) financing land and water development, use, and conservation, (5) refinancing existing indebtedness, (6) other farm needs including but not limited to family subsistence, and (7) for loan closing costs.

SEC. 203. The Secretary shall make no loan under this title to any individual (1) which would cause the total principal indebtedness outstanding at any one time for loans made under this title and under section 21 of the Bankhead-Jones Farm Tenant Act, as amended, to exceed $30,000: *Provided, however,* That not more than 25 per centum of the sums made available for loans under this title may be used for loans which would cause such indebtedness of any borrower under said Acts to exceed $10,000, (2) for the purchasing or leasing of land other than for cash rent, or for carrying on any land leasing or land purchasing program, or (3) in excess of an amount certified by the county committee.

SEC. 204. The Secretary shall make all loans under this title at an interest rate not to exceed 5 per centum per annum, upon the full personal liability of the borrower and upon such security as the Secretary may prescribe. Such loans shall be payable in not more than 7 years and no such loans shall be made to any person who has been continuously indebted for loans under this title or under section 21 of the Bankhead-Jones Farm Tenant Act, as amended, or both, for the immediately preceding 10 years.

TITLE III—EMERGENCY LOANS

SEC. 301. (a) The Secretary may designate any area in the United States and in Puerto Rico and the Virgin Islands as an emergency area if he finds (1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources (including loans the Secretary is authorized to make under title II or to make or insure under title I of this Act or any other Act of Congress), at reasonable rates and on terms and conditions which farmers and ranchers could be expected to meet under the circumstances; and (2) that the need for such credit in such area is the result of a natural disaster or severe production losses.

(b) The Secretary is authorized to make or participate in loans in any such area to established farmers or ranchers who are citizens of the United States of America and to private corporations or partnerships engaged primarily in farming or ranching provided they (1) have experience and resources necessary to assure a reasonable prospect for successful operation with the assistance of such loan, and (2) are unable to obtain sufficient credit elsewhere to finance their actual needs at rates and terms prevailing in or near their community.

SEC. 302. Loans may be made under this title for any of the purposes authorized for loans under titles I or II of this Act.

SEC. 303. The Secretary shall make no loan under this title to any individual, corporation, or partnership (1) which would cause the borrower's unpaid principal indebtedness for loans made under this title to exceed $50,000, or (2) in excess of an amount certified by the county committee, whichever is less.

SEC. 304. The Secretary shall make all loans under this title at a rate of interest not in excess of 3 per centum per annum, for similar purposes as loans under titles I and II of this Act, repayable at such times as the Secretary may determine, taking into account the purpose of the loan and the nature and effect of the emergency, but not later than provided for loans for similar purposes under titles I and II of this Act, and upon the full personal liability and available security of the farmer or rancher, or, in the case of corporations or partnerships, upon the full liability and available security of the corporation or partnership and of each person holding as much as 10 per centum of the stock or other interest in the corporation or partnership.

SEC. 305. The Secretary may make additional loans without regard to the designation of emergency areas under section 301(a) or the $50,000 limit in section 303, to persons or corporations who are indebted to the Secretary for loans under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, as amended, to the extent necessary to permit the orderly repayment or liquidation of said prior indebtedness.

SEC. 306. The Secretary is authorized to utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1148a) (hereinafter in this title referred to as the "Emergency Credit Revolving Fund"), for carrying out the purposes of this title.

SEC. 307. (a) All sums received by the Secretary from the liquidation of loans made under the provisions of this title or under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, and from the liquidation of any other assets acquired with money from the Emergency Credit Revolving Fund shall be added to and become a part of the fund.

(b) There are authorized to be appropriated to the Emergency Credit Revolving Fund such additional sums as the Congress shall from time to time determine to be necessary.

TITLE IV—ADMINISTRATIVE PROVISIONS

SEC. 401. For the purposes of this Act and for the administration of assets under the jurisdiction of the Secretary of Agriculture pursuant to the Farmers Home Administration Act of 1946, as amended, the Bankhead-Jones Farm Tenant Act, as amended, the Act of August 28, 1937, as amended, title V of the Housing Act of 1949, as amended, the Act of April 6, 1949, as amended, the Act of August 31, 1954, as amended, and the powers and duties of the Secretary under any other Act authorizing agricultural credit, the Secretary may assign and transfer such powers, duties, and assets to the Farmers Home Administration, to be headed by an Administrator, appointed by the President, by and with the consent of the Senate, without regard to the civil service laws or the Classification Act of 1949, as amended, who shall receive basic compensation as provided by law for that office.

The Secretary may—

(a) administer his powers and duties through such national, area, State, or local offices and employees in the United States and in Puerto Rico and the Virgin Islands as he determines to be necessary and may authorize an office to serve the area composed of two or more States if he determines that the volume of business in the area is not sufficient to justify separate State offices;

(b) accept and utilize voluntary and uncompensated services, and with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, territory, or political subdivision;

(c) within the limits of appropriations made therefor, make necessary expenditures for rent at the seat of government and elsewhere, purchase and exchange of supplies and equipment, purchase or hire of passenger vehicles, printing and binding without regard to the Act of January 12, 1895, as amended (44 U.S.C. 111), and such other facilities and services as he may from time to time find necessary for the proper administration of this Act;

(d) acquire land and interest therein without regard to section 355 of the Revised Statutes, as amended;

(e) compromise, adjust, or reduce claims and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into or administered by the Farmers

Home Administration under any of its programs, as circumstances may require: *Provided, however,* That—

(1) compromise, adjustment, or reduction of claims of $15,000 or more must be effected by reference to the Secretary of the Treasury or to the Attorney General pursuant to the provisions of section 3469 of the Revised Statutes (31 U.S.C. 194);

(2) compromise, adjustment, or reduction of claims shall be based on the value of the security and a determination by the Secretary of the debtor's reasonable ability to pay considering his other assets and income at the time of the action and with or without the payment of any consideration at the time of such adjustment or reduction;

(3) releases from personal liability may also be made with or without payment of any consideration at the time of adjustment of claims against—

(A) borrowers who have transferred the security property to approved applicants under agreements assuming the outstanding secured indebtedness;

(B) borrowers who have transferred the security property to approved applicants under agreements assuming that portion of the secured indebtedness equal to the current market value of the security property or transferred the security property to the Secretary;

(C) borrowers who have transferred the security property to other than approved applicants under agreements assuming the full amount of or that portion of the secured indebtedness equal to the current market value of the security property on terms not to exceed five annual installments with interest on the unpaid balance at a rate determined by the Secretary; and

(D) borrowers who transfer security property under items (B) and (C) above for amounts less than the indebtedness secured thereby may be released from personal liability only on a determination by the Secretary that each such borrower has no reasonable debt-paying ability considering his assets and income at the time of the transfer and the county committee certifies that the borrower has cooperated in good faith, used due diligence to maintain the security property against loss, and has otherwise fulfilled the covenants incident to his loan to the best of his ability.

(4) no compromise, adjustment, or reduction of claims shall be made upon terms more favorable than recommended by the appropriate county committee utilized pursuant to section 402 of this Act; and

(5) any claim which has been due and payable for five years or more, and where the debtor has no assets or no apparent future debt-paying ability from which the claim could be collected, or is deceased and has left no estate, or has been absent from his last known address for a period of at least five years, has no known assets, and his whereabouts cannot be ascertained without undue expense, may be charged off or released by the Secretary upon a report and favorable recommendation of the county committee and of the employee of the Administration having charge of the claim, and any claim involving a principal balance of $150 or less may be charged off or released whenever it appears to the Secretary that further collection efforts would be ineffectual or likely to prove uneconomical; and

(6) partial releases and subordination of mortgages may be granted either where the secured indebtedness remaining after the transaction will be adequately secured or the security interest of the Government will not be adversely affected, and the transaction and use of proceeds will further the purposes for which the loan was made, improve the borrower's debt-paying ability, permit payments on indebtedness owed to or insured by the Secretary, or permit payment of reasonable costs and expenses incident to the transaction, including taxes incident to or resulting from the transaction which the borrower is unable to pay from other sources.

(f) collect all claims and obligations arising or administered under this Act, or under any mortgage, lease, contract, or agreement entered into or administered pursuant to this Act and, if in his judgment necessary and advisable, pursue the same to final collection in any court having jurisdiction. All legal work arising out of such claims and obligations, including, but not limited to, the prosecution and defense of all litigation, is authorized to be performed, as determined by the General Counsel of the Department of Agriculture, through the Department of Justice, by attorneys of the Office of General Counsel of the Department of Agriculture, or by local counsel.

SEC. 402. (a) The Secretary is authorized and directed to appoint in each county or area in which activities are carried on under this Act, a county committee composed of three individuals residing in the county or area, at least two of whom at the time of appointment shall be farmers deriving the principal part of their income from farming. Committee appointments shall be for a term of three years, except that the first appointments for any new committee shall be for one-, two-, and three-year periods, respectively, so as to provide continuity for committee membership. The Secretary may appoint alternate committeemen. The members of the committee and their alternates shall be removable for cause by the Secretary.

(b) The rates of compensation, the number of days per month each member may be paid, and the amount to be allowed for necessary travel and subsistence expenses, shall be determined and paid by the Secretary.

(c) The committee shall meet on the call of the chairman elected by the committee or on the call of such other person as the Secretary may designate. Two members of the committee shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees and their duties, furnish forms and equipment necessary, and authorize and provide for the compensation of such clerical assistance as he finds may be required by any committee.

SEC. 403. In connection with loans made or insured under this Act, the Secretary shall require—

(a) the applicant to certify in writing that the applicant is unable to obtain sufficient credit elsewhere to finance his actual needs at rates and terms prevailing in or near his community.

(b) except for loans under section 104, the county committee to certify in writing that the applicant meets the eligibility requirements for the loan and has the character, industry, and ability to carry out the proposed farming operations, and will, in the opinion of the committee, honestly endeavor to carry out his undertakings and obligations; and for loans under section 104, the Secretary shall require the recommendation of the county committee as to the making or insuring of the loan.

(c) an agreement by the borrower that if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time prevailing in the area, the borrower will, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary or the insured lender, or both, and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan;

(d) such provision for supervision of the borrower's operations as the Secretary shall deem necessary to achieve the objectives of the loan and protect the interests of the United States; and

(e) the applications of veterans for loans under title I or II of this Act to be given preference over similar applications of nonveterans on file in any county or area office at the same time. Veterans as used herein shall mean persons who served in the Armed Forces of the United States during any war between the United States and any other nation or during the Korean conflict and who were discharged or released therefrom under conditions other than dishonorable.

SEC. 404. All property subject to a lien held by the United States or the title to which is acquired or held by the Secretary under this Act other than property used for administrative purposes, shall be subject to taxation by State, territory, district, and local political subdivisions in the same manner and to the same extent as other property is taxed: *Provided, however,* That no tax shall be imposed or collected on or with respect to any instrument if the tax is based on—

(1) the value of any notes or mortgages or other lien instruments held by or transferred to the Secretary;

(2) any notes or lien instruments administered under this Act which are made, assigned, or held by a person otherwise liable for such tax; or

(3) the value of any property conveyed or transferred to the Secretary,

whether as a tax on the instrument, the privilege of conveying or transferring or the recordation thereof; nor shall the failure to pay or collect any such tax be a ground for refusal to record or file such instruments, or for failure to impart notice, or prevent the enforcement of its provisions in any State or Federal court.

SEC. 405. (a) The Secretary is authorized and empowered to make advances, without regard to any loan or total indebtedness limitation, to preserve and protect the security for or the lien or priority of the lien securing any loan or other indebtedness owing to, insured by, or acquired by the Secretary under this Act or under any other programs administered by the Farmers Home Administration; to bid for and purchase at any execution, foreclosure, or other sale or otherwise to acquire property upon which the United States has a lien by reason of a judgment or execution arising from, or which is pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of, any such indebtedness whether or not such property is subject to other liens; to accept title to any property so purchased or acquired; and to sell, manage, or otherwise dispose of such property as hereinafter provided.

(b) Real property administered under the provisions of this Act may be operated or leased by the Secretary for such period or periods as the Secretary may deem necessary to protect the Government's investment therein.

(c) The Secretary may determine whether real property administered under this Act is suitable for disposition for purposes consistent with section 102 of this Act to persons eligible for assistance under title I of this Act. Any property which the Secretary determines to be suitable for such purposes shall, whenever practicable, be sold by the Secretary as expeditiously as possible to such eligible persons in a manner consistent with the provisions of title I hereof. Real property which is not determined suitable for sale to such eligible persons or which has not been purchased by such persons within a period of three years from the date of acquisition, shall be sold by the Secretary after public notice at public sale and, if no acceptable bid is received then by negotiated sale, at the best price obtainable for cash or on secured credit without regard to the laws governing the disposition of excess or

surplus property of the United States. The terms of such sale shall require an initial downpayment of at least 20 per centum and the remainder of the sales price payable in not more than five annual installments with interest on unpaid balance at the rate determined by the Secretary. Any conveyances under this Act shall include all of the interest of the United States including mineral rights.

(d) With respect to any real property administered under this Act, the Secretary is authorized to grant or sell easements or rights-of-way for roads, utilities, and other appurtenances not inconsistent with the public interest. With respect to any rights-of-way over land on which the United States has a lien administered under this Act, the Secretary may release said lien upon payment to the United States of adequate consideration, and the interest of the United States arising under any such lien may be acquired for highway purposes by any State or political subdivision thereof in condemnation proceedings under State law by service by certified mail upon the United States attorney for the district, the State director of the Farmers Home Administration for the State in which the farm is located, and the Attorney General of the United States: *Provided, however,* That the United States shall not be required to appear, answer, or respond to any notice or writ sooner than ninety days from the time such notice or writ is returnable or purports to be effective, and the taking or vesting of title to the interest of the United States shall not become final under any proceeding, order, or decree until adequate compensation and damages have been finally determined and paid to the United States or into the registry of the court.

SEC. 406. No officer, attorney, or other employee of the Secretary shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this Act other than such salary, fee, or other compensation as he may receive as such officer, attorney, or employee. No member of a county committee shall knowingly make or join in making any certification with respect to a loan to purchase any land in which he or any person related to him within the second degree of consanguinity or affinity has or may acquire any interest or with respect to any applicant related to him within the second degree of consanguinity or affinity. Any persons violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than $2,000 or imprisonment for not more than two years, or both.

SEC. 407. The Secretary may provide voluntary debt adjustment assistance between farmers and their creditors and may cooperate with State, territorial, and local agencies and committees engaged in such debt adjustment, and may give credit counseling.

SEC. 408. (a) There is authorized to be appropriated to the Secretary such sums as the Congress may from time to time determine to be necessary to enable the Secretary to carry out the purposes of this Act and for the administration of assets transferred to the Farmers Home Administration.

(b) There is hereby established in the Treasury of the United States a revolving fund known as the "Farmers Home Administration Revolving Fund" (hereinafter in this section called the "revolving fund"). The provisions of this subsection shall not apply to the Agricultural Credit Insurance Fund, or the Emergency Credit Revolving Fund, the assets and liabilities thereof or the Secretary's authority with respect thereto.

There are hereby transferred to the revolving fund the unexpended balances of any appropriation, the sums heretofore borrowed, and the claims, notes, mortgages, property and receipts acquired and now held by the Secretary, including any claims, notes, mortgages, or property held by the Secretary on behalf of the Secretary of the Treasury which were made, arose, collected or are being administered under this Act or under the following Acts or parts thereof (hereinafter in this section referred to as "said Acts"): (1) titles I, II, and IV of the Bankhead-Jones Farm Tenant Act, as amended, including any amounts transferred from collections for loan insurance charges or other charges for administrative expenses; (2) the Farmers Home Administration Act of 1946, as amended, excluding the assets of the State rural rehabilitation corporations but including any sums received from the accounts of said corporations for administrative expenes; (3) the Act of August 28, 1937, as amended, including any amounts transferred from collections for loan insurance charges or other charges for administrative expenses; (4) title V of the Housing Act of 1949, as amended; (5) the item "Loans to farmers—1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038); (6) the item "Loans to farmers—property damages" in the Act of May 24, 1949 (63 Stat. 82); (7) the sales and development accounts in the water conservation and utilization projects (53 Stat. 685, 719, as amended and supplemented by 16 U.S.C. 590y, z1–10); (8) the Act of September 6, 1950; and (9) the Act of July 11, 1956.

There shall be deposited in the revolving fund all appropriations hereafter made, any sums borrowed under existing or future authorizations for the purposes of said Acts or this Act, all notes, mortgages, claims, and property hereafter acquired and held by the Secretary, the proceeds from the use and sale of any such property, all collections of principal and interest, and any other receipts under said Acts or under this Act.

The Secretary may sell and assign any notes and mortgages in the revolving fund with the consent of the borrower or without such consent when the borrower has failed to comply with his agreement to refinance the indebtedness at the request of the Secretary. Such loans may be sold at the balance due thereon or on such other basis as the Secretary may determine from time to time.

The notes of the Secretary issued to the Secretary of the Treasury under said Acts or this Act and all other liabilities against the appropriations or assets transferred to or deposited in the revolving fund shall be liabilities of the revolving fund and all other obligations against such appropriations or assets shall be obligations of the revolving fund.

The unexpended balances of any appropriation or authorizations transferred to and all sums deposited in the revolving fund shall remain available to the Secretary until expended (1) for loans under title I of this Act not to exceed the total unobligated balances of the sums appropriated or made available for loans under title I of the Bankhead-Jones Farm Tenant Act, the Act of August 28, 1937, and not to exceed the amount apportioned by the Budget Bureau for loans under title V of the Housing Act of 1949, as amended, for the fiscal years 1960 and 1961, for loans under title II of this Act not to exceed the unobligated balances of sums appropriated or made available for loans under title II of the Bankhead-Jones Farm Tenant Act, and for administrative expenses under this Act not to exceed the appropriation for administrative expense, for the fiscal year current when this Act becomes effective; (2) for the purposes of this Act in such further annual amounts as Congress in Appropriation Acts may from time to time determine; and (3) for interest on and repayments on notes issued by the Secretary to the Secretary of the Treasury: *Provided, however,* That collections on sales and development accounts in water conservation and utilization projects shall be transferred to and deposited in miscellaneous receipts of the Treasury. Subject to the foregoing limitations, collections deposited in the fund may be utilized in lieu of, or partially in lieu of, issuing additional notes to the Secretary of the Treasury under said Acts or under this Act.

(c) At least 25 per centum of the sums authorized in any fiscal year for direct loans to be made by the Secretary under title I of this Act shall be allocated equitably among the several States and territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

SEC. 409. The Secretary is authorized to make such rules and regulations, prescribe the terms and conditions for making or insuring loans, security instruments and agreements, except as otherwise specified herein, and make such delegations of authority as he deems necessary to carry out this Act.

SEC. 410. (a) References to any provisions of the Bankhead-Jones Farm Tenant Act, title V of the Housing Act of 1949 or the Act of August 28, 1937, superseded by any provision of this Act shall be construed as referring to the appropriate provision of this Act. Titles I, II, and IV of the Bankhead-Jones Farm Tenant Act, as amended, and the Act of August 28, 1937, as amended, title V of the Housing Act of 1949, as amended, except the authorization contained in section 511 thereof, the Act of April 6, 1949, as amended, and the Act of August 31, 1954, as amended, are hereby repealed effective 120 days after enactment, or such earlier date as the provisions of this Act are made effective by the Secretary's regulations. The foregoing provisions shall not have the effect of repealing the amendments to section 24, chapter 6 of the Federal Reserve Act, as amended, section 5200 of the Revised Statutes, section 35 of chapter III of the Act approved June 19, 1934 (D.C. Code, title 35, section 535) enacted by section 15 of the Bankhead-Jones Farm Tenant Act, as amended, and by section 10(f) of the Act of August 28, 1937, as amended.

(b) The repeal of any provision of law by this Act shall not—

(1) affect the validity of any action taken or obligation entered into pursuant to the authority of any of said Acts, or

(2) prejudice the application of any person with respect to receiving assistance under the provisions of this Act, solely because such person is obligated to the Secretary under authorization contained in any such repealed provision.

(c) If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 411. Title III of the Bankhead-Jones Farm Tenant Act, as amended, is further amended by the following new section 35:

"SEC. 35. The provisions of this title shall extend to Puerto Rico and the Virgin Islands. In case of Alaska, Puerto Rico, and the Virgin Islands, the term 'county' as used in this title shall be deemed synonymous with the territory thereof, or any subdivision thereof as may be determined by the Secretary, and payments under section 33 of this title shall be made to the Governor or to the fiscal agent of such subdivision."

Mr. COOLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment.

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

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 2, line 17, insert a comma following the word "use".

Page 9, line 19, strike out "who".

Page 10, line 7, insert after the comma the word "and".

Page 14, line 16, between the words "the" and "consent", insert "advice and".

Page 20, line 4, strike out "for" and insert "of".

Page 27, line 10, following "Agricultural Credit Insurance Fund" insert "established by section 107 of this Act".

Page 27, line 10, following "Emergency Credit Revolving Fund" insert "established by section 306 of this Act".

Page 28, line 1, insert a closing parenthesis before the semicolon at the end of the line.

The committee amendments were agreed to.

Mr. COOLEY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 2, line 19, after the period insert the following new sentence: "For the purpose of loans only to construct, improve, alter, repair, or replace farm dwellings and other farm buildings in order to provide decent, safe, and sanitary housing and adequate farm buildings, the term "farm" shall include a parcel or parcels of land which is used for agricultural production and operated as a single unit which produces or is capable of producing agricultural commodities for sale or for home use of a gross annual value of not less than $400 in 1944, as determined by the Secretary."

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes in support of the amendment.

Mr. COOLEY. Mr. Chairman, I think I need only say that the language in this amendment was taken from title V of the Housing Act, which by this act is repealed and rewritten. The definition is identical with that which is in the present law.

I might also say that the Rural Housing Act is administered by the Farmers Home Administration. This amendment was considered in our committee this morning and was unanimously agreed to. I was instructed to present it as a committee amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 4, lines 17 and 18, strike out "the rate of interest allowed by the laws of the State where the farm is located" and insert in lieu thereof "6 per centum per annum".

Mr. COOLEY. Mr. Chairman, I think this amendment is self-explanatory, and it is very simple. It was considered by the committee this morning and unanimously approved by the committee, and I was instructed to present the amendment as a committee amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am taking this time for the purpose of trying to find out from the leadership just when we may expect basic agricultural legislation to be brought to the floor of the House. Could the gentleman from North Carolina inform me as to the prospects of the Poage bill coming to the floor of the House in the near future, subject to amendment?

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

Mr. ANDERSEN of Minnesota. I yield.

Mr. COOLEY. I regret that I cannot give any accurate information regarding the gentleman's question, other than to say that we reported the Poage bill in a modified form. Personally, I think it is a very good bill. It deals preliminarily with wheat, corn, and feed grain. It is pending before the Rules Committee. I have requested a hearing before the Rules Committee, and I have been assured by the chairman of that committee that we would be given a hearing early next week.

Mr. ANDERSEN of Minnesota. The gentleman well recognizes that it is now June 2 and this Congress has not given agriculture its day in court. From all appearances, we may adjourn on July 9, at the earliest.

Are we going to wait until the last week before we bring before the Congress this basic problem as to what we can do here to raise the price level on these farm commodities? Out in the Midwest, as the gentleman well knows, we are in serious economic condition. I know the great Committee on Agriculture certainly must have some influence with the Rules Committee and with the leadership to get that bill out of committee and to the floor of the House in 2 or 3 days' time so we can at least discuss our agricultural concepts and see what can be done.

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

Mr. ANDERSEN of Minnesota. I yield. I might say that the gentleman from North Carolina is one of the best friends agriculture has. I am just trying to boost him along in his endeavor to get this bill out of the Rules Committee and bring it to the floor of the House so the rest of us can express our thoughts as to what should be done. I yield to the gentleman.

Mr. COOLEY. I thank the gentleman for yielding. The gentleman from Minnesota is one of the stanchest friends the farmers have, whether in his district, the State, or the Nation. I only hope that the members of the Rules Committee are here to listen to the gentleman or will read his speech tomorrow and do exactly what he proposes.

Mr. ANDERSEN of Minnesota. The gentleman will agree with me that a rule ought to be granted.

Mr. COOLEY. I certainly will agree with the gentleman.

Mr. ANDERSEN of Minnesota. And the gentleman will agree with me that the farmers in the Midwest cannot live on 95-cent-a-bushel corn.

Mr. COOLEY. Yes.

Mr. ANDERSEN of Minnesota. Why cannot we, the Congress of the United States, do something worth while before it gets too late? I recall back in 1948 when we adjourned here on a Sunday morning, that then, as always seems to be the case, agriculture was left to the last, until it is too late. I do not want to see agricultural legislation this year become a political football. I do hope that those in control of this Congress—and I am very serious when I say this—I say that if the leadership in control of this Congress does not see to it that we have our day in court on agriculture, I say then that they are not living up to their responsibilities and they cannot come to me the last of the session, the first week in July, and say: "Well, I am sorry, but we do not have time, do not have time for H. CARL ANDERSEN, BEN JENSEN, CHARLIE HOEVEN, AL QUIE, ANCHER NELSEN, GEORGE MCGOVERN, JOHN KYL, ODIN LANGEN, and others vitally concerned to get up and for 10, 15, or maybe 20 minutes, present their case; I am sorry, but we are going to adjourn tomorrow."

I am serving notice now, ahead of time, that we want our day in court, and we say that the Rules Committee controlled by the Democratic majority in the Congress must live up to its responsibility. Let us see them live up to it.

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

Mr. ANDERSEN of Minnesota. I yield to my good friend, and might I say that the praise he gave to me certainly fits him just as well.

Mr. COOLEY. I would just like to say I hope the distinguished minority leader on the Agricultural Committee also hears the speech which is now being so eloquently delivered and that he will use his influence with the Rules Committee next Tuesday morning and urge the granting of a rule so that we can bring it up.

Mr. ANDERSEN of Minnesota. I thank the gentleman.

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

Mr. HOEVEN. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota [Mr. ANDERSEN] be allowed to proceed for 2 additional minutes.

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

There was no objection.

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

Mr. ANDERSEN of Minnesota. I yield.

Mr. HOEVEN. I am sure the gentleman from Minnesota does not want to be misunderstood.

Mr. ANDERSEN of Minnesota. Not in the slightest.

Mr. HOEVEN. He is not for the Poage bill, is he?

Mr. ANDERSEN of Minnesota. I am not for the Poage bill in its present form, but any bill can be improved by proper

amendment. In my opinion, that section having to do with corn and feed grains is a legislative monstrosity. It is an abdication on the part of Congress. It says that we will give to a committee of nine, nationwide, the authority to say what shall be done with corn and feed grains representing $8 billion-plus in gross income. Mr. Chairman, I want to get that bill out on the floor so we can try to make a good bill out of it. I certainly am not in favor of that particular bill, but we urgently need some bill before us to work on.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. WALTER] having resumed the chair, Mr. ROGERS of Colorado, 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. 11761) to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes, pursuant to House Resolution 528, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

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

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

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

The bill was passed, and a motion to reconsider was laid on the table.

TRANSIT REGULATION COMPACT FOR WASHINGTON METROPOLITAN AREA

Mr. WILLIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 402 granting the consent and approval of Congress for the States of Virginia and Maryland and the District of Columbia to enter into a compact related to the regulation of mass transit in the Washington, District of Columbia, metropolitan area, 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 consideration of House Joint Resolution 402.

The Clerk read the title of the joint resolution.

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

Mr. WILLIS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill has very slight opposition. Only one bus company, as far as I know, is against it.

The purpose of this joint resolution is to grant congressional consent pursuant to the authority of the Federal Constitution to an interstate compact between the States of Virginia and Maryland and the District of Columbia to regulate mass transportation in the Metropolitan Washington area. The new geographical limits generally of the proposed Regional Transit Commission will include the present limits of the District of Columbia plus the counties of Arlington and Fairfax in Virginia, and Prince Georges and Montgomery Counties in Maryland.

Generally, the new commission will establish rates for buses, taxicabs, and so forth, and grant franchises and prescribe routes over which common carriers for the carriage of passengers will operate. This legislation has already been approved by the States of Virginia and Maryland; in other words, the legislatures of these two States have already adopted similar and identical legislation on behalf of the two States.

In addition, it has the approval of the Representatives in Congress from the States of Virginia and Maryland. The committee has, we hope, met the reservations of and has the approval of the pertinent Government agencies, namely, the Interstate Commerce Commission, the Department of Justice, the Department of Commerce, the Securities and Exchange Commission, the National Labor Relations Board, the Administrative Office of the U.S. Courts, the National Capital Regional Planning Council, the National Capital Planning Commission, the Board of Commissioners of the District of Columbia, and the Department of the Interior. Furthermore, it has the approval of the unions involved with one major exception, the bus lines. The only objection, as far as this committee can learn, is in the D.C. Transit Co., of which Mr. Chalk is president.

Mr. Chairman, in view of the manifest and urgent need for mass transit improvement in Metropolitan Washington, the full committee without dissent has recommended prompt enactment of this bill.

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

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

Mr. WIER. I think I heard you say that this new commission will have jurisdiction over all buses and taxicabs. Now, does that mean that they will set the rates for zones or whatever regulatory measures are needed for the operation of taxicabs and buses?

Mr. WILLIS. That is the general idea.

Mr. WIER. I asked the question because I served on Congressman TEAGUE's committee and I know what the problems are.

Mr. WILLIS. Mr. Chairman, that is all I care to say at this time unless there are questions. As I say, this proposal was unanimously brought out of the Committee on the Judiciary as modified in many ways over the last 2 years to try to accommodate the views of the areas of both Virginia and Maryland and the District of Columbia. It has the approval of all Government agencies that could possibly have any interest in the matter, and therefore I do not propose to dwell more at length on it.

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

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

Mr. GROSS. Does this make permanent the Commission?

Mr. WILLIS. Yes. That is right.

Mr. GROSS. Who pays for the commission?

Mr. WILLIS. The individual States involved and, of course, the District of Columbia bears its share.

Mr. GROSS. Then, the commission is not to be financed out of the Federal Treasury?

Mr. WILLIS. No. And, it is permanent legislation. Under the Constitution, no two States can enter into a compact without the consent of the Congress, and we speak for the District of Columbia. Now, the three areas involved, the two States of Virginia and Maryland and the District of Columbia, adopted parallel, word for word, legislative authority, and they have come to us asking consent to the compact, and that is all this bill does.

Mr. POFF. Mr. Chairman, as the distinguished gentleman from Louisiana [Mr. WILLIS] just explained, this legislation comes from the Committee on the Judiciary without any objection on either side. As has already been explained, also, it has the full and complete approval of the legislatures of the States of Maryland and Virginia.

This resolution, in addition to granting congressional approval to the compact, would also authorize the Commissioners of the District of Columbia to enter into and execute the compact.

It will be recalled that the 84th Congress appropriated funds to enable the National Capital Planning Commission and the National Capital Regional Planning Council jointly to conduct a survey of the present and future mass transportation needs of the National Capital region and to report their findings and recommendations to the President. That survey was conducted and a report was made in due course.

The compact was enacted by Virginia, chapter 627, 1958 Acts of the Assembly, and by the State of Maryland, chapter 613, Acts of the General Assembly of 1959.

Without descending into great detail the agreement embodied in House Joint Resolution 402 between the District and the two adjoining States, Maryland and Virginia, is essential to effectuate a unified transportation system within the greater Washington metropolitan area.

Very thorough and comprehensive hearings have been held on this matter. In addition the staff of the Committee on the Judiciary has worked with the interested parties in order to perfect the language of the resolution and to work out the amendments which became necessary after studying the printed records of the hearings. As a result all of the

Government agencies and political subdivisions, including the Interstate Commerce Commission, Department of Justice, the District of Columbia and the States of Maryland and Virginia, are in complete accord with the provisions of the proposed resolution.

Briefly, the compact contemplates a three-stage transit development of the Washington metropolitan area. The first stage will create a regulatory commission to regulate transportation within the metropolitan area. The next stage contemplates a planning corporation to plan the development of transit facilities and the utilization of such facilities as the proposed belt highways for bus transportation. The third stage contemplates a proprietary corporation to operate the railroads and certain other transit facilities.

The cooperation between the two neighboring States, Maryland and Virginia, and the District of Columbia in solving a mutual problem transcending State boundaries is in the best tradition of interstate compacts. Therefore, I urge that the Congress grants its approval to the resolution.

Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, as a member of the subcommittee which considered this bill I have asked for time to speak in support of the bill. First of all I should like to commend the distinguished chairman of the subcommittee, the gentleman from Louisiana [Mr. WILLIS] for his leadership and his usual lawyerlike qualities which he brought to bear on this important subject.

One of the most important problems facing the District of Columbia and its metropolitan area is the development of an adequate transportation system. House Joint Resolution 402 deals with an important aspect of that problem, namely, the centralization in a single agency of government of the regulatory jurisdiction over the several privately owned and operated transit companies presently serving the metropolitan area, which is now diffused among four separate State and Federal commissions.

The metropolitan area of Washington is in fact a single, cohesive community of which the District of Columbia is the core. By the fortuitous circumstance of political geography, this community, however, is located in the two States of Maryland and Virginia and in the District of Columbia, a Federal territory. Each of these jurisdictions regulates the transit service performed within its borders and the service within the community crossing jurisdictional lines is subject to regulation by the Interstate Commerce Commission. Such a fragmentalization of regulatory jurisdiction cannot effectively provide a pattern of service oriented to the entire metropolitan area, which is required by the increase in population, area, and interdependence of the community.

House Joint Resolution 402 deals with this problem and is designed to provide for the regulation of privately owned transit companies on an areawide basis. The States of Maryland and Virginia and the District of Columbia, after several years of study, have negotiated a compact known as the Washington Metropolitan Area Transit Regulation Compact. This compact, which has already been enacted by Maryland and Virginia, creates the Washington Metropolitan Area Transit District, which embraces the District of Columbia, the cities of Alexandria and Falls Church, the counties of Arlington and Fairfax in the State of Virginia, and the counties of Montgomery and Prince Georges in the State of Maryland.

Jurisdiction over transit service performed within the metropolitan district, except for service performed solely within the State of Virginia which represents less than 5 percent of the total transit service in the metropolitan district, is conferred upon the Washington Metropolitan Area Transit Commission. The Commission is a three-man board consisting of a representative from the public utility commissions of each of the signatories. The basic regulation for the metropolitan district, thus, will be centralized in a single agency in substitution for the present regulation by multiple agencies.

House Joint Resolution 402 reflects the dual status of Congress as both the National Legislature and the local legislature for the District of Columbia. With respect to this latter capacity, the joint resolution authorizes and directs the Board of Commissioners of the District of Columbia to enter into and execute the compact. In its capacity as the National Legislature, Congress grants its consent and approval to the compact, pursuant to requirements of the Federal Constitution, removes Federal jurisdiction over the subject matter of the compact, and confers appellate and enforcement jurisdiction under the compact upon the Federal judiciary.

As the National Legislature, the primary concern of Congress is with the public policy aspects of the compact. The regulation of transit in any community is a function of local or State government. The interstate character of the Washington metropolitan area, however, has deprived agencies of local government of the authority to perform this function. The compact properly recognizes the local nature of the governmental function involved and permits the local governments to handle the problem on a joint and cooperative basis, thereby eliminating the necessity for Federal preemption of the field. In this connection, it will be recalled that the President vetoed H.R. 2236 of the 83d Congress, which created a Federal commission to undertake transit regulation in the Washington metropolitan area.

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

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

The gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, the compact also affords a suitable accommodation of the local and Federal interests in the National Capital. A member of the District of Columbia Public Utilities Commission will be a member of the compact commission and, as such, will participate in the regulation of transit throughout the metropolitan area in contrast to the present limitation of that Commission's jurisdiction to the District of Columbia only. The unique Federal interest in the District of Columbia is protected by the power given to each commissioner under article VI of the compact to veto any action of the commission which affects operations or matters solely within the jurisdiction he represents. The Federal Government, as well as each of the States, is protected against a course of regulation which it may consider inimical to its best interests by the provision of article IX of the compact which provides that any signatory may withdraw from the compact on one year's notice and that a withdrawal of a signatory terminates the compact.

It will be observed from the report of the Committee on the Judiciary that no Federal agency objects to House Joint Resolution 402 as reported by the committee and that the legislation has wide local and political support in the area. Of the transit companies affected, only D.C. Transit System, Inc., offered any opposition to the measure before the committee. These objections were primarily addressed to legal issues and are considered fully in the committee report. One of the arguments advanced was that the compact would constitute an impairment of the franchise granted to that company by the Congress (70 Stat. 598). In this connection, attention is specifically directed to the third proviso of section 3 of the bill which expressly provides that this legislation shall not impair or affect the franchise. By granting D.C. Transit System, Inc., a franchise, Congress did not surrender its continuing power to regulate the activities of that company by general legislation. The franchise did not exempt the company from regulation by the District of Columbia Public Utilities Commission and the Interstate Commerce Commission, and under House Joint Resolution 402, Congress simply is transferring regulatory jurisdiction to the compact commission.

House Joint Resolution 402 is not presented as a complete solution for the transportation problems of the Washington metropolitan area. But it is an important step in that direction. The transportation plan prepared by the National Capital Planning Commission and the National Capital Regional Planning Council states that the compact for the centralization of the regulatory function is the first step in a broader program. Other aspects of that program dealing with the construction, financing, and operation of certain highway and rail facilities will be presented to the Congress in separate legislation. Regardless of the disposition to be made of the broader program, House Joint Resolution 402 is important and urgent legislation which should now be enacted.

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

The CHAIRMAN. The Chair will count. [After counting.] Ninety-four 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. 116]

Alford	Forand	Morris, N. Mex.
Alger	Garmatz	Morris, Okla.
Anderson, Mont.	Gilbert	Nelsen
Ashmore	Griffin	O'Brien, N.Y.
Auchincloss	Gubser	Passman
Baker	Hays	Pelly
Barden	Healey	Pfost
Barrett	Hébert	Philbin
Baumhart	Hess	Pilcher
Blatnik	Holland	Powell
Boland	Holt	Randall
Bowles	Holtzman	Rivers, S.C.
Brown, Mo.	Jackson	St. George
Buckley	Kasem	Saund
Burdick	Kee	Shelley
Canfield	Kelly	Sheppard
Carnahan	Kilburn	Short
Celler	Kirwan	Smith, Kans.
Coad	Kitchin	Smith, Miss.
Cook	Kluczynski	Steed
Corbett	Lafore	Taylor
Dawson	Loser	Teller
Dent	McDonough	Thompson, N.J.
Donohue	McMillan	Thompson, Tex.
Doyle	Macdonald	Udall
Durham	Meader	Vinson
Evins	Metcalf	Wharton
Farbstein	Miller, Clem	Williams
Feighan	Miller, George P.	Wilson
Fino	Mitchell	Withrow
Fogarty	Montoya	Yates
		Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution House Joint Resolution 402, and finding itself without a quorum, he had directed the roll to be called, when 336 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.

Mr. WILLIS. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, I rise in support of the joint resolution. I should like to commend the chairman of the subcommittee, the members thereof, and the members of the full committee for their expeditious and favorable consideration of this resolution.

Mr. Chairman, House Joint Resolution 402 presents to the committee a matter of historic importance. The compact adopted by the legislatures of the States of Virginia and Maryland and approved by the respective Governors of those States is fully set forth in the joint resolution. The said compact is presented to the Congress for congressional consent as required by article I, section 10, clause 3 of the U.S. Constitution.

This compact is the direct result of and culminates many years of patient effort by Members of the Congress, officials of the States of Virginia and Maryland, and local officials of the District of Columbia and the respective cities and counties within the Washington metropolitan area. A brief historical review is in order.

The National Capital Planning Act of 1952 (66 Stat. 781) was adopted by the 82d Congress. It provided for the joint operations of the National Capital Planning Commission and the National Capital Regional Planning Council in preparing a regional plan for land use, major thoroughfares, park, parkway, recreation system, mass transportation, and community facilities and services for the Washington area. A main area of study, beginning in 1952, was the transportation of persons in the metropolitan area of Washington, D.C. In August 1954, H.R. 2236 was passed by the 83d Congress and provided for the regulation by a single Federal commission of the privately owned transit companies operating in the District of Columbia and Maryland. This action was on a conference report, the House having originally passed the bill on June 22, 1953, and the Senate, similar legislation on July 23, 1953. This bill was vetoed by the President on September 3, 1954—see the CONGRESSIONAL RECORD, volume 100, part 12, page 15567. The basic reason for the veto was the failure to include those portions of the State of Virginia located in the area to be served by the metropolitan regulatory transportation authority. Undoubtedly as the result of the 1953 action by Congress, the affected States initiated action in their legislatures.

On March 22, 1954, the Virginia Legislature passed House Joint Resolution 77, providing for the establishment of a joint commission to study certain matters relating to passenger carrier facilities in the Washington metropolitan area. This resolution contained the following language:

Resolved by the House of Delegates (the Senate concurring), That the General Assembly of Maryland and the governing body of the District of Columbia are requested to appoint committees of three persons each, to compose with the persons whose appointment is hereinafter provided for, a joint commission to study passenger carrier facilities and services in the Washington metropolitan area. The Speaker of the House of Delegates of Virginia shall appoint one member of the House of Delegates, the President of the Senate shall appoint one member of the Senate of Virginia, and the State Corporation Commission shall appoint one member, who shall be the Virginia members of such joint commission.

The joint commission herein provided for is requested to consider the adequacy of present passenger carrier facilities services in the Washington metropolitan area and the rates charged for such services, and whether joint action by the State of Maryland, the District of Columbia, and the Commonwealth of Virginia is necessary or desirable in connection with the regulation of passenger carrier facilities operating in such area and the provision of adequate, nondiscriminatory and uniform service therein.

The members of the commission shall make reports containing their findings and recommendations to the respective bodies to represent which they are appointed.

On April 2, 1954, the Maryland Legislature passed House Joint Resolution 12 in substantially the same terms as the Virginia Legislature. On September 27, 1954, the District of Columbia Board of Commissioners by District of Columbia Order 54-2065 adopted a similar resolution. Thereafter appointments were made to the joint commission to study passenger carrier facilities and services in the Washington metropolitan area, better known as the Tripartite Commission. The commission began functioning in 1954. In 1956, both State legislatures extended the life of the commission as did the District of Columbia Board of Commissioners.

Shortly after the local, State, and District of Columbia officials began their study of the problems affecting the transportation of persons in the Metropolitan Washington area, in 1955, the 84th Congress by Public Law 24 made a specific appropriation to the National Capital Planning Commission and the Regional Planning Council to jointly conduct a survey of present and future mass transportation needs of the National Capital region. The results of the survey were to be reported to the President of the United States. The first $200,000 was provided in the Second Supplemental Appropriations Act of 1955, and the second $200,000 in the 1957 Appropriations Act. The final $50,000 was provided in the Second Supplemental Appropriations Act of 1958.

While the transportation problems of the Metropolitan Washington area were being studied on the two foregoing fronts, the Congress took further action in August 1957, by adopting House Concurrent Resolution 172 to create the Joint Congressional Committee on Washington Metropolitan Problems. Staff work for this joint committee started November 27, 1957. The joint committee through its staff studies and hearings has produced the following reports:

First. "Growth and Expansion of the District of Columbia and Its Metropolitan Area," January 28, 1958.

Second. "Governmental Agencies Concerned With Land Use, Planning, or Conservation in the Washington Metropolitan Area," February 1958.

Third. "Sewage Disposal and Water Pollution," March 1958.

Fourth. "Metropolitan Water Problems," March 1958.

Fifth. "Water Supply," April 1958.

Sixth. "Metropolitan Transportation," April 1958.

Seventh. "Economic Development in the Washington Metropolitan Area," 1958.

Eighth. "Meeting the Problems of Metropolitan Growth in the National Capital Region," final report of the joint committee, January 31, 1959.

Ninth. "Preliminary Financial and Organizational Report Regarding Metropolitan Transportation," August 1959.

On May 22, 23, and June 10, 1958, the joint committee held hearings on Washington metropolitan area transportation problems. On July 8, 9, and 10, 1958, the joint committee held hearings on Washington metropolitan area economic development.

The work of the tripartite commission after 3½ years culminated in the adoption by the Virginia Legislature of Senate bill 326, which became chapter 627, 1958 act of assembly. The Senate bill contained the compact provisions set

forth in Joint Resolution 402. In 1959, House bill 34, containing the Virginia compact proposal, was introduced in the Maryland General Assembly. This passed the Maryland Legislature and was approved by the Governor on April 28, 1959. House Joint Resolution 402, containing the compact and conditions granting the consent of Congress, was introduced in this body on May 27, 1959.

On July 1, 1959, the National Capital Regional Planning Council and the National Capital Planning Commission transmitted to the President of the United States, the transportation plan for the National Capital region. This is the plan that resulted from the $450,000 appropriated by the Congress as described previously. On July 10, 1959, the President forwarded the plan to the Congress. On page 78 of the plan appears the following statements and recommendations:

First, immediate action should be taken to improve the present public transit service in several ways: by integrating operations on a regional basis and overcoming the barriers imposed by jurisdictional boundary lines; by using traffic controls and regulations to help transit vehicles maintain and improve on schedule speeds; and by building more adequate transit stations at key points. * * *

INTERSTATE REGULATORY AGENCY

This is the alternative contemplated in the interstate compact setting up a Washington Metropolitan Transit Commission, already approved by Virginia and Maryland, and introduced in Congress. The commission would consist of one member of each of the three public utility regulatory commissions appointed by the Governors of the two States and the Board of Commissioners of the District of Columbia. Part of the compact is reproduced in appendix E.

The main purposes of the agency would be the regulation and coordination of private transit companies within a metropolitan district defined in the compact. The compact is modeled upon the Interstate Commerce Act and the various State enactments for the regulation of transportation, and like its models, it puts primary emphasis on conventional public utility regulation of private concerns. * * *

ADVANTAGES

Privately owned transit firms, operating under regulation by such an interstate agency, could probably carry out a large part of the transit improvements called for in the first two stages of transportation development outlined above—improving the present system of surface transit and establishing express bus service on radial freeways. The commission's budget would be small and could easily be financed by contributions from the two States and the District of Columbia.

On page 80 of the plan appear the following organizational recommendations:

New forms of governmental organization are needed to create the recommended regional transportation system, since no existing government has the necessary powers and financial resources to do the whole job. The development of the necessary organization will require three kinds of organizational action by the Federal and State government, all of which should begin promptly.

INTERSTATE REGULATORY AGENCY

The first step is a ratification by the Congress of the interstate regulatory compact, already approved by Virginia and Maryland, which establishes an interstate agency to regulate transit throughout the metropolitan area. This agency will facilitate the integration of transit service across the jurisdictional boundary lines, and through the establishment of the highway and traffic board contemplated by the compact it will encourage the coordination of transit service with highway planning and traffic regulation.

In October of 1959, the staff of the Joint Committee on Washington Metropolitan Problems printed a report on the National Capital Transportation Authority, a preliminary draft for discussion purposes. This report in its foreword refers to the Interstate Regulatory Agency provided by Joint Resolution 402 as the first of three new regional agencies proposed. From November 9 to 14, 1959, the Joint Committee conducted hearings on the transportation plan. The printed hearings are replete with testimony urging early action and approval by the Congress of House Joint Resolution 402.

The hearings held August 26, 1959, and earlier this year in 1960, on House Joint Resolution 402 by Subcommittee No. 3 of the Judiciary Committee, produced virtually unanimous support for passage of the joint resolution with only one dissenting party. All interested parties, including Government agencies, set forth their views and all such parties with the one exception have been satisfied by the amendments proposed by the committee.

The joint resolution is of historic importance for it will create the first governmental agency with regulatory authority operating beyond the boundaries of the District of Columbia and within those areas of Virginia and Maryland in the Washington metropolitan area transit district. This, of course, is not a case where the Federal Government is seeking to impose upon States Federal authority at the expense of State sovereignty and jurisdiction. On the contrary, the joint resolution contains the product of State action by Maryland and Virginia and proposes to the Congress, as required by the Constitution, that the Federal Government consent to that which the State legislatures and Governors already have agreed upon. The compact is the result of the exercise by the two States of their original, inherent sovereign rights which action the Supreme Court of the United States in *Hinderlider* v. *LaPlata Co.* (304 U.S. 92,104), described as "the compact adapts to our Union of sovereign States the age-old treaty making power of independent, sovereign States."

After years of study by instrumentalities of the respective State legislatures, the general assemblies of Virginia and Maryland found that the solution to the increasing transportation problem involving the movement of passengers by private carrier within the metropolitan Washington area can as a first step be solved only by the creation of the regulatory agency set forth in House Joint Resolution 402. The record fails to disclose any time in our history where the Congress has failed to grant its consent to States requesting same when the States have by their own efforts sought to solve mutual problems by means of a compact.

The metropolitan district created by the compact embraces the District of Columbia, and in Virginia, Alexandria, Falls Church, and Arlington and Fairfax Counties, including the political subdivisions within those counties. In Maryland, Montgomery, and Prince Georges Counties and the political subdivisions of the said counties are included.

The compact creates a transit commission consisting of three persons. One member will be appointed by the Governor of Virginia, one by the Governor of Maryland, and the third by the Board of Commissioners of the District of Columbia. The appointee shall be from that agency of each of the signatories which has jurisdiction over the regulation of mass transit within that jurisdiction. Thus, the Maryland representative will come from the Public Service Commission, the Virginia representative from the State Corporation Commission, and the District of Columbia representative from the Public Utilities Commission. Each of the appointees will serve for a term coincident with the term of that member on the respective State regulatory agency. A commissioner may be removed or suspended from office according to the law of his appointing signatory. Compensation for performance of duty by the commissioner shall be paid by his signatory.

Operating expenses of the Commission will be defrayed by Virginia, Maryland, and the District of Columbia. They will be allocated among the signatories in the proportion that the population of each such jurisdiction within the metropolitan district bears to the total population of the metropolitan district. Such allocation must be made by the Commission and approved by the Governors of the two States and the Board of Commissioners of the District of Columbia.

The compact creates a Traffic and Highway Board to serve the Commission solely in an advisory capacity. It will be made up of the heads of the traffic and highway departments of each of the States, counties, and cities within the Metropolitan District—in addition, a representative of the National Capital Planning Commission, the National Capital Planning Regional Council, and a representative of each local and regional planning commission within the Metropolitan District. The chairman of the Transit Commission shall be chairman of the Traffic and Highway Board. The board will make recommendations concerning traffic engineering, the selection and use of streets for transit routing, and the requirements for transit service throughout the District. Also, the board will continuously study means and methods of shortening transit travel time and prepare plans in that connection.

Decisions of the Transit Commission will be made by a majority, with two members constituting a quorum. However, any order of the Commission affecting solely intrastate operations or matters solely within the District of

Columbia shall not be effective unless the Commissioner from that respective signatory affected concurs in the order.

Any signatory may withdraw from the compact upon 1 year's written notice to the other parties. In the event of the withdrawal of one of the said parties, the compact shall be terminated.

The Transit Commission is authorized by the compact to perform the normal and usual duties and exercise the traditional powers of a transportation regulatory authority. It will issue certificates of public convenience and necessity upon application, and hearing. It shall keep a file of the scheduled fares, regulations, and practices of each carrier subject to its jurisdiction. It will have the power to prescribe fares, regulations, and practices. It will have the authority to approve consolidations, mergers, and acquisitions of control. Provision is made for judicial review by the U.S. Court of Appeals for the Fourth Circuit or for the District of Columbia of any of the Commission's orders requested by a party to a proceeding under the compact.

During the life of the compact, all Federal, and State laws are suspended unless special exception is made in the compact itself. Upon termination of the compact, the suspended laws automatically become effective without further action by the respective signatories.

The Commission shall have no jurisdiction over the transportation of persons by water, by the Federal Government, school buses, railroads, or long-line motor carrier passenger operations. Its jurisdiction shall extend and apply only to the transportation for hire by any carrier of persons between any points in the Metropolitan District. It shall have the power to prescribe taxicab fares within the District.

Mr. Chairman and Members of the Committee, I urge favorable action on House Joint Resolution 402 by granting the approval of this body to the compact entered into by the States of Virginia and Maryland to solve a mutual and growing transportation problem vitally affecting the Nation's Capital and its immediately surrounding communities.

Mr. POFF. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I rise in support of the resolution.

I urge that favorable action be taken by this body on House Joint Resolution 402, a joint resolution granting the consent and approval of Congress for the States of Maryland and Virginia and the District of Columbia to enter into a compact for the regulation of mass transit in the metropolitan area. The Legislatures of Maryland and Virginia have already enacted the compact authorized by House Joint Resolution 402. In addition to the consent of Congress for each of the signatories to enter into the compact, this resolution also authorizes and directs the Commissioners of the District of Columbia to enter into and execute the compact.

The States of Maryland and Virginia, and the Government of the District of Columbia, have been actively concerned for a number of years with the improvement in transportation of persons in the metropolitan area. Hearings recently held in connection with the mass transit study emphasized the need for immediate action to improve the present public transit service. The compact represents a closely coordinated effort on the part of the officials and agencies most concerned with the area transportation problems.

In the face of rapid growth of population and expansion of suburban areas of the region, there has existed no machinery of Government capable of handling the transportation problems resulting from this rapid growth and expansion. The compact under consideration today will create a single commission to exercise sole jurisdiction over transit within the metropolitan area, replacing the existing regulatory arrangement with four separate commissions, each acting within its own sphere, in the regulation of transit in the metropolitan area.

House Joint Resolution 402 is concerned only with the metropolitan area transit regulation compact and does not commit the Congress to the entire transportation plan presented by the joint study commissions. With the exception of purely intrastate transit service, the transit commission established by this compact would succeed to the jurisdiction over the transit of the metropolitan district.

One of the obligations of Congress as the legislature for the District of Columbia is to assure an adequate transportation system for the community. Because of the several political jurisdictions included in the metropolitan area, joint and cooperative effort of the several governments concerned is necessary for effective handling of the transportation problems.

The measure before us, House Joint Resolution 402, providing for participation in this joint effort by the District of Columbia and the consent and approval of Congress to the compact, should receive favorable action.

Let us not further delay action which will contribute toward improvement in the transportation system of our National Capital metropolitan area.

Mr. POFF. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida, a member of the subcommittee that considered this legislation [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, the instant resolution grants the consent and approval of Congress to the States of Maryland and Virginia and the District of Columbia to enter into a compact related to the regulation of mass transit in the Washington, D.C., metropolitan area. I wish to emphasize that this is a regulatory compact to regulate rates of fares for common carriers such as buses and taxicabs who transport passengers in and about the District of Columbia and nearby Maryland and Virginia. This legislation has the approval of all of the Government agencies concerned, namely, Department of Justice, National Capital Planning Commission, National Capital Regional Planning Council, Administrative Office of the U.S. Courts, National Relations Board, Civil Aeronautics Board, Securities and Exchange Commission, Interstate Commerce Commission, Department of Commerce, Government of the District of Columbia, and Department of the Interior.

It also has the approval of the local Congressmen—Congressmen JOEL BROYHILL, of Virginia; Congressman SMITH of Virginia; and Congressman FOLEY, of Maryland; and with one exception it has the approval of the major bus lines serving the District of Columbia. The only objection to the bill as it now stands amended by the committee, is the D.C. Transit Corp. which is headed by O. Roy Chalk as president. After two sets of hearings and lengthy discussion with interested parties, it became apparent that no matter what was suggested the resolution was not acceptable, and could not be made acceptable to D.C. Transit, Inc.

Mr. Chairman, the Metropolitan Washington area has experienced a rapid growth in the postwar years. According to the hearings, the greatest part of this expansion has been in the suburban areas of nearby Virginia and Maryland. The increase in the number of automobiles has been even at a greater rate. It is estimated that the number of automobiles in the metropolitan area doubled in the 7-year period between 1948 and 1955. Forecasts indicate a population increase to an estimated 2,400,000 by 1965 and 3 million by 1980. This projected growth, superimposed upon the present congestion of traffic clearly demonstrates the need for a control which will cross State lines and bring Greater Metropolitan Washington under one regulatory agency.

The new agency, as contemplated in this resolution, will have jurisdiction over not only the District of Columbia as we know it today, but will take in, generally, the counties of Fairfax and Arlington in Virginia, and Prince Georges and Montgomery in Maryland.

The instant bill, House Joint Resolution 402, contains the result of some 4 years' study by the National Capital Planning Commission and the National Capital Regional Planning Council. These Commissions conducted a survey at the suggestion of President Eisenhower—see CONGRESSIONAL RECORD, volume 100, part 12, page 15567. The Commission has representation on it from not only the District of Columbia but from the States of Maryland and Virginia.

The instant compact has already been approved by the Legislatures of the State of Maryland and the State of Virginia and needs only the approval of Congress, which would be contained in this bill, to put it into immediate operation.

In view of the manifest and urgent public need for this legislation, I urge the House to favorably consider and pass House Joint Resolution 402.

Mr. WILLIS. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. TUCK].

Mr. TUCK. Mr. Chairman, I am very pleased to have the opportunity to make this statement in support of House Joint Resolution 402, which includes a proposal for the enactment of the compact

between the District of Columbia, Maryland, and Virginia, limited to the regulation of bus and taxi transportation for the District of Columbia and the metropolitan area. This compact has been enacted by the General Assemblies of Virginia and Maryland and requires ratification by Congress.

The problem of public transportation in the metropolitan area has been the subject of study and discussion for many years, so that with increased population, more private automobiles on our highways, and fewer people using mass public transportation, the problem is now acute.

The present legislation, although first adopted by the General Assembly of Virginia, represents the joint effort and considered thinking of all three political jurisdictions as expressed by the bodies called upon to administer transportation in the respective political subdivisions. This legislation was negotiated by the joint commission and could not have been prepared or enacted had it not been for the splendid cooperation and assistance furnished by the representatives of Maryland, the District of Columbia, and Virginia.

At the outset, I would like to say frankly to the committee that this compact legislation, which was enacted by the 1958 General Assembly of Virginia and can be identified as Senate bill 326, admittedly is not the answer to all of our problems. It is merely a first step which should serve to improve one phase of our transportation problems. It is believed that by setting up such a compact for the specific purpose of regulation with safeguard afforded the signatories, greater confidence can be developed between the political subdivisions involved and can become the basis for complete settlement of the transit problem.

The proposed compact creates the Washington Metropolitan Area Transit Commission limited to the District of Columbia, the cities of Alexandria and Falls Church and the counties of Arlington and Fairfax in Virginia, and the counties of Montgomery and Prince Georges in the State of Maryland.

The commission is to be composed of three members, one member each to be appointed by the Governors of Virginia and Maryland and by the Board of Commissioners of the District of Columbia, from that agency of each signatory having jurisdiction over the regulation of mass transit within each such jurisdiction. Under this arrangement, one member from the Corporation Commission of Virginia, one member from the Public Utilities Commission of the District of Columbia, and one member from the Public Service Corp. of Maryland would comprise the Washington Metropolitan Area Transit Commission. Such an arrangement would have the advantage of closely coordinating the State problems with the metropolitan problems. The commissioner from each jurisdiction would, in reality, be wearing "two hats"—that of the metropolitan commission and his own State commission.

The expenses of the commission are to be borne by the signatories based on the population of each signatory within the metropolitan district.

In addition to the commission, there will be a traffic and highway board composed of the chairman of the commission and the heads of the traffic and highway departments of each of the signatories of the counties and cities encompassed within the metropolitan district, a representative of the National Capital Planning Commission, a representative of the National Capital Regional Planning Council and a representative of each local and regional planning commission within the district. The board shall serve the compact commission solely in an advisory capacity. Such a board, it is felt, although only advisory, can be of great assistance in making recommendations to the commission in connection with the selection and use of streets for transit routing and the requirements for transit service throughout the metropolitan district; particularly as to means and methods of shortening transit traffic times.

The compact becomes effective 90 days after its adoption by the signatories and consent thereto by the Congress of the United States. Any signatories may withdraw from the compact upon 1 year's written notice to that effect to the other signatories. Upon the termination of the compact, the jurisdiction over the matters and persons covered by the compact will revert to the signatories and the Federal Government as their respective interests may appear, and it is contemplated that the applicable laws of the signatories and the Federal Government shall be reactivated without further legislation. This is possible, since it is only proposed to suspend the jurisdiction of the signatories and the Federal Government during the period of the compact. Legislation will have to be enacted by the Congress of the United States suspending its jurisdiction in addition to ratifying the compact, whereas the passage of the compact legislation in Maryland and Virginia will suffice.

The compact specifically gives to the commission control of taxicabs and other vehicles having a seating capacity of eight passengers or less in addition to the driver, but only as to rates or charges for transportation from one signatory to another within the confines of the metropolitan district and requirement for minimum insurance coverage. At present none of the signatories or the Interstate Commerce Commission have jurisdiction over the operations of such taxicabs between the signatories.

In conclusion, Mr. Chairman, may I say, after more than 3 years' consideration by all interested parties, it was concluded that the compact approach had the best chance for success. Fundamentally it is a local problem that could best be handled at the State level by representatives of the political jurisdictions involved. That this conclusion was correct is demonstrated by the fact that the Legislature of Virginia, without a dissenting vote, passed the compact legislation, whereas, in the past, representatives from Virginia have opposed any type of Federal commission. It is my opinion that Maryland supported it for the same reason. I urge its enactment for the same reasons.

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

Mr. POFF. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Whereas the regulation of mass transit service in the metropolitan area of Washington, District of Columbia, is divided among the public utility regulatory agencies of the States of Virginia, Maryland, and the District of Columbia and the Interstate Commerce Commission; and

Whereas such divided regulatory responsibility is not conducive to the development of an adequate system of mass transit for the entire metropolitan area, which is in fact a single integrated, urban community; and

Whereas the Legislatures of Virginia and Maryland and the Board of Commissioners of the District of Columbia in 1954 created a Joint Commission to study, among other things, whether joint action by Maryland, Virginia, and the District of Columbia is necessary or desirable in connection with the regulation of passenger carrier facilities operating in such areas and the provision of adequate, nondiscriminatory, and uniform service therein; and

Whereas said Joint Commission has actively participated in the mass transit study authorized by the Congress (Public Law 24 and Public Law 573, Eighty-fourth Congress), and in furtherance thereof said Joint Commission has negotiated the Washington metropolitan area transit regulation compact, set forth in full below, providing for the establishment of a single organization as the common agency of the signatories to regulate transit and alleviate traffic congestion, which compact has been enacted by Virginia (ch. 627, 1958 Act of Assembly) and in substantially the same language by Maryland; and

Whereas said compact adequately protects the national interest in mass transit service in the metropolitan area of the Nation's Capital and properly accommodates the National and State interests in and obligations toward mass transit in the metropolitan area: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent and approval of Congress is hereby given to the States of Virginia and Maryland and to the District of Columbia to enter into a compact, substantially as follows, for the regulation and improvement of mass transit in the Washington metropolitan area, which compact, known as the Washington metropolitan area transit regulation compact, has been negotiated by representatives of the States and the District of Columbia and has been adopted by the State of Virginia (ch. 627, 1958 Acts of Assembly), and in substance by the State of Maryland:

"The States of Maryland and Virginia and the District of Columbia, hereinafter referred to as signatories, do hereby covenant and agree as follows:

"TITLE I

"General compact provisions

"Article I

"There is hereby created the Washington Metropolitan Area Transit District, hereinafter referred to as Metropolitan District, which shall embrace the District of Columbia, the cities of Alexandria and Falls Church, the counties of Arlington and Fairfax, and political subdivisions of the State of Virginia located within those counties, and the counties of Montgomery and Prince Georges, in the State of Maryland, and political subdivisions of the State of Maryland located within said counties.

"Articles II

"The signatories hereby create the 'Washington Metropolitan Area Transit Commission,' hereinafter called the Commission, which shall be an instrumentality of the District of Columbia, the Commonwealth of Virginia and the State of Maryland, and shall have the powers and duties set forth in this compact and such additional powers and duties as may be conferred upon it by subsequent action of the signatories. The Commission shall have jurisdiction coextensive with the Metropolitan District for the regulation and improvement of transit and the alleviation of traffic congestion within the Metropolitan District on a coordinated basis, without regard to political boundaries within the Metropolitan District, as set forth herein.

"Article III

"1. The Commission shall be composed of three members, one member each to be appointed by the Governors of Virginia and Maryland and by the Board of Commissioners of the District of Columbia, from that agency of each signatory having jurisdiction over the regulation of mass transit within each such jurisdiction. The member so appointed shall serve for a term coincident with the term of that member on such agency of the signatory and any Commissioner may be removed or suspended from office as provided by the law of the signatory from which he shall be appointed. Vacancies shall be filled for an unexpired term in the same manner as an original appointment.

"2. No person in the employment of or holding any official relation to any person or company subject to the jurisdiction of the Commission or having any interest of any nature in any such person or company or affiliate or associate thereof shall be eligible to hold the office of Commissioner or to serve as an employee of the Commission or to have any power or duty or to receive any compensation in relation thereto.

"3. The Commission shall select a chairman from its membership annually. Such chairman is vested with the responsibility for the discharge of the Commission's work and to that end he is empowered with all usual powers to discharge his duties.

"4. Each signatory hereto may pay the Commissioner therefrom such salary or expenses, if any, as it deems appropriate.

"5. The Commission may employ such engineering, technical, legal, clerical, and other personnel on a regular, part-time, or consulting basis as in its judgment may be necessary for the discharge of its functions. The Commission shall not be bound by any statute or regulation of any signatory in the employment or discharge of any officer or employee of the Commission, except as such may be contained in this compact.

"6. The Commission shall establish its office for the conduct of its affairs at a location to be determined by the Commission within the Metropolitan District and shall publish rules and regulations governing the conduct of its operations.

"Article IV

"1. The expenses of the Commission shall be borne by the signatories in the manner hereinafter set forth. The Commission shall submit to the Governor of Virginia, the Governor of Maryland and the Board of Commissioners of the District of Columbia, at such time or times as shall be requested, a budget of its requirements for such period as may be required by the laws of the signatories for presentation to the legislature thereof. The expenses of the Commission shall be allocated among the signatories in the proportion that the population of each signatory within the Metropolitan District bears to the total population of the Metropolitan District. The allocation shall be made by the Commission and approved by the Governors of the two states and the Board of Commissioners of the District of Columbia, and shall be based on the latest available population statistics of the Bureau of the Census; provided, however, that if current population data are not available, the Commission may, upon the request of any signatory, employ estimates of population prepared in a manner approved by the Commission and by the signatory making such request.

"2. The signatories agree to appropriate for the expenses of the Commission their proper proportion of the budget determined in the manner set forth herein and to pay such appropriation to the Commission. There shall not be included in the budget of the Commission or in the appropriations therefor any sums for the payment of salaries or expenses of the Commissioners of members of the Traffic and Highway Board created by Article V of this Title I and payments so such persons, if any, shall be within the discretion of each signatory. The provisions of section 2-27 of the Code of Virginia shall not apply to any official or employee of the Commonwealth of Virginia acting or performing services under this Act.

"3. The expenses allocable to a signatory shall be reduced in an amount to be determined by the Commission if a signatory, upon request of the Commission, makes available personnel, services or material to the Commission which the Commission would otherwise have to employ or purchase. If such services in kind are rendered, the Commission shall return to such signatory an amount equivalent to the savings to the Commission represented by the contribution in kind.

"4. The Commission shall keep accurate books of account, showing in full its receipts and disbursements, and said books of account shall be open at any reasonable time for inspection by such representatives of the respective signatories as may be duly constituted for that purpose.

"Article V

"1. There is hereby created in addition to the Commission a Traffic and Highway Board, hereinafter referred to as Board. This Board shall be composed of the Chairman of the Commission created by article II, who shall be chairman of this Board, and the heads of the traffic and highway departments of each of the signatories and of the counties and cities encompassed within the Metropolitan District, a representative of the National Capital Planning Commission, a representative of the National Capital Regional Planning Council, and a representative of each local and regional planning commission within the District. The representatives of the various planning commissions shall be designated by each such commission. The official in charge of the traffic and highway department of each of the signatories may appoint a member of his staff to serve in his stead with full voting powers.

"2. The Board shall make recommendations to the Commission with respect to traffic engineering, including the selection and use of streets for transit routing, the requirements for transit service throughout the Metropolitan District, and related matters. The Board shall also consider problems referred to it by the Commission and shall continuously study means and methods of shortening transit travel time, formulate plans with respect thereto, and keep the Compact Commission fully advised of its plans and conclusions.

"3. The Board shall serve the Commission solely in an advisory capacity. The Commission shall not direct or compel the Board or its members to take any particular action with respect to effectuating changes in traffic engineering and related matters, but the members of the Board in their capacity as officials of local government agencies shall use their best efforts to effectuate the recommendations and objectives of the Commission.

"4. The members of the Board shall serve with or without additional compensation, as determined by their respective signatories.

"Article VI

"No action by the Commission shall be of effect unless a majority of the members concur therein; provided, that any order entered by the Commission pursuant to the provisions of title II hereof, relating to or which affect operations or matters solely intrastate or solely within the District of Columbia, shall not be effective unless the Commissioner from the signatory affected concurs therein. Two members of the Commission shall constitute a quorum.

"Article VII

"Nothing herein shall be construed to amend, alter, or in any wise affect the power of the signatories and the political subdivisions thereof to levy and collect taxes on the property or income of any person or company subject to this Act or upon any material, equipment or supplies purchased by such person or companies or to levy, assess, and collect franchise or other similar taxes, or fees for the licensing of vehicles and the operation thereof.

"Article VIII

"This compact shall be adopted by the signatories in the manner provided by law therefor. This compact shall become effective ninety (90) days after its adoption by the signatories and consent thereto by the Congress of the United States, including the enactment by the Congress of such legislation, if any, as it may deem necessary to grant this Commission jurisdiction over transportation in the District of Columbia and between the signatories and over the persons engaged therein, to suspend the applicability of the Interstate Commerce Act, the laws of the District of Columbia, and any other laws of the United States, to the persons, companies and activities which are subject to this Act, to the extent that such laws are inconsistent with, or in duplication of, the jurisdiction of the Commission or any provision of this Act, or any rule, regulation or order lawfully prescribed or issued under this Act, and to make effective the enforcement and review provisions of this Act.

"Article IX

"1. This compact may be amended from time to time without the prior consent or approval of the Congress and any such amendment shall be effective unless, within one year thereof, the Congress disapproves such an amendment. No amendment shall be effective unless adopted by each of the signatories hereto.

"2. Any signatory may withdraw from the compact upon one year's written notice to that effect to the other signatories. In the event of a withdrawal of one of the signatories from the compact, the compact shall be terminated.

"3. Upon the termination of this compact, the jurisdiction over the matters and persons covered by this Act shall revert to the signatories and the Federal Government, as their interests may appear, and the applicable laws of the signatories and the Federal Government shall be reactivated without further legislation.

"Article X

"Each of the signatories pledges to each of the other signatory parties faithful cooperation in the solution and control of transit and traffic problems within the Metropolitan District and, in order to effect such purposes, agrees to enact any necessary legislation to achieve the objectives of the compact to the mutual benefit of the citizens living within said Metropolitan District and for the advancement of the interests of the signatories hereto.

"Article XI

"1. If any part or provision of this compact or the application thereof to any person or circumstances be adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of this compact or the application thereof to other persons or circumstances and the signatories hereby declare that they would have entered into this compact or the remainder thereof had the invalidity of such provision or application thereof been apparent.

"2. In accordance with the ordinary rules for construction of interstate compacts, this compact shall be liberally construed to eliminate the evils described therein and to effectuate the purposes thereof.

"TITLE II

"Compact regulatory provisions

"Article XII

"Transportation covered

"1. (a) This Act shall apply to the transportation for hire by any carrier of persons between any points in the Metropolitan District and to the persons engaged in rendering or performing such transportation service, except—

"(1) transportation by water;

"(2) transportation by the Federal Government, the signatories, hereto, or any political subdivision thereof;

"(3) transportation by motor vehicles employed solely in transporting school children and teachers to or from public or private schools;

"(4) transportation performed in the course of an operation over a regular route, the major portion of which is outside the Metropolitan District except where a major portion of the passenger traffic begins and ends within the Metropolitan District;

"(5) transportation performed by a common carrier by railroad subject to part I of the Interstate Commerce Act, as amended.

"(b) No transportation or person, otherwise subject to this Act, shall be exempt by reason of the fact that any part (not a major part as conditionally exempted by paragraph (a)(4) of this section) of the route between points in the Metropolitan District lies outside of the Metropolitan District: *Provided, however,* That the provisions of this title II shall not apply to transportation as specified in this section solely within the Commonwealth of Virginia and to the activities of persons engaged in such transportation, nor shall any provision of this title II be construed to infringe the exercise of any powers or the discharge of any duties conferred or imposed upon the State Corporation Commission of the Commonwealth of Virginia by the Virginia constitution.

"(c) Notwithstanding the provisions of paragraph (a) of this section, this Act shall apply to taxicabs and other vehicles having a seating capacity of eight passengers or less in addition to the driver thereof with respect only to (i) the rates or charges for transportation from one signatory to another within the confines of the Metropolitan District and (ii) requirements for minimum insurance coverage.

"Definitions

"2. As used in this Act—

"(a) The term 'carrier' means any person who engages in the transportation of passengers for hire by motor vehicle, street railroad, or other form or means of conveyance.

"(b) The term 'motor vehicle' means any automobile, bus, or other vehicle propelled or drawn by mechanical or electrical power on the public streets or highways of the Metropolitan District and used for the transportation of passengers.

"(c) The term 'street railways' means any streetcar, bus, or other similar vehicle propelled or drawn by electrical or mechanical power on rails and used for transportation of passengers.

"(d) The term 'taxicab' means any motor vehicle for hire (other than a vehicle operated, with the approval of the Commission, between fixed termini on regular schedules) designed to carry eight persons or less, not including the driver, used for the purpose of accepting or soliciting passengers for hire in transportation subject to this Act, along the public streets and highways, as the passengers may direct.

"(e) The term 'person' means any individual, firm, copartnership, corporation, company, association or joint stock association; and includes any trustee, receiver, assignee, or personal representative thereof.

"General duties of carriers

"3. It shall be the duty of every carrier to furnish transportation subject to this Act as authorized by its certificate and to establish reasonable through routes with other carriers; to provide safe and adequate service, equipment, and facilities in connection with such transportation; to establish, observe, and enforce just and reasonable individual and joint fares, and just and reasonable regulations and practices relating thereto; and, in case of joint fares, to establish just, reasonable, and equitable divisions thereof as between the carriers participating therein which shall not unduly prefer or prejudice any of such carriers.

"Certificates of public convenience and necessity; routes and services

"4. (a) No person shall engage in transportation subject to this Act unless there is in force a certificate of public convenience and necessity issued by the Commission authorizing such person to engage in such transportation; provided, however, that if any person was bona fide engaged in transportation subject to this Act on the effective date of this Act, the Commission shall issue such certificate without requiring further proof that public convenience and necessity will be served by such operation, and without further proceedings, if application for such certificate is made to the Commission within 90 days after the effective date of this Act. Pending the determination of any such application, the continuance of such operation shall be lawful.

"(b) When an application is made under this section for a certificate except with respect to a service being rendered upon the effective date of this Act, the Commission shall issue a certificate to any qualified applicant therefor, authorizing the whole or any part of the transportation covered by the application, if it finds, after hearing held upon reasonable notice, that the applicant is fit, willing, and able to perform such transportation properly and to conform to the provisions of this Act and the rules, regulations, and requirements of the Commission thereunder, and that such transportation is or will be required by the public convenience and necessity; otherwise such application shall be denied. The Commission shall act upon applications under this subsection as speedily as possible. The Commission shall have the power to attach to the issuance of a certificate and to the exercise of the rights granted thereunder such reasonable terms and conditions as the public convenience and necessity may require; provided, however, That no terms, conditions, or limitations shall restrict the right of the carrier to add to his or its equipment and facilities over the routes, between the termini, or within the territory specified in the certificate, as the development of the business and the demands of the public shall require.

"(c) Application for a certificate under this section shall be made in writing to the Commission and shall be so verified, shall be in such form, and shall contain such information, as the Commission by regulations shall require. The Commission shall prescribe such reasonable requirements as to notices, publication, proof of service, and information as in its judgment may be necessary.

"(d)(1) Any certificate issued by the Commission shall specify the service to be rendered and the routes over which, the fixed termini, if any, between which, and the intermediate and off-route points, if any, at which, and in case of operations not over specified routes or between fixed termini, the territory within which, the carrier is authorized to operate.

"(2) A certificate for the transportation of passengers may include authority to transport in the same vehicle with the passengers, newspapers, baggage of passengers, express, or mail, or to transport baggage of passengers in a separate vehicle.

"(3) To enable the provision of service for which there is an immediate and urgent need to a point or points or within a territory having no carrier service capable of meeting such need, the Commission may, in its discretion and without hearings or other proceedings, grant temporary authority for such service. Such temporary authority unless suspended or revoked for good cause, shall be valid for such time as the Commission shall specify, but for not more than an aggregate of 180 days and create no presumption that corresponding permanent authority will be granted thereafter.

"(e) The Commission may, if it finds that the public convenience and necessity so require, require any person subject to this Act to extend any existing service or provide any additional service over additional routes within the Metropolitan District; provided, however, that no certificate shall be issued to operate over the routes of any holder of a certificate until it shall be proved to the satisfaction of the Commission, after hearing, upon reasonable notice, that the service rendered by such certificate holder, over such route, is inadequate to the requirements of the public necessity and convenience; and provided, further, if the Commission shall be of opinion that the service rendered by such certificate holder over such route is in any respect inadequate to the requirements of the public necessity and convenience, such certificate holder shall be given reasonable time and opportunity to remedy such inadequacy before any certificate shall be granted to operate over such route; and further provided that no person subject to this Act may be required to extend any existing service or provide any additional service over additional routes within the Metropolitan District unless the carrier is currently earning a reasonable return on its operation as a whole in performing transportation subject to this Act.

"(f) The Commission may refer to the Traffic and Highway Board created under Title I hereof any service proposed under an application for a certificate. The Board shall as speedily as possible give the Commission its recommendations with respect to the proposed service, but such recommendations shall be advisory only.

"(g) Certificates shall be effective from date specified therein and shall remain in effect until suspended or terminated as herein provided. Any such certificate, may, upon application of the holder thereof, in the discretion of the Commission, be amended or revoked, in whole or in part, or may, upon complaint, or on the Commission's own initiative, after notice and hearing, be suspended, changed, or revoked, in whole or in part, for wilful failure to comply with any lawful order, rule, or regulation of the Commission, or with any term, condition, or limi-

tation of such certificate; provided, however, that no certificate shall be revoked (except upon application of the holder) unless the holder thereof wilfully fails to comply, within a reasonable time, not less than 30 days, to be fixed by the Commission, with a lawful order of the Commission commanding obedience to the rules or regulations or orders of the Commission, or to the terms, conditions, or limitations of such certificate found by the Commission to have been violated by such holder. No certificate shall be issued to an applicant proposing to operate over the routes of any holder of a certificate unless and until it shall be proved to the satisfaction of the Commission, after hearing upon reasonable notice, that the service rendered by such certificate holder, over such route, is inadequate to the requirements of the public convenience and necessity; and provided, further, if the Commission shall be of the opinion that the service rendered by such certificate holder over such route is in any respect inadequate to the requirements of the public convenience and necessity, such certificate holder shall be given reasonable time and opportunity to remedy such inadequacy before any certificate shall be granted to an applicant proposing to operate over such route.

"(h) No certificate under this section may be transferred unless such transfer is approved by the Commission as being consistent with the public interest.

"(i) No carrier shall abandon any route specified in a certificate issued to such carrier under this section, unless such carrier is authorized to do so by an order issued by the Commission. The Commission shall issue such order, if upon application by such carrier, and after notice and opportunity for hearing, it finds that the abandonment of such route is consistent with the public interest. The Commission, by regulations or otherwise, may authorize such temporary suspensions of routes as may be consistent with the public interest. The fact that a carrier is operating a route or furnishing a service at a loss shall not, of itself, determine the question of whether abandonment of the route or service over the route is consistent with the public interest as long as the carrier earns a reasonable return.

"Schedule of fares, regulations, and practices

"5. (a) Each carrier shall file with the Commission, and print, and keep open to public inspection, tariffs showing (1) all fares it charges for transportation subject to this Act, including any joint fares established for through routes over which it performs transportation subject to this Act in conjunction with another carrier, and (2) to the extent required by regulations of the Commission, the regulations and practices of such carrier affecting such fares. Such tariffs shall be filed, posted, and published in such form and manner, and shall contain such information, as the Commission by regulation shall prescribe. The Commission may reject any tariff so filed which is not consistent with this section and such regulations. Any tariff so rejected shall be void.

"(b) Each carrier which, immediately prior to the effective date of this section, was engaged in transportation specified in section 1(a) of this Title II, shall file a tariff in compliance with paragraph (a) of this Section 5 within ninety (90) days after such date. The fares shown in such tariff shall be the fares which such carrier was authorized to charge, immediately prior to such date, under the law under which it was then regulated, and the regulations and practices affecting such fares which shall be shown in such tariff shall be such of the regulations and practices, then in effect under such law, as the Commission shall by regulations require. Such tariff shall become effective upon filing. Pending the filing of such tariff, the fares which such carrier was authorized to charge immediately prior to the effective date of this Act under the law under which it was then regulated, and the regulations and practices relating to such fares, shall be the lawful fares and practices and regulations.

"(c) Every carrier shall keep currently on file with the Commission, if the Commission so requires, the established divisions of all joint fares for transportation subject to this Act in which such carrier participates.

"(d) No carrier shall charge, for any transportation subject to this Act, any fare other than the applicable fare specified in a tariff filed by it under this section and in effect at the time. During the period before a tariff filed by it under this section has become effective, no carrier referred to in subsection (b) shall charge, for any transportation subject to this Act, any fare other than the fare which it was authorized to charge for such transportation immediately prior to the effective date of this section, under the law under which it was then regulated.

"(e) Any carrier which desires to change any fare specified in a tariff filed by it under this section, or any regulation or practice specified in any such tariff affecting such a fare, shall file a tariff in compliance with this section, showing the change proposed to be made and shall give notice to the public of the proposed change by posting and filing such tariff in such manner as the Commission may by rule, regulation, or order provide. Each tariff filed under this subsection shall state a date on which the new tariff shall take effect, and such date shall be at least thirty (30) days after the date on which the tariff is filed, unless the Commission by order authorizes its taking effect on an earlier date.

"Power to prescribe fares, regulations, and practices

"6. (a) (1) The Commission, upon complaint or upon its own initiative, may suspend any fare, regulation, or practice shown in a tariff filed with it under Section 5 (except a tariff to which Section 5(b) applies), at any time before such fare, regulation, or practice would otherwise take effect. Such suspension shall be accomplished by filing with the tariff, and delivered to the carrier or carriers affected thereby, a notification in writing of such suspension. In determining whether any proposed change shall be superseded, the Commission shall give consideration to, among other things, the financial condition of the carrier, its revenue requirements, and whether the carrier is being operated economically and efficiently. The period of suspension shall terminate ninety (90) days after the date on which the fare, regulation, or practice involved would otherwise go into effect, unless the Commission extends such period as provided in paragraph (2).

"(2) If, after hearing held upon reasonable notice, the Commission finds that any fare, regulation or practice relating thereto, so suspended is unjust, unreasonable, or unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District, it shall issue an order prescribing the lawful fare, regulation, or practice to be in effect. The fare, regulation, or practice so prescribed shall take effect on the date specified in such order. If such an order has not been issued within the ninety (90) day suspension period provided for in paragraph (1), the Commission may from time to time extend such period, but in any event the suspension period shall terminate, no later than one hundred and twenty (120) days after the date the fare, regulation or practice involved was suspended. If no such order is issued within the suspension period (including any extension thereof), the fare, regulation or practice involved shall take effect at the termination of such period.

"(3) In the exercise of its power to prescribe just and reasonable fares and regulations and practices relating thereto, the Commission shall give due consideration, among other factors, to the inherent advantages of transportation by such carriers; to the effect of rates upon the movement of traffic by the carrier or carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient transportation service by such carriers at the lowest cost consistent with the furnishing of such service; and to the need of revenue sufficient to enable such carriers, under honest, economical, and efficient management, to provide such service.

"(4) It is hereby declared as a matter of legislative policy that in order to assure the Metropolitan District of an adequate transportation system operating as private enterprises the carriers therein, in accordance with standards and rules prescribed by the Commission, should be afforded the opportunity of earning such return as to make the carriers attractive investments to private investors. As an incident thereto, the opportunity to earn a return of at least 6½ per centum net after all taxes properly chargeable to transportation operations, including but not limited to income taxes, on gross operating revenues, shall not be considered unreasonable.

"(b) Whenever, upon complaint, or upon its own initiative, and after hearing held upon reasonable notice, the Commission finds that any individual or joint fare in effect for transportation subject to this Act, or any regulation or practice affecting such fare, is unjust, unreasonable or unduly preferential or unduly discriminatory, the Commission shall issue an order prescribing the lawful fare, regulation, or practice thereafter to be in effect.

"Through routes, joint fares

"7. (a) In order to encourage and provide adequate transit service on a Metropolitan District-wide basis, any carrier may establish through routes and joint fares with any other carrier subject to this Act or the jurisdiction of the Interstate Commerce Commission, the State Corporation Commission of the Commonwealth of Virginia, or the Public Service Commission of the State of Maryland.

"(b) Whenever required by the public convenience and necessity, the Commission, upon complaint or upon its own initiative, and after hearing held upon reasonable notice, may establish through routes and joint fares for transportation subject to this Act, and the regulations or practices affecting such fares, and the terms and conditions under which such through routes shall be operated.

"(c) Whenever, upon complaint or upon its own initiative, and after hearing upon reasonable notice, the Commission is of the opinion that the divisions of any joint fare for transportation subject to this Act are or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the participating carriers, the Commission shall prescribe the just, reasonable, and equitable divisions thereof to be received by the participating carriers. The Commission may require the adjustment of divisions between such carriers from the date of filing the complaint or entry of the order of investigation, or such other date subsequent thereto as the Commission finds to be just, reasonable, and equitable.

"Taxicab fares

"8. The Commission shall have the duty and the power to prescribe reasonable rates for transportation by taxicab only between a point in the jurisdiction of one signatory party and a point in the jurisdiction of another signatory party provided both points are within the Metropolitan District. The fare or charge for such transportation may be

calculated on a mileage basis, a zone basis, or on any other basis approved by the Commission: *Provided, however*, That the Commission shall not require the installation of a taximeter in any taxicab when such a device is not permitted or required by the jurisdiction licensing and otherwise regulating the operation and service of such taxicab.

"Security for the protection of the public

"9. (a) No certificate of public convenience and necessity shall be issued under Section 4, and no certificate issued under such section shall remain in force, unless the person applying for or holding such certificate complies with such reasonable regulations as the Commission shall prescribe governing the filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer or other securities or agreements, in such reasonable amount as the Commission may require, conditioned to pay, within the amount of such surety bonds, policies of insurance, qualifications as a self-insurer or other securities or agreements, any final judgment recovered against such motor carrier for bodily injuries to or the death of any person, or for loss or damage to property of others, resulting from the operation, maintenance, or use of motor vehicles, street cars, or other equipment or facilities utilized in furnishing transportation subject to this Act.

"(b) No taxicab shall be permitted to transport passengers between a point in the jurisdiction of a signatory to a point in the jurisdiction of another signatory within the Metropolitan District unless the taxicab and the person or persons licensed by any signatory to own and/or operate such taxicab shall comply with such reasonable regulations as the Commission shall prescribe governing the filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer, or other securities or agreements, in such reasonable amounts as the Commission may require, conditioned to pay within the amount of such surety bonds, policies of insurance, qualifications as a self-insurer or other securities or agreements, any final judgment recovered against such taxicab for bodily injuries to or the death of any person, or for loss or damage to property of others, resulting from the operation, maintenance, or use of taxicabs utilized in furnishing transportation subject to this Act.

"Accounts, records, and reports; depreciation

"10. (a) The Commission may require annual or other periodic reports, and special reports, from any carrier; prescribe the manner and form in which such reports shall be made; and require from any such carrier specific answers to all questions upon which the Commission deems information to be necessary. Such reports shall be under oath whenever the Commission so requires.

"(b) Each carrier subject to the Commission shall keep such accounts, records, and memoranda with respect to activities in which it is engaged (whether or not such activities constitute transportation subject to this Act), including accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of money, as the Commission by regulation prescribes. The Commission shall by regulation prescribe the form of such accounts, records, and memoranda, and the length of time that such accounts, records, and memoranda shall be preserved.

"(c) The Commission shall prescribe regulations requiring carriers to maintain appropriate accounting reserves against depreciation. The Commission may prescribe the classes of property for which depreciation charges may properly be included under operating expenses and the rate of depreciation which shall be charged with respect to each of such classes of property, and may classify the carriers as it may deem proper for this purpose. The Commission may, when it deems necessary, modify the classes and rates so prescribed. Carriers shall not charge to operating expenses any depreciation charges on classes of property other than those prescribed by the Commission, or charge with respect to any class of property a rate of depreciation other than that prescribed therefor by the Commission, and no carrier shall include under operating expenses any depreciation charge other than as prescribed by the Commission.

"(d) At all times the Commission and each of its members shall have access to all lands, buildings, and equipment of all carriers, and to all accounts, records, and memoranda kept by such carriers. When authorized by the Commission to do so, any employee of the Commission may inspect any such land, buildings, equipment, accounts, records, and memoranda. This section shall apply, to the extent found by the Commission to be reasonably necessary for the administration of this Act, to any person controlling, controlled by or under common control with, any carrier.

"(e) Any carrier which operates both inside and outside of the metropolitan area and which has its principal office outside of the metropolitan area, may keep all of its accounts, records, and memoranda at such principal office but shall produce such accounts, records, and memoranda before the Commission whenever the Commission shall so direct.

"(f) Nothing in this section shall relieve any carrier from the obligations imposed upon it with respect to the matters covered in this section by any State or Federal regulatory commission in connection with transportation service rendered outside the metropolitan district.

"Issuance of securities

"11. (a) As used in this section the term 'securities' means stocks; stock certificates; or bonds, mortgages, other evidences of indebtedness payable in more than one year from the date of issuance, except obligations covered by conditional sales contracts, or any guaranty of or assumption of liability on any of the foregoing.

"(b) Subject to subsection (g) of this section, no carrier subject to this Act shall issue any securities, or directly or indirectly receive any money, property, or services in payment of securities issued or to be issued by it, until the Commission, by order, shall have approved the issuance of such securities.

"(c) Upon application made to it by any such carrier for approval of the issuance of securities, the Commission, after affording reasonable opportunity for hearing to interested parties, shall by order approve or disapprove the issuance of such securities. The Commission shall give its approval if it finds that the proposed issuance of securities is not contrary to the public interest.

"(d) Any such order of the Commission approving the issuance of securities shall specify the purposes for which the proceeds from the sale or other disposition thereof are to be used and the terms and conditions under which such securities shall be issued and disposed of. It shall be unlawful for the applicant to apply such proceeds, or to issue or dispose of such securities, in any manner other than as specified by the Commission in its order.

"(e) Any securities issued in violation of this section shall be void.

"(f) Nothing in this Act shall impair any authority of the Interstate Commerce Commission, the Public Service Commission of Maryland, or the State Corporation Commission of Virginia to regulate the issuance of securities by any carrier which does not operate exclusively in the Metropolitan District, or relieve any carrier from the obligations imposed by the Securities Act of 1933, as amended (Act of May 27, 1933, C. 38 Title I, 48 Stat. 74, as amended), or from the obligations imposed by any Blue Sky or similar laws of the signatories.

"(g) The Commission may by regulation, order or otherwise, to the extent deemed by it to be consistent with the public interest, exempt from the operation of this section any carrier which does not operate exclusively in such area and which, before issuing securities, must obtain the approval of the Interstate Commerce Commission, the Public Service Commission of Maryland, or the State Corporation Commission of Virginia.

"Consolidations, mergers, and acquisition of control

"12. (a) It shall be unlawful, without approval of the Commission in accordance with this section—

"(1) for two or more carriers, any one of which operates in the Metropolitan District, to consolidate or merge their properties or franchises, or any part thereof, into one person for the ownership, management, or operation of properties theretofore under separate ownership, management, or operation; or

"(2) for any carrier which operates in the Metropolitan District or any person controlling, controlled by, or under common control with, such a carrier (i) to purchase, lease, or contract to operate the properties, or any substantial part thereof, of any carrier which operates in such Metropolitan District, or (ii) to acquire control, through ownership of its stock or otherwise, of any carrier which operates in such Metropolitan District.

"(b) Any person seeking approval of any transaction to which subsection (a) applies shall make application to the Commission in accordance with such regulations as the Commission shall prescribe. If, after hearing held upon reasonable notice, the Commission finds that, subject to such terms, conditions, and modifications as it shall find to be necessary, the proposed transaction is consistent with the public interest, it shall enter an appropriate order approving and authorizing such transaction as so conditioned.

"(c) It shall be unlawful to continue to maintain or exercise any ownership, management, operation or control accomplished or effectuated in violation of subsection (a) of this section.

"(d) Pending the determination of an application filed with the Commission for approval of a consolidation or merger of the properties of two or more motor carriers, or of a purchase, lease, or contract to operate the properties of one or more motor carriers, the Commission may, in its discretion, and without hearings or other proceedings, grant temporary approval, for a period not exceeding 180 days of the operation of the motor carrier properties sought to be acquired by the person proposing in such pending application to acquire such properties, if it shall appear that failure to grant such temporary approval may result in destruction of or injury to such motor carrier properties sought to be acquired, or to interfere substantially with their future usefulness in the performance of adequate and continuous service to the public.

"Complaints and investigations by the Commission

"13. (a) Any person may file with the Commission a complaint in writing with respect to anything done or omitted to be done by any person in contravention of any provision of this Act, or of any requirement established pursuant thereto. If the person complained against shall not satisfy the complaint and there shall appear to be any reasonable grounds for an investigation, the Commission shall investigate the matters complained of. Whenever the Commission is of the opinion that any complaint does not state facts which warrant action on its part, it may

dismiss the complaint without hearing. At least ten (10) days before the date it sets a time and place for a hearing on a complaint, the Commission shall notify the person complained of that the complaint has been made.

"(b) The Commission may investigate any facts, conditions, practices, or matters which it may find necessary or proper in order to determine whether any person has violated or is about to violate any provision of this Act or any rule, regulation, or order thereunder, or to aid in the enforcement of the provisions of this Act or in prescribing rules or regulations thereunder, or in obtaining information to serve as a basis for recommending further legislation. The Commission shall have the same power to proceed with any investigation instituted on its own motion as though it had been appealed to by complaint.

"(c) If, after affording to interested persons reasonable opportunity for hearing, the Commission finds in any investigation instituted upon complaint or upon its own initiative, that any person has failed to comply with any provision of this Act or any requirement established pursuant thereto, the Commission shall issue an appropriate order to compel such person to comply therewith.

"(d) For the purpose of any investigation or any other proceeding under this Act, any member of the Commission, or any other officer designated by it, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records which the Commission finds relevant or material to the inquiry.

"Hearings; rules of procedure

"14. Hearings under this Act may be held before the Commission, any member or members thereof, or any representative of the Commission designated by it, and appropriate records thereof shall be kept. All hearings, investigations, and proceedings under this Act shall be governed by rules of practice and procedure to be adopted by the Commission, and in the conduct thereof the technical rules of evidence need not be applied. No informality in any hearing, investigation, or proceeding or in the manner of taking testimony shall invalidate any order, decision, rule, or regulation issued under the authority of this Act.

"Administration powers of Commission; rules, regulations, and orders

"15. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Such rules and regulations may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective thirty (30) days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours.

"Reconsideration of orders

"16. Any person affected by any final order or decision of the Commission may, within thirty days after the publication thereof, file with the Commission an application in writing requesting a reconsideration of the matters involved, and stating specifically the errors claimed as grounds for such reconsideration. No person shall in any court urge or rely on any ground not so set forth in such application. The Commission, within thirty (30) days after the filing of such application, shall either grant or deny it. If such application is granted, the Commission, after giving notice thereof to all interested persons, shall, either with or without hearing, rescind, modify, or affirm its order or decision. The filing of such an application shall act as a stay upon the execution of the order or decision of the Commission until the final action of the Commission upon the application, except that upon written consent of the applicant such order or decision shall not be stayed unless otherwise ordered by the Commission. No appeal shall lie from any order of the Commission until an application for reconsideration has been made and determined.

"Judicial review

"17. (a) Any party to a proceeding under this Act aggrieved by an order issued by the Commission in such proceeding may obtain a review of such order in the court of appeals of the United States for the fourth circuit, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within sixty (60) days after the order of the Commission upon the application for rehearing, a written petition praying that the order of the Commission be modified or set aside. A copy of such petition shall forthwith be served upon any member of the Commission and thereupon the Commission shall certify and file with the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order. The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts by reason of the additional evidence so taken, and it shall file with the court such modified or new findings, which if supported by substantial evidence, shall be conclusive, and its recommendations, if any, for the modification or setting aside of the original order. The court may affirm or set aside any such order of the Commission, and state the reasons therefor, and such judgment shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U.S.C. Title 28, sections 346 and 347).

"(b) The commencement of proceedings under subsection (a) of this section shall not, unless specifically ordered by the court, operate as a stay of the Commissioner's order.

"(c) The Commission shall not, nor shall any of its members, officers, agents, or employees, be taxed with any costs, nor shall they or any of them be required to give any supersedeas bond or security for cost or damages on any appeal whatsoever taken under this compact. Said Commission, or any of its members, officers, agents, or employees, shall not be liable to suit or action or for any judgment or decree for any damages, loss, or injury claimed by any person resulting from action taken under this compact, nor required in any case arising under this compact to make any deposit for costs or pay for any service to the clerks of any court or to the marshal of the United States.

"Enforcement of act; penalty for violations

"18. (a) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this Act, or of any rule, regulation, or order thereunder, it may, in its discretion, bring an action in the United States District Court for any district in which such person resides or carries on business or in which the violation occurred, to enjoin such acts or practices and to enforce compliance with this Act or any rule, regulation or order thereunder, and upon a proper showing a permanent or temporary injunction or decree or restraining order shall be granted without bond.

"(b) Upon application of the Commission, the United States District Court for any district in which such person resides or carries on business, or in which the violation occurred, shall have jurisdiction to issue appropriate order or orders commanding any person to comply with the provisions of this Act or any rule, regulation, or order of the Commission thereunder.

"(c) The Commission may employ such attorneys as it finds necessary for proper legal aid and service of the Commission or its members in the conduct of their work, or for proper representation of the public interest in investigations made by it, or cases or proceedings pending before it, whether at the Commission's own instance or upon complaint, or to appear for or represent the Commission in any case in court; and the expenses of such employment shall be paid out of any funds of the Commission.

"(d) Any person knowingly and willfully violating any provision of this statute, or any rule, regulation, requirement, or order thereto, or any term or condition of any certificate shall, upon conviction thereof, be fined not more than $100 for the first offense and not more than $500 for any subsequent offense. Each day of such violation shall constitute a separate offense.

"Expenses of investigations and other proceedings

"19. (a) All reasonable expenses of any investigation, or other proceeding of any nature, conducted by the Commission, of or concerning any carrier, and all expenses of any litigation, including appeals, arising from any such investigation or other proceeding, shall be borne by such carrier. Such expenses, with interest at not to exceed 6 per centum (6%) per annum may be charged to operating expenses and amortized over such period as the Commission shall deem proper and be allowed for in the rates to be charged by such carrier. When any such investigation or other proceeding has been initiated it shall be the duty of the carrier to pay to the Commission, from time to time, such reasonable sum or sums as, in the opinion of the Commission, are necessary to cover the expenses which by this section are required to be borne by such carrier. The money so paid by the carrier shall be deposited in the name and to the credit of the Commission, in any bank or other depository located in the Metropolitan District designated by the Commission, and may be disbursed by the Commission for the purpose of defraying expenses of the investigation, proceeding, or litigation in question. Any unexpended

balance of the sum or sums so paid by such carrier remaining after the payment of such expenses shall be returned to such carrier.

"(b) The amount expended by the Commission in any calendar year in all investigations or other proceedings of or concerning any one carrier shall not exceed—

"(1) one-half of one per centum of the gross operating revenues of such carrier, derived from transportation subject to this Act, for its last preceding fiscal year; or

"(2) in the case of a carrier which was not engaged in such transportation during the whole of its last preceding fiscal year, one-half of 1 per centum of the average gross operating revenues, derived from transportation subject to this Act, of all other carriers (exclusive of carriers to which this subparagraph (2) applies) for their last preceding fiscal year.

"(c) For the purpose of subsections (a) and (b) of this section—

"The provisions of this section shall apply to any person engaged in transportation subject to the Act and any person who makes application under Section 4 for a certificate of public convenience and necessity.

"Applicability of other laws

"20. (a) Upon the date this Act becomes effective, the applicability of all laws of the signatories, relating to or affecting transportation subject to this Act and to persons engaged therein, and all rules, regulations and orders promulgated or issued thereunder, shall except to the extent in this Act specified, be suspended, except that—

"(1) The laws of the signatories relating to inspection of equipment and facilities, wages and hours of employees, insurance or similar security requirements, school fares, and free transportation for policemen and firemen shall remain in force and effect.

"(2) Upon the date this Act becomes effective, Certificates of Public Convenience and Necessity or Permits issued by the Interstate Commerce Commission to any carrier subject to the jurisdiction of this Commission shall be suspended only during the existence of this compact, provided such suspension shall not affect the authority of such certificate or permit-holder to transport special and chartered parties as now authorized by the Interstate Commerce Act and the rules and regulations promulgated thereunder by the Interstate Commerce Commission, notwithstanding any other provisions of this Act.

"(b) In the event any provision or provisions of this Act exceed the limits imposed upon the legislature of any signatory by the Constitution of such signatory, the obligations, duties, powers or jurisdiction sought to be conferred by such provision or provisions upon the Commission shall be ineffective and such obligations, duties, powers or jurisdiction shall remain in the signatory and shall be exercised by the agency thereof to which such obligations, duties, powers or jurisdiction are delegated by law in effect at the time this compact becomes effective. Such agency, however, in order to achieve the objective of this compact to effectuate the regulation of mass transit on a unified and coordinated basis throughout the Metropolitan District, shall refer to the Commission for its recommendations all matters arising under this Title so reserved to such signatory and all matters exempted from this Title pursuant to the proviso clause of Section 1(b) of this Title. The recommendations of the Commission with respect to such matters shall be advisory only.

"Existing rules, regulations, orders, and decisions

"21. All rules, regulations, orders, decisions, or other action prescribed, issued, made, or taken by the Interstate Commerce Commission, the Public Utilities Commission of the District of Columbia, the Public Service Commission of Maryland, or the State Corporation Commission of Virginia, and which are in force at the time this section takes effect, with respect to transportation or persons subject to this Act, shall remain in effect, and be enforceable under this Act and in the manner specified by this Act, according to their terms, as though they had been prescribed, issued, made, or taken by the Commission pursuant to this Act, unless and until otherwise provided by such Commission in the exercise of its powers under this Act.

"Transfer of records

"22. The Public Utilities Commission of the District of Columbia, the Interstate Commerce Commission, the State Corporation Commission of Virginia, and the Public Service Commission of Maryland shall transfer or make available to the Commission such of their records as pertain to matters which by this Act are placed under the jurisdiction of the latter Commission.

"Pending actions or proceedings

"23. (a) No suit, action, or other judicial proceeding commenced prior to the date this Act takes effect by or against the Public Utilities Commission of the District of Columbia, the Interstate Commerce Commission, the Public Service Commission of Maryland, or the State Corporation Commission of Virginia, or any officer of any such commission in his official capacity or in relation to his discharge of official duties, shall be affected by the enactment of this compact and same shall be prosecuted and determined in accordance with the law applicable at the time such proceeding was commenced.

"(b) To the extent that the Commission determines such action to be necessary or appropriate in the exercise of the powers and duties vested in or imposed upon it by this Act, such Commission shall continue and carry to a conclusion any proceeding, hearing, or investigation which, at the time this compact takes effect, is pending before the Public Utilities Commission of the District of Columbia, the Interstate Commerce Commission, the Public Service Commission of Maryland, or the State Corporation Commission of Virginia. In the event the Commission assumes jurisdiction in any such case, it shall be governed by the provisions of this compact and not by the provisions of law applicable at the time the proceedings were instituted.

"Annual report of the Commission

"24. The Commission shall make an annual report to the Governor of Virginia and the Governor of Maryland, and to the Board of Commissioners of the District of Columbia as soon as practicable after the 1st day of January of each year, which shall contain, in addition to a report of the work performed under this Act, such other information and recommendations concerning passenger transportation within the Metropolitan District, as the Commission deems advisable."

SEC. 2. The Commissioners of the District of Columbia are authorized and directed to enter into and execute on behalf of the United States for the District of Columbia a compact substantially as set forth above with the States of Virginia and Maryland and are further authorized and directed to carry out and effectuate the terms and provisions of said compact, and there are hereby authorized to be appropriated such funds as are necessary to carry out the obligations of the District of Columbia in accordance with the terms of the said compact.

SEC. 3. That, upon the effective date of the compact and so long thereafter as the compact remains effective, the applicability of the laws of the United States, and the rules, regulations, and orders promulgated thereunder, relating to or affecting transportation under the compact and to the persons engaged therein, including those provisions of section 6(e) of the District of Columbia Traffic Act, 1925, as amended by the Act approved February 27, 1931 (46 Stat. 1426; Sec. 40-603(e), D.C. Code, 1951 edition), relating to the powers of the Public Utilities Commission of the District of Columbia and the Joint Board created under such section, is suspended, except as otherwise specified in the compact, to the extent that such laws, rules, regulations, and orders are inconsistent with or in duplication of the provisions of the compact: *Provided,* That upon the termination of the compact, the suspension of such laws, rules, regulations, and orders, if not theretofore repealed, shall terminate and such laws, rules, regulations, and orders shall thereupon again become applicable and legally effective without further legislative or administrative action: *Provided further,* That nothing in this Act or in the compact shall affect the normal and ordinary police powers of the signatories and of the political subdivisions thereof and of the Director of the National Park Service with respect to the regulation of vehicles, control of traffic and use of streets, highways, and other vehicular facilities: *Provided further,* That nothing in this Act or in the compact consented to and approved hereby shall impair or affect the rights, duties, and obligations created by the Act of July 24, 1956 (ch. 669, 70 Stat. 598), granting a franchise to D.C. Transit System, Inc.: *Provided further,* That nothing in this Act or in the compact consented to and approved hereby shall impair or affect sections 5(2)(c) and (13) of the Interstate Commerce Act (54 Stat. 906, 909, 63 Stat. 486, Title 49 U.S.C. sections 52(c) and (13)), and the Washington Metropolitan Area Transit Commission shall comply with the same: *And provided further,* That nothing herein shall be deemed to render inapplicable any laws of the United States providing benefits for the employees of any carrier subject to this compact or relating to the wages, hours, and working conditions of employees or any carrier, or to collective bargaining between the carriers and said employees, or to the rights to self-organization, including, but not limited to, the Labor-Management Relations Act, 1947, as amended, and the Fair Labor Standards Act, as amended.

SEC. 4. The consent and approval of Congress set forth in the first section of this Act is given on the express condition that sections 4(d)(3) and 12(d) of article XII of such compact shall not be used to break a lawful strike by the employees of any carrier authorized to provide service pursuant to such compact.

SEC. 5. Jurisdiction is hereby conferred (1) upon the United States Court of Appeals for the Fourth Circuit and the United States Court of Appeals for the District of Columbia Circuit, respectively, to review orders of the Washington Metropolitan Area Transit Commission as provided by section 17, article XII, title II, of the Washington metropolitan area transit regulation compact, and (2) upon the United States district courts to enforce the provisions of said title II as provided in section 18, article XII, title II, of said compact.

SEC. 6. The right to alter, amend, or repeal this Act is hereby expressly reserved.

Mr. WILLIS (during the reading of the joint resolution). Mr. Chairman, I ask unanimous consent that further reading of the joint resolution be dispensed with and that it be printed in the RECORD and that the joint resolution be open to amendment at any point.

Mr. CANNON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WILLIS. Mr. Chairman, this is a very long resolution. Everyone knows what it is. Therefore, Mr. Chairman, I move that further reading of the joint resolution be dispensed with and that it be printed in the RECORD and that it be open to amendment at any point.

The CHAIRMAN. The question is on the motion offered by the gentleman from Louisiana [Mr. WILLIS].

The motion was agreed to.

The CHAIRMAN. The Clerk will report the first committee amendment.

Mr. WILLIS. Mr. Chairman, all of the committee amendments are technical and perfecting in nature, and I ask unanimous consent that they be considered en bloc.

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

Mr. CANNON. Mr. Chairman, I trust that the gentleman will include the amendment which I have at the Clerk's desk.

The CHAIRMAN. No; the committee amendments must be disposed of first.

Is there objection to the request of the gentleman from Louisiana [Mr. WILLIS].

Mr. CANNON. Mr. Chairman, I merely want to serve notice that I expect to offer an amendment at page 29 of the joint resolution.

The CHAIRMAN. Is there objection to the motion offered by the gentleman from Louisiana [Mr. WILLIS].

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 14, line 14, strike the word "taxicab" and insert in lieu thereof "taxicabs".

Page 25, line 1, strike the word "superseded" and insert in lieu thereof "suspended".

Page 42, line 3, strike the word "Commissioner's" and insert in lieu thereof "Commission's".

Page 50, line 10, strike the word "compact" and the period and insert "compact: *Provided,* that the said Commissioners shall not adopt any amendment to the said compact for the District of Columbia under the provisions of section 1 of Article IX of the compact unless the said amendment has had the consent or approval of the Congress."

Page 51, line 16, after the colon strike all the language through the word "same" on line 22, and insert in lieu thereof "*Provided further,* That the term 'public interest' as used in Section 12(b) of Article XII, Title 11 of the compact shall be deemed to include, among other things, the interest of the carrier employees affected:".

Page 52, line 5, after the word "amended." add the following: "Notwithstanding any provision of this section to the contrary, the jurisdiction of the Public Utilities Commission of the District of Columbia and of the Interstate Commerce Commission over all carriers and persons subject to the provisions of the Washington Metropolitan Area Transit Regulation Compact are hereby transferred, as and to the extent provided therein, to the Washington Metropolitan Area Transit Commission."

Page 52, line 12, insert before "SEC. 5." the following new section 5.

"SEC. 5. The consent of Congress is granted upon the condition that, within three years from the date of this enactment, section 1(a)(4) of Article XII of the compact be amended as set forth below, and, in the event the compact is not so amended within such specified time, the suspension of the applicability of the laws of the United States, and the rules, regulations or orders promulgated thereunder shall terminate with respect to the transportation specified below and any carrier whose only transportation over a regular route within the Metropolitan District is such transportation shall not be deemed a carrier subject to the compact.

"'(4) transportation performed in the course of an operation over a regular route between a point in the Metropolitan District and a point outside the Metropolitan District, including transportation between points on such regular route within the Metropolitan District, if authorized by certificate of public convenience and necessity or permit issued by the Interstate Commerce Commission as to interstate and foreign commerce, and any carrier whose only transportation within the Metropolitan District is within this exemption shall not be deemed to be a carrier subject to the compact.'"

Page 52, change "SEC. 5" to "SEC. 6."

Page 52, change "SEC. 6" to "SEC. 7(a)" and add the following new subsections:

"(b) The Washington Metropolitan Area Transit Commission shall submit to Congress copies of all periodic reports made by that Commission to the Governors, the Commissioners of the District of Columbia and/or the Legislatures of the compacting States.

"(c) The Congress or any Committee thereof shall have the right to require the disclosure and furnishing of such information by the Washington Metropolitan Area Transit Commission as is deemed appropriate by the Congress or any of its Committees. Further, Congress or any of its Committees shall have access to all books, records and papers of the Washington Metropolitan Area Transit Commission as well as the right of inspection of any facility used, owned, leased or under the control of said Commission."

Page 2, line 18, after "Maryland" insert "(ch. 613, Acts of General Assembly 1959)".

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

The CHAIRMAN. At this time the Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CANNON: Page 28, at close of section 8, insert "*Provided, however,* That the Commission shall have no authority to increase fares in the District of Columbia."

The CHAIRMAN. The gentleman from Missouri [Mr. CANNON] is recognized.

Mr. WILLIS. Mr. Chairman, I make a point of order against the amendment, but I will reserve the point of order.

The CHAIRMAN. The gentleman from Louisiana reserves the point of order.

Mr. CANNON. Mr. Chairman, the point of order comes too late.

The CHAIRMAN. The Chair will pass upon the point of order at the proper time.

Mr. CANNON. Mr. Chairman, this is a bill which affects not only the District of Columbia and the two neighboring States but it also affects every State in the Union; it affects the constituents of every Member of the House. Daily there come to Washington thousands of people from every part of the country who usually comment on our excellent taxicab service and the reasonable fares charged—fares that are satisfactory both to the patron and to the drivers.

The taxicab fares of the District have been increased in the last year or two and are evidently approved by the drivers as it has been found necessary to limit the number of cabs in the city and there is a long waiting list of applicants.

If fares were not ample there would not be so many applicants on the waiting list.

But notwithstanding the very efficient operation of the present system—to all concerned—and the general approval of the present system, it is now proposed to change it and turn it over to a commission which "shall have the duty and the power to prescribe reasonable rates for transportation by taxicab only."

Why is this bill limited to taxicabs only? And note the latitude of the power conferred on the commission:

The fare or charge for such transportation may be calculated on a mileage basis, a zone basis, or any other basis approved by the commission.

The commission is given what amounts to carte blanch.

We have had experience with regulatory agencies—both State and Federal. For some time the papers have been full of criticism of regulatory commissions and their relations with the agencies they are supposed to regulate.

But the most alarming feature of this proposed change—a change which affects every resident of the city and every visitor to the city—is that the bill not only makes it possible for them to raise taxicab fares without consulting Congress at all, something that has never been true before in the history of the District, but by this bill we are also forever abdicating the authority we have exercised all these years and turning it over to a commission which will beyond the shadow of a doubt increase taxicab fares at the first opportunity.

That is the purpose of this legislation.

The bill destroys the system which has been in effect ever since there have been taxicabs and which has given such excellent service through the years.

We should preserve the right of Congress to review the subject and to protect the public from exorbitant charges.

We will be fair; the House is always fair. This Congress is always fair to the District of Columbia and to every service agency in the District and will always be fair to the taxicab service and its patrons.

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

Mr. CANNON. Will my friend permit me to finish; then I shall be glad to yield. I have only 5 minutes, the only time out of all the debate allotted to anyone opposed to the bill.

We certainly should keep within our hands the authority we have exercised so long and so effectively—to review this situation at will. That is my only contention.

We should not here, so late in the evening, with so few people on the floor take irrevocable action on a matter of such importance to the residents in the

District and to all visitors to the National Capital. Few of the Members of the House knew the subject was under discussion. I never heard of it myself until it was brought up just now. That might be all right for temporary legislation but not for such a drastic and fundamental change in the authority of the Congress in District affairs.

In all the debate here nobody has even referred to an increase in fares. And yet that is the heart of the matter. This is a bill to control taxi fares in the District of Columbia. And that means increase fares in the District of Columbia.

Let us pass this bill just as it is. Let us leave in the bill all they claim is needed—all the advantages they have cataloged. But let us keep this one little reservation—this one little limitation—this one time-honored prerogative of the U.S. Congress to protect the public from exorbitant charges for transportation.

The CHAIRMAN. Does the gentleman from Louisiana [Mr. WILLIS] withdraw his point of order?

Mr. WILLIS. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. WILLIS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Missouri [Mr. CANNON].

Mr. Chairman, first with reference to the point of order which I think would have been proper, but I might as well face the amendment on its merits, this is a compact bill, this is a bill word for word in the language of the acts of the Legislatures of Virginia and Maryland.

What the gentleman is seeking to do is to amend the compact, which we should not do. That would defeat the bill. You would have to send it back to the Legislatures of Maryland and Virginia. So that disposes of that matter.

Mr. Chairman, I asked the gentleman from Missouri to read one plain sentence in this compact which negates his amendment. What the gentleman wants to do is already in this bill. I asked the gentleman to read it a while ago. He read it, but still he wanted to offer his amendment, which is all right with me.

Here is what the compact says:

> The Commission shall have the duty and the power to prescribe reasonable rates for transportation by taxicab only between a point in the jurisdiction of one signatory party and a point in the jurisdiction of another signatory party provided both points are within the metropolitan district.

In other words, the Public Utilities Commission of Washington will still have jurisdiction to regulate taxicabs in the District of Columbia. The authorities of the nearby counties of Maryland, and Virginia, will still have authority to regulate taxicab fares in those areas. The city council or city authorities of Alexandria, Va., will still have authority to fix taxicab fares in that area.

This is an interstate compact. It will have authority to limit fares of persons, let us say, who desire to catch a plane, and leave the House Office Building in the District of Columbia and go to the National Airport. That is what the bill covers. It is an interstate compact. It has nothing to do with the regulation of the taxicab fares solely within the District of Columbia.

As to abdication forever of the powers of Congress, I will say to my very dear friend, if he will kindly look at page 54 of the bill he will see the following sentence:

> The right to alter, amend, or repeal this Act is hereby expressly reserved.

So, if anything horrible should come—it cannot come—with respect to District taxicab fares, and if anything untoward and distasteful to the Congress should arise, we do not have to abdicate for 50 years, we can amend it next year.

Mr. Chairman, I ask that the pending amendment be defeated.

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

Mr. WILLIS. I yield to the gentleman from Missouri.

Mr. CANNON. Under this bill, and using the gentleman's own language, if you should call a taxicab to take you from the Capitol to the airport, under the authority conveyed by this bill the Commission could lower the taxicab rate between the Capitol and the airport, could it not?

Mr. WILLIS. Yes. They can do it now.

Mr. CANNON. They could raise them now?

Mr. WILLIS. That is right.

Mr. CANNON. That is the very thing the amendment seeks to guard against. The imposition of unreasonable fares. In this bill the Congress is asked to divest itself of the authority we have exercised for more than 150 years.

Mr. WILLIS. I am no authority on ratemaking or rate fixing, but the evidence presented is that actually the reverse could very well happen and that we will probably get relief on taxicab fares between here and Virginia and here and Maryland. I am no expert, but the answer is technically, yes. That is why the commission is created.

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

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

There was no objection.

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

Mr. WILLIS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. There is no regulatory body today that fixes the fares from one State to another or from one State to the District of Columbia.

Mr. WILLIS. That is right.

Mr. WALTER. So that in the hypothetical case that we have before us, if we go from the House Office Building to the airport, the fare is whatever it is customary for the carrier to charge.

Mr. WILLIS. Yes, I hope the amendment will be defeated.

Mr. POFF. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment for two reasons. First of all because it is utterly unnecessary and, secondly, because it is improperly drafted to accomplish the purpose which its author has said he intended it to accomplish. The language as he has presented it is as follows: Provided, however, that the commission shall have no authority to increase rates in the District of Columbia.

Mr. CANNON. If the gentleman will yield, that is all we ask in this bill. Establish the Commission, give them all the authority they ask, provide them every advantage which this bill may or may not offer, but in so doing give the Congress and the public this one little reservation. Reserve to the Congress the right to increase fares in the District of Columbia. We have had experience with these regulatory commissions for some time now.

Mr. POFF. The point is that the languge is ambiguous. It says "in the District of Columbia." That language might be interpreted to mean a trip which originated or terminated in the District of Columbia, and therefore it would not accomplish the purpose which the gentleman seeks to accomplish.

Mr. CANNON. If the gentleman will yield further, Congress now has authority to regulate the fares in the District of Columbia. All we are asking here is that the right which has long been exercised and exercised to the satisfaction of everybody concerned shall not permanently be taken away from the Congress.

Mr. POFF. Mr. Chairman, as I am sure the gentleman will understand, the fares in the District of Columbia are regulated by the Public Utilities Commission of the District of Columbia. This bill would not in any way abdicate any authority which the Congress now has with respect thereto.

Mr. CANNON. Mr. Chairman, if the gentleman will yield further, I remember very distinctly an occasion on which this same Commission that you are talking about now brought in a resolution under which they sought to increase the fares in the District of Columbia, and on the floor of this House, within the recollection of many Members who are still here, we refused to do it. We exercised our prerogative over the authority of the Commission and prevented them from increasing fares at that time.

Mr. POFF. But the gentleman is not responsive to the point I am making; namely, that the Congress, in the passage of this legislation, is simply giving approval to the compact entered into between two States and in which the District of Columbia will join. It is not in any way an abdication of the authority Congress has today.

Mr. Chairman, anyone who understands the English language can read the language on page 28 and page 29 of the bill and he cannot fail to understand that the commission will have the authority to regulate taxicab fares only with respect to those trips which orig-

inate in the District and move to another State or move from a State to the District.

One more point before I conclude, Mr. Chairman. The reason it is imperative that the commission regulate the interstate traffic in the interstate taxicab business, of course, is that there is no such authority today and the situation is in utter chaos. There is no regulation whatever with respect to the fare on a trip which originates in the District of Columbia and goes to Virginia or Maryland, or one which originates in Maryland or Virginia and goes to the District of Columbia. Under this compact the commission would be allowed to regulate the fare and I should think that would be something the gentleman from Missouri would strongly approve.

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

Mr. POFF. I yield to the gentleman from South Carolina.

Mr. McMILLAN. Mr. Chairman, I should like to ask the gentleman one question which involves a problem in which I believe the gentleman from Missouri [Mr. CANNON] is greatly interested in. There is nothing in this bill that would permit the compact commission to give permission to taxicabs of the District of Columbia to use meters, is that correct?

Mr. POFF. The gentleman is exactly correct. The gentleman agrees with me that the Public Utilities Commission of the District of Columbia will not be deprived of any modicum of the authority it now has and the Congress does not abdicate any authority that it has.

Mr. McMILLAN. That is right. I heartily support the bill as it does not take any authority from the Congress or District Utilities Commission.

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

Mr. POFF. I yield to the gentleman from New York.

Mr. LINDSAY. It is true also—and I think it bears restatement—as the gentleman from Virginia pointed out, that at the present time there is no regulatory agency that controls in any way the fixing of fares between one State and the District of Columbia?

Mr. POFF. That is correct, of course.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. POFF] has expired.

Mr. LINDSAY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

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

Mr. HOFFMAN of Michigan. Mr. Chairman, reserving the right to object, are you going to let the gentleman from Missouri talk after a while?

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. LINDSAY].

There was no objection.

Mr. LINDSAY. One question. It is correct, is it not, that in the present situation there is nothing to prevent competing carriers from agreeing upon the prices of fares between, say, the airport and the Capitol?

Mr. POFF. Of course, if they did, they would likely be in violation of the antitrust laws; would they not?

Mr. LINDSAY. What the gentleman from Louisiana said is absolutely correct, that the effect of this legislation, if anything, would be to reduce the interstate fares that now exist?

Mr. POFF. Exactly.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do not intend to take 5 minutes unless the gentleman from Missouri [Mr. CANNON] would like some time. I would like to ask whether this compact between the States will encourage the States of Virginia and Maryland and to help build some of these bridges across the Potomac that the taxpayers of the whole country are building?

Mr. WILLIS. It would not.

Mr. GROSS. I am sorry to hear that. I had hoped that I could vote for the bill. I am glad to yield to the gentleman from Missouri [Mr. CANNON] at this time.

Mr. CANNON. This bill is merely a new form of an old campaign—a campaign to impose exorbitant taxi fares. Some years ago a District of Columbia agency, without consulting Congress, issued an order raising taxicab fares. Promptly the next day a resolution was offered on the floor and unanimously agreed to rescinding the order.

But if this bill becomes a law Congress would be helpless. We would have delegated all authority and a commission in response to a request from high-powered lawyers and high-paid actuaries would decide against the public and in favor of the stockholders. That is not an idle statement, we have seen it happen.

Let us pass this bill just as it is—with this one simple amendment. Let us give them everything that is in the bill, let us include everything they suggest, everything they have written in here, but let us keep our hands on the right to review increases in rates. That is what this amendment will do.

Mr. HARRIS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do not know that I want to get into this little friendly controversy here unless I get some information on some questions I should like to ask as to the effect of this compact.

As I understand from what the gentleman from Louisiana has said, he has adequately answered the question raised by the gentleman from Missouri. I also understand that if the amendment is adopted it will effectively kill the proposed compact. But now I should like to ask the distinguished gentleman from Louisiana, What authority does this take away from the Interstate Commerce Commission with reference to interstate rates such as motor rates, bus rates, railroad rates, and so forth?

Mr. WILLIS. I think the gentleman is talking about rates from within the area involved?

Mr. HARRIS. The metropolitan area.

Mr. WILLIS. I believe it would not disturb the authority of the Interstate Commerce Commission.

Mr. HARRIS. As I understand, this is not limited to taxicabs, is it?

Mr. WILLIS. I am sorry, I misjudged the question of the gentleman.

Mr. HARRIS. Under the Interstate Commerce Act the Interstate Commerce Commission has certain authority over interstate operations, as the gentleman well knows. That has to do with motor transportation, some rail transportation as the case may be from Virginia into the District of Columbia, bus transportation, and so forth. Does this take that authority within this area from the Interstate Commerce Commission?

Mr. WILLIS. As to the jurisdiction over passengers, which is the only thing this bill reaches, the Commission would have authority to establish rates, and therefore, to the extent that the Interstate Commerce Commission might do it, and the gentleman knows more about the jurisdiction of the Interstate Commerce Commission with reference to taxicabs and transportation of persons than I do, but in this zone involved in the metropolitan area, to that extent it would be my opinion that the jurisdiction of the Interstate Commerce Commission would be suspended. It is my understanding that the ICC does not now regulate this matter, having classified it a metropolitan zone, thereby leaving it subject to local regulation. The only local transportation, I believe, which the ICC now regulates in or near Washington are certain fares between the District of Columbia and the Pentagon.

Mr. HARRIS. I am not too concerned about the passenger business, I think maybe there should be some coordination of it. But what about freight?

Mr. WILLIS. This bill does not involve the transportation of freight.

Mr. HARRIS. It does not involve transportation otherwise at all other than passengers; is that correct?

Mr. WILLIS. It involves the transportation of passengers, that is correct.

Mr. HARRIS. What about helicopter transportation that they say some day is going to be provided?

Mr. WILLIS. It does not affect transportation by air. It is intended to regulate mass transportation only.

Mr. HARRIS. Only transportation by land?

Mr. WILLIS. That is correct. Transportation by land.

Mr. HARRIS. May I ask the gentleman one other question? Under the present procedure, the Federal Aviation Agency enters into a contract for the franchise for taxicab and limousine service. Of course, they have had that for years. This is a franchise for limousine and taxicab service at the National Airport. It will, I assume, pursue the same procedure in connection with Dulles International Airport. That particular contract or franchise does bring to the Agency, and that is the Government, substantial revenue. You would be surprised to know how much it brings to the Government.

Mr. WILLIS. So that I may be able to follow the gentleman, he is discussing now transportation between what points?

Mr. HARRIS. I am talking about the contract for the franchise to go to the airport just as a company would have a franchise to go to the Union Station. Certain people have the contract and they are authorized to serve that area. Would this in any way give the commission supervisory authority or would it supersede the contract that the Federal Aviation Agency could enter into with the limousine or taxicab service for that purpose?

Mr. WILLIS. The commission, if I understand the question, would ultimately have to approve the contract.

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

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes. I think this is important and I would like to clear it up.

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

There was no objection.

Mr. HARRIS. If we do not know what we are doing, we could very well take substantial revenue from the airport and that would affect the operation of the airport. I happen to know that under a contract which the administrator of the Federal Aviation Agency now enters into with whatever the name of the company is, that operate limousine service and taxicab service at the airport, to carry passengers wherever they want to go, substantial revenue is obtained from that source. What I want to know, really, Will this affect that authority?

Mr. WILLIS. The arrangement or the contract—and I still am not sure I understand the question—would have to be approved by this regulatory agency or by this Commission.

Mr. HARRIS. I wonder if the gentleman understands me. I do not mean the rates that they charge from the airport to the District of Columbia or to some other place. I mean the amount of contracts that they enter into for the privilege of serving that airport.

Mr. WILLIS. Counsel for our committee tells me that that is a private contract by which the carrier would pay the FAA for the privilege of using airport facilities. Definitely the revenues would still be enjoyed by the FAA, as they presently are. However, the regulation of the rates for carriage of passengers if the carrier is a taxicab company, limousine service, or bus company, and so forth, would come under the jurisdiction of the new Commission. Otherwise, it is not disturbed.

Mr. HARRIS. In order that the legislative history may be made on it: Is it the intention of the committee that this compact commission would take into consideration the contract they might have with whatever limousine or taxicab company has it in fixing the rates?

Mr. WILLIS. Yes, it would necessarily have to consider that as well as other pertinent factors.

Mr. HARRIS. I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. CANNON].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration House Joint Resolution 402, granting the consent and approval of Congress for the States of Virginia and Maryland and the District of Columbia to enter into a compact related to the regulation of mass transit in the Washington, District of Columbia metropolitan area, and for other purposes, pursuant to House Resolution 543, he reported the resolution back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The joint resolution was ordered to be engrossed.

The SPEAKER. Without objection, the amendment to the preamble will be agreed to.

There was no objection.

The joint resolution was ordered read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 690) to provide for the increased use of agricultural products for industrial purposes, with a House amendment thereto, insist on the House amendment 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 Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, ABERNETHY, HOEVEN, and DIXON.

AMENDING TITLE 5 OF THE AGRICULTURAL ACT OF 1949

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 546, Rept. No. 1745), which was referred to the House Calendar and ordered to be printed:

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. 12176) to amend title V of the Agricultural Act of 1949, 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 Committee on Agriculture, 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.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that 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.

ROLLCALLS ON WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that in the event of rollcalls on Monday or Tuesday of next week on a bill, motion to recommit, or amendment, that the rollcalls be postponed until Wednesday. I make this request because of several primaries on Tuesday.

Mr. ARENDS. Mr. Speaker, reserving the right to object, and I shall not, as I understand there is no legislation for tomorrow.

Mr. McCORMACK. That is true.

Mr. ARENDS. Mr. Speaker, I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, reserving the right to object, if the gentleman is asking that rollcall votes on Monday or Tuesday be postponed on account of the primary in Iowa, he does not need to as far as I am concerned.

Mr. McCORMACK. There are primaries in several other States: California, New York, and Mississippi; there are several primaries.

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

There was no objection.

INTERNATIONAL RECOGNITION OF FRANCIS E. WALTER

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

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

There was no objection.

Mr. CHELF. Mr. Speaker, it has been my pleasure and privilege to serve as a member of the U.S. Delegation to the 12th Session of the Council of Intergovernmental Committee for European Migration held at Naples, Italy, from May 5 until May 14 of this year on the invitation of the Italian Government, along with our colleagues, FRANCIS E. WALTER, of Pennsylvania, and DONALD JACKSON, of California.

Italy's purpose in extending the invitation was to highlight ICEM's achievements through participation by the Council in the departure from Naples of

the 1 millionth migrant under ICEM auspices, a refugee boy 10 years of age, and to call attention again to the continuing need for emigration from Europe facilitated by the cooperation of the 29 member governments.

For the past 3 years ICEM has been going through a period of adjusting its operations to the changed conditions in the countries of emigration in Europe and the immigration countries overseas. Generally speaking the economic position of the emigration countries in Europe has improved while that of the immigration countries in Latin America has worsened comparatively.

Emigration from the overpopulated countries of Europe, Italy, the Netherlands, Greece, and Spain must continue and refugees must still be resettled from Austria, Germany, Greece, and Italy. However, whereas ICEM has concentrated in the past on the European aspects of the problem more attention must now be given to the problems of the immigration countries, particularly in Latin America. The actual transport of migrants and refugees from Europe has become less of a problem and ICEM's attention is now focused more on the catalytic actions which ICEM can take to stimulate migration by increasing the potentials of reception in the immigration countries.

At the opening session of ICEM's Council, our colleague and friend, the distinguished gentleman from Pennsylvania [Mr. WALTER], was unanimously elected, by the some 28 countries present, to serve as the Council's Chairman. I believe that my colleagues in the House would like to get acquainted with what the international community composed of the world's best experts and specialists in the matters of migration of workers and refugees had to say about the gentleman from Pennsylvania. Needless to say that "TAD" WALTER served with a "terrific bang" of the gavel just as he does here in the House when he is serving as chairman of a committee. I was proud of my dear friend "TAD." I was proud of his great district and State that sent him to Congress. I was proud of America and the fact that God saw fit to allow me to be an American.

What follows is the verbatim transcript of the proceedings held at Naples, Italy, on May 5, 1960:

Ambassador BORGA (Italy) (translation from Italian). Mr. Chairman, as chief of the Italian delegation, I have the honour to propose the election of the Honorable FRANCIS E. WALTER as Chairman of the 12th Session of our Council. Mr. WALTER is so well known to all those who are aware of the recent problems of migration movements and particularly to those interested in the activities of ICEM, that I hardly need to describe his personality.

However, since it is customary for the proposer to dilate upon the characteristics and background of the person proposed, I should like to mention some of the outstanding events in Mr. WALTER's career. A graduate in law at the Georgetown University of Washington, D.C., he began his career in law and banking and took part in the public affairs of his native town, Easton, Pa., becoming solicitor of Northampton County. He took part in the First and Second World Wars, reaching the rank of commander in the U.S. Navy and was liaison officer with the Royal Air Force. He was elected to Congress for the first time in 1932, and was since reelected 14 times. He has now served in the Congress of the United States consecutively for 28 years.

Mr. WALTER became a member of the first special committee on foreign aid which, during the postwar period, prepared the Marshall plan under the chairmanship of the present Secretary of State, Mr. Herter.

In his capacity as the ranking Democrat, a member of the Judiciary Committee of the House and as chairman of the Subcommittee on Immigration and Nationality, Mr. WALTER has prepared and piloted through the Congress all the immigration and refugee acts which have been passed since the end of the Second World War until now.

On various occasions, Mr. WALTER has occupied the Speaker's Chair in the House of Representatives and, in this year alone, has presided over some of the most important debates of recent years, such as the discussions of the labour law and the bill relating to civil rights. Mr. WALTER initiated the convening of the Conference held in Brussels in 1951, which resulted in the setting up of ICEM. Since then, he has taken part in all the principal sessions of ICEM.

Mr. Chairman, I am sure that the Council will give its unanimous support to my proposal. Not only will your approval signify that you recognize the competence and authority of the Honorable FRANCIS E. WALTER in the matters before us, but it will also constitute a well-deserved tribute to his great country, the United States of America, which has given ICEM so much cause for gratitude.

Mr. ARNOTT (Australia) (original in English). I thank you, Mr. Chairman, for giving me the privilege of supporting the nomination put forward so ably by the distinguished representative of Italy. I sincerely hope that Congressman WALTER will be able to accept this nomination to preside over the deliberations of this very important meeting of ICEM's Council.

Congressman WALTER is the acknowledged premier authority on the matters we shall be discussing here during the next few days. His long devotion to the affairs of this organization with its complex and diverse problems, of which some from time to time almost defy the imagination, is so well known to us that the history of his association with them does not call for repetition. He may best perhaps be described as the father of ICEM and we all know so well that without his stanch support for its aims and his belief in its destiny, ICEM might easily be today a far less effective instrument than in fact it is.

Together with that other mainstay of the organization, its old friend George L. Warren, Congressman WALTER has brought ICEM through crises which at times seemed to weaken its strength if not indeed to threaten its very existence. Over the years, the emphasis on the various aspects of ICEM's objectives has changed and what was envisaged by many in the early days, perhaps as a relatively short-term operation of relieving population pressures in Europe, seems now to be a continuing operation which will have to be carried on for an unforeseeable time. Congressman WALTER's flexibility of mind has enabled him to see beyond the narrower short-term concept which I have just mentioned and he has dedicated himself imaginatively to the changing patterns of the work which ICEM has done and is still doing to bring into balance the economies of Western Europe and to bring new demographic, economic, and defense strength to the Western democracies of the free world.

The Australian Government attaches particular importance to all this because we believe that we have a particular and significant role to play in achieving the objectives of ICEM. Not only those which are written into its constitution, but equally, and perhaps more importantly, those which are implicit in the activities which ICEM has undertaken.

Although constitutionally, ICEM's function is economic and humanitarian at base, its operations have a particular political significance not only for Australia, but for the whole of the free world and in particular the Western World. By redistributing the population of overcrowded Western Europe to the outposts of Western culture and civilization, ICEM is assisting to build up the free world's capacity to resist the malignant forces which seem constantly to threaten the democratic way of life which is the most valuable part of our Western heritage. Australia's own geographical position places on her a special responsibility as a bastion for the free world in South and Southeast Asia. The essential strength of ICEM is its multilateral character whereby 29 nations join together to achieve a number of interlocking objectives. Individual members of this Council, of course, place different emphases on different aspects of these objectives. This is only to be expected, but the fact remains that they are all of them important and they are all inter-related. It must be a source of satisfaction to the founders of this organization that in the overall analysis of our activities, we find so coherent a pattern. It is, we believe, only Congressman WALTER's inspired and inspiring leadership in the work with which ICEM is concerned that has made this possible.

For this reason, Mr. Chairman, I feel proud and privileged to have this opportunity to support his nomination for the onerous duty of guiding our deliberations at this session of the Council. He has, in abundant measure, all the qualities required for this high position and he will surely carry out this important task with the same ability which has marked, over the years, his long and distinguished career of public service.

Mr. KUIJPERS (Belgium) (translation from French). Mr. Chairman, my delegation associates itself with the delegations of Italy and Australia in proposing Mr. WALTER as Chairman of this session, held in Naples.

I will not expatiate on the exceptional qualities of our American colleague, for that has been done eloquently and with objectivity by previous speakers. Although a new arrival to the Council, I have heard a great deal about Mr. WALTER, and I know that not only has he played, and is still playing, an important role in migration matters in his country, but also that he was the instigator of the setting up and development of ICEM. There is, moreover, a symbolic significance in the fact that Mr. WALTER should be Chairman of this session in Naples. Was it not in this city that almost 9 years ago an extremely important conference was held to study the problem of European emigration? In this respect Naples represents an important stage along the road toward the organization of international migration, like the capital of my own country, Brussels, where a few months later our committee was set up. It is therefore fortunate that in this city of Naples, which reminds us of all the efforts made on behalf of European workers, who are sometimes obliged to emigrate to far-distant countries, seeking better conditions in which to develop their personality and to raise their status as human beings—it is fortunate, I repeat, that a man like Mr. WALTER should have once again the opportunity of giving us the benefit of his exceptional experience.

In concluding, I should like to pay tribute to the Italian Government, and to thank it, together with the Direction and Secretariat of ICEM, for all they have done to insure the complete success of this session.

Mr. JANZ (Federal Republic of Germany) (translation from French). Mr. Chairman, this is the first time that I have had the

honor of representing my country at a meeting of the Council of the Intergovernmental Committee for European Migration. I have therefore not the pleasure of knowing personally all the ladies and gentlemen present. On instructions from my Government and on behalf of the delegation of the Federal Republic of Germany, I congratulate the committee on the proposal to elect Mr. WALTER as Chairman of the Council, which has our full support. The Government of the Federal Republic of Germany knows Mr. Walter well and is aware of his ability and well-balanced outlook. We confidently hope that given good health and help from above, he will be able to accomplish his task. Our sincere good wishes accompany him on his truly democratic and humanitarian task.

Mr. ARISTEGUIETA (Venezuela) (translation from Spanish). Mr. Chairman, on behalf of my country—and may I say also on behalf of the whole Latin American group—I wish to support the nomination of Mr. WALTER as Chairman of the Council because, in addition to all the qualities already mentioned by previous speakers, he happens to be an outstanding member of the Democratic Party, one of whose most distinguished Presidents initiated the "good neighbor policy between the countries of North and South America, a policy which will certainly be brought to a successful conclusion. I therefore wish to express the support of my delegation for the proposed nomination.

Mr. VLACHOS (Greece) (translation from French). Mr. Chairman: My delegation would like to give its cordial support to the eloquent proposal of Ambassador Borga that Mr. WALTER be elected Chairman of this session, a proposal already endorsed by other delegations. I should like my remarks to be considered as a token, however modest, of the gratitude of my delegation to Mr. WALTER and of my country to his country.

Ambassador PEHL (South Africa) (original in English). Mr. Chairman and delegates, I had not intended speaking but I find myself, having listened to all the things that were said about the proposal to nominate my near neighbor at this table to the Chair, in the position that I must also say how very pleased my country is to add its voice of approval to this, what I may say so, a very wise suggestion. So many good things have been said that I can say nothing more excepting that as one of the few delegates here who is permanently or semipermanently resident in Italy, I can think of no greater compliment to pay my hosts the Italian Government than to wholeheartedly support their proposal for this nomination.

Mr. ITURRIAGA (Spain) (translation from Spanish). Mr. Chairman, as so much has been said already, I will confine myself to supporting the nomination of Mr. WALTER, whom I have known and admired for many years.

Mr. LAOR (Israel) (original in English). Mr. Chairman, it would be difficult for me to add to all those words which have already been said here and I have wholeheartedly to endorse them and to congratulate the Italian Delegate on his idea on this proposal, to propose Congressman WALTER as our President. I can only congratulate ourselves to have this warmhearted friend of ours and of all the emigrants and refugees in the world as President of this meeting.

Mr. HAVEMAN (Netherlands) (original in English). Mr. Chairman, I would not like to miss this opportunity of joining the others in expressing how happy we are to see our good friend Mr. FRANCIS E. WALTER in the chair during this session; they have said already so many things about him and his career that I wouldn't dare to add more details to it, but during the course of this session I am quite sure that we will feel happier and happier having him in our chair.

The CHAIRMAN (Mr. Yarocostopoulos (Greece) (translation from French). Are there any other speakers? In the absence of other speakers, I declare Mr. WALTER elected unanimously Chairman of this session. I congratulate Mr. WALTER on his election. He is a distinguished Member of the Congress of the United States of America, and, since the establishment of ICEM has devoted great efforts to insuring the success of our organization. I will ask him to be good enough to take the chair.

Mr. WALTER (United States). Delegates to the Twelfth Session of the Intergovernmental Committee for European Migration, I assure you that I am deeply appreciative of this great honor and it is with a feeling of humility that I undertake the task that lies ahead.

When it was suggested to me some time ago that perhaps I would be selected as the Chairman of this meeting, I said that it seemed to me that an American ought not to take this position. I said this because it seems to me that an erroneous impression has been created throughout the world that the United States, in its desire to contribute to the tranquility and everlasting peace of the world, is endeavoring to dominate the activities of certain international organizations. I didn't want to do anything that would be construed as a contribution to that feeling which unfortunately exists on some sides. However, if I can make any contribution, of course, your humble servant is only too happy to do so.

I am inclined to think that perhaps in selecting me the remarks that I made in the Congress of the United States some months ago may have influenced you. I said there that it seemed to me that this great organization should readjust itself to present conditions. After all, when the organization was set up its very name indicates what the founding members had in mind—a Provisional Intergovernmental Committee. This, of course, was changed when it was realized and appreciated that migrant movements could contribute much more than merely relieve a situation that existed at that moment. The problem of under and overpopulation will continue for a long time to come. We ought to adjust our present activities to present conditions. I was reminded by George Warren, who played such a great part in the formation of this organization and who has labored so long and so efficiently to make its work really productive, that when we organized there were 16 nations and today there are 29. Having the various countries best interest in mind, I hope that we can direct our attention to a readjustment perhaps of our financial thinking. Times may change where it has been a relatively simple matter for those of us who have been interested in the activities of this organization to convince our colleagues in the Congress of the United States of the worthiness of this project. So far, I am very proud to say that in the number of times that I have presented requests for funds not once was there an objection raised nor was the amount I sought cut by one single penny. And in that work I want to pay tribute to two of my colleagues who came here to this session, Mr. CHELF, the member of my political party from the State of Kentucky, and Mr. JACKSON, the Republican member on the Foreign Affairs Committee. May I present my colleagues.

ICEM's Council session has followed Mr. WALTER's advice and has devoted most of its deliberations to the problems of adjusting ICEM's operations to changing conditions and of developing more effective methods of financing migration and the services that stimulate migration preoccupied the attention of the Council at Naples.

More specifically there was discussion of expanding ICEM's technical services to Latin American Governments to assist them to establish more adequate immigration administrations for the reception and placement of immigrants. All of the Latin American member governments made urgent pleas for more effective ICEM assistance in locating sorely needed skilled and semiskilled workers for the expanding industries in Latin America. There were demands also for assistance in placing experienced immigrant workers in agriculture and in developing projects for land settlement in order that development in agriculture keep pace with industrial development and make its contribution to balanced economic development as a whole. The Council particularly approved the establishment with ICEM assistance of a farm training and reception center for immigrant agricultural workers in the Argentine. Argentina, Italy, Spain, and the United States will join in the initial financing through ICEM of this experimental pilot project which all agreed had been soundly conceived and planned.

As one measure of increasing operational income the Council adopted a resolution directing the administration to seek opportunities to increase the proportion of migrants moved by ICEM who contribute to the costs of their own movements through prepayments before departure or repayments on passage loans after arrival in the immigration country. ICEM has had encouraging experience in developing migrant participation and further developments in this direction will tend to lessen the dependence on the U.S. contribution in financing ICEM's operations.

There was lively debate at the session at Naples on improving the methods of financing ICEM's operations generally. It has been the constant purpose of U.S. delegations to Council sessions to secure broader participation by other member governments in meeting the costs of ICEM's operations and to encourage member governments which benefit most from ICEM activities to raise the level of their financial contributions. At the Naples session the United States was, therefore, pleased to support the initiative of Italy and the Netherlands in establishing a Committee on Finance which will have the special task of reviewing the proportionate contributions to transport of the emigration country, the migrant, and the immigration country, and the assistance which ICEM is required to supply from its operating funds. The committee will also study better ways and means of financing ICEM's services. The expansion of these services in the Latin American countries will be dependent on the development of more adequate income to support them.

As was to be expected, each member government vigorously supported its own special interests in ICEM's activities at Naples. Nonetheless, the constant references in the discussions to the importance and essentiality of multilateral action in the field of migration gave proof that ICEM has met a real need

which governments of the free world recognize. Constant effort will be required to apply ICEM's services skillfully to the changing conditions in emigration and immigration countries.

STATE EDUCATIONAL FUNDS

Mr. DERWINSKI. 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 Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, last Thursday, the House, when considering the so-called Federal aid to education bill, accepted in the Committee of the Whole the Bow amendment, which would have permitted 25 percent of all the revenue raised on sales of cigarettes to remain in the respective States for educational purposes. The parliamentary procedure which followed and the resulting rejection by the House of this amendment prevented other amendments of similar philosophy to be offered.

My colleague, the distinguished gentleman from Florida [Mr. MATTHEWS], was prepared to offer an amendment providing that 1 percent of all Federal income taxes collected in each State remain in that State for use in its State educational fund.

Earlier this year, I introduced H.R. 10881, which is based on the same principles as this amendment, which would have returned funds to the States for educational and other purposes without Federal direction, control, or interference.

I have been consistent in my belief that intervention of the Federal Government in further levels of our educational system are unnecessary and highly undesirable. I believe as a matter of practicality that tax dollars contributed by the citizens of each State should be used for educational and other purposes within the respective State. It is a fallacy to believe that Federal aid could be possible without resulting controls. The history of Federal spending programs shows, most conclusively, the growth of a deadly bureaucracy to the detriment of the taxpayer and the person or persons intended to be served.

Mr. Speaker, may I further point out that money spent in Federal programs comes from the taxpayers in local communities. It is generated through the Federal Government, which increases the overhead cost, confuses programs with massive redtape, and punishes the taxpayer with bureaucratic misrule.

Mr. Speaker, I regret that the 1-percent amendment did not come before us for consideration, for had it been adopted by the House we would have had the necessary funds for the States to expand their school systems without the paralysis of Federal control. It is apparent from the profuse arguments uttered by the proponents of Federal aid, all claiming that their proposals would not impose control, that our fears, unfortunately, will be realized, and should the Congress finally pass legislation in this field our local school boards will ultimately face extinction.

Mr. Speaker, the education of our youth is the primary responsibility of the present adult generation. We have a heritage to transmit, and I am sure that none of us is callous with the need to improve our educational system. There is a vast difference, however, between education which equips a child to become a useful member of the community and some of the frills which have been associated with education. I am sure they would be advanced through the passage of the pending school construction bill.

The minority views included in the report of the Committee on Education and Labor on H.R. 10128 clearly show the great progress which has taken place in the last 10 school years in eliminating the so-called classroom shortage.

I have totaled the number of new classrooms built for each of the years from 1950 through 1960, and I find that we have constructed 593,710 new classrooms during the past decade. This is an amazing accomplishment, and I might remind my colleagues that no Federal assistance was required to build these added classrooms.

Any impartial examination of the available statistics clearly shows that in the future there will be a declining need for the construction of additional classrooms so that local tax resources should be adequate to meet all of the needs of America's future generation.

Mr. Speaker, my constituents, I know, when they are fully aware of the implications in the pending school construction bill, H.R. 10128, will support my vote against its enactment.

For some time there has been a tendency on the part of professional educators to concentrate on all of the frills of education rather than stressing a sound curriculum which, in turn, will give our youth the ability to compete in the very difficult international world they are entering.

Mr. Speaker, I opposed the enactment of this measure as I did not believe that it will contribute toward the improvement of our educational curriculum. It will merely establish another Federal bureaucracy and reduce the resources available to our citizens to enhance their own programs at the local level to educate the coming generation of Americans who must discharge the most difficult problems our people have ever faced.

FOURTEENTH ANNIVERSARY OF THE ITALIAN REPUBLIC

Mr. ADDONIZIO. 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 New Jersey?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, this is the 14th anniversary of the Italian Republic. June 2, 1946, marked not only the birth of the Republic of Italy, but it also marked a real turning point in Italy's long and tumultuous political history.

Italy's history has had its glories and grandeur, and is full of spectacular splendors, particularly in the realm of the arts and letters. Her gifts and contributions to Western civilization in those fields have been second to none. but in their modern history, and particularly in their recent history, the Italian people have suffered many misfortunes. For centuries their homeland was the hunting ground of warring emperors and mercenary soldiers, and until its unification late in the last century, the Italian people were not masters of their own destiny. After that epoch-making event in the 1870's and the establishment of the Kingdom of Italy, however, they took their fate in their own hands. Though the unified country was not rich in natural resources and was barely able to support its teeming millions, through the emigration of large numbers and by the acquisition of colonial areas in north Africa, they did cope with their most serious problem. But the two World Wars wrecked Italy's delicate economy, and this produced new forces in the country. The birth and growth of the Fascist movement was such a force.

The Fascists, under Mussolini, came to power in 1922, and during the entire interwar period, and for some years during the last war, ruled the country with a ruthless, iron hand. They hoped to raise Italy's standing among the powers of Europe by showing that the people of Italy under their leadership could fight and make conquests in other continents. The liberal and progressive elements in the country were opposed to the dictatorial regime of the Fascists, but the government persecuted them, and many of them sought refuge in other countries. Under Fascist dictatorship Italians lost their freedom and were suffering under regimentation.

When the last war came, the Italians were not only unprepared for such a war but sadly misled. The result was that they suffered infinitely more than any of their leaders could have imagined. But in that world carnage the Italian people were saved from the worst of evils—communism—by the victors in the West. The origin of today's Republic of Italy has its roots in the victory of Western armies, rather than the slow advance of the Red army, in and around Italy.

From the moment the Fascist regime was overthrown and the Nazi forces were chased out of Italy, the fate of the Italian people was in the hands of the Western Allies. Fortunately, the Allies, particularly the Government of the United States, showed great wisdom, friendship, and generosity in its dealings with the government and the people in Italy. With the minimum of interference while the country was under their overall supervision, the Allies allowed freedom to the Italians to choose their own form of government, administer it in their own way, and gradually take their fate entirely into their own hands. And 14 years ago, when the

people of Italy had their choice, to exercise freely and without interference, in the plebiscite held on June 2, they indicated their preference for a republican form of government, thus ushering in a new day in the history of Italy.

Since those anxious and hopeful days the youthful Republic of Italy has gone through her severe period of trial and has come out stronger and more firmly established. Through this period of storm and stress Italy's leaders, by their wise course in foreign affairs, and through carefully calculated and cautious internal moves, have discouraged the forces opposing the democratic regime of the country, and in this they have had the solid support of the people. Today the Italian people and their leaders celebrate the 14th anniversary of the founding of their republic and thus once more affirm their unwavering faith in democracy. Democracy and the republican form of government is firmly rooted in the Republic of Italy, and the young Republic has already become one of the pillars of democracy in the West.

KNIGHTS OF COLUMBUS HONOR CONGRESSMAN SHELLEY

Mr. McCORMACK. 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 Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, our distinguished colleague, the able gentleman from California, Hon. JOHN F. SHELLEY, was honored this past weekend in Berkeley, Calif., when he received the exemplification of the fourth degree of the Knights of Columbus, San Francisco Assembly. At this distinguished gathering in California there were over 2,000 members of this class from all of northern California. In honor of Congressman SHELLEY, the class was designated the "John F. Shelley class."

Following the ceremony Sunday afternoon, May 29, the gentleman from California, Congressman SHELLEY, delivered an address to the assembled Knights and their ladies at the evening banquet.

Our distinguished friend and colleague from California [Mr. SHELLEY] is not only a great American and an outstanding legislator, but he is a man of deep faith. His whole life symbolizes the deep faith that he has in his love of God and love of neighbor.

In his chapter naming this particular class in honor of the gentleman from California, Congressman SHELLEY, they selected from those being inducted a gentleman who met the signal attributes of the fourth degree Knights of Columbus, to wit: a deep religious mind and strong faith, and an intense love of country.

I know my colleagues will join with me in extending our heartfelt congratulations to our good friend from California, JACK SHELLEY, being the recipient of the distinction of having the class named in his honor.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill H.R. 11761.

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

There was no objection.

ANNOUNCEMENT

Mr. JONES of Missouri. Mr. Speaker, I had an appointment with an eye specialist at 2 o'clock yesterday afternoon and was in his office for treatment from 2 to 5 p.m. I missed three rollcalls. Likewise, today I was in his office from 10 o'clock until 12 o'clock receiving treatment, and missed the first rollcall. I take this opportunity to explain the reason for my absence.

PATENTS AND SPACE EXPLORATION

The SPEAKER. Under previous order of the House, the gentleman from Georgia [Mr. MITCHELL] is recognized for 40 minutes.

Mr. MITCHELL. Mr. Speaker, it is widely agreed that America has a high stake in the race into outer space. Paradoxically, we are nonetheless forcing the National Aeronautics and Space Administration to operate in second gear because of a faulty patent provision in its organic act.

I have served as chairman of a subcommittee of the Committee on Science and Astronautics which has conducted a thorough examination of the Government research problem as it affects our national space program. I believe it is imperative to delay no longer in bringing the matter to the attention of the House.

The National Aeronautics and Space Act currently requires that the Government acquire complete ownership of all inventions produced under NASA research and development contracts. The act does more. It does not allow a patent to be issued on any invention which appears to the Commissioner of Patents to have "significant utility" for the space program unless the applicant can show that his invention was made without any Federal assistance. Even then the would-be patentor may be overridden by the NASA Administrator and compelled to go to court for whatever rights he may have.

Mr. Speaker, it is important to note that, with the exception of the Atomic Energy Commission, the Space Administration is the only agency of the Federal Government whose organic statute imposes this requirement. It is a marked departure from this country's customary way of doing things.

After nearly 2 years of experience with this part of the act, the President and the Space Administrator have found the law to be inequitable and a millstone around the neck of those who are trying to speed the American space effort. They have requested a change in the law, a change which will alleviate the difficulty of obtaining the best and most economical research from contractors who are presently inclined to shy away from space work because of the restrictive patent requirements.

So the question now is this:

Shall we insist that NASA retain title to all inventions made under its research contracts, subject only to waiver in rare instances—or should the inventor, under proper circumstances, be allowed to keep commercial rights in his invention so long as he gives the United States the right to use his invention without cost?

Our committee has concluded that a change in the law is essential if we sincerely want leadership for the United States in the field of space exploration. Hence, we have proposed to amend the law in a manner which moves away from the statist concept it now employs and toward the free-enterprise concept which is in keeping with American tradition. At the same time, we have tried to be realistic and to approach the problem in a commonsense fashion. The amendment we will be offering has been carefully drawn to protect the public interest and to insure that the United States does acquire title to space inventions when the need for Government ownership really exists.

In summary, our amendment would place in the NASA Administrator the discretion for acquiring title within certain limits. That is, the Administrator—in all cases—would be obliged to secure a royalty-free, irrevocable license to make or have made and to use the invention for governmental purposes. But he would not demand the entire right, title, and interest to the invention unless some other law required it or until he found the national security or welfare required it.

Mr. Speaker, the patent section of the current law was written into the 1958 act in conference without ever being subjected to public hearings. There was a reason for this. It was that Congress, not knowing what to expect from space research and being sorely pressed for time in a period of crisis, decided to follow the atomic energy approach of Government monopoly on all inventions until such time as the situation might become somewhat shaken down and a better insight into the problem obtained.

That shakedown has now taken place and we have found that a new patent section is needed in the law—one which avoids the extremes of automatic Federal ownership on the one hand as well as automatic private ownership on the other.

Now, interestingly enough, since the publication of our subcommittee position in March and its subsequent adoption by the full committee, there has been much misinformation and misimpression generated concerning this matter. While I do not for a moment question the sincerity of the Federal ownership advocates who have, perhaps unwittingly, created the confusion, I must confess to grave doubts about their logic. Hence my purpose today is to dispel some

of the fog which is beginning to surround Federal research patent policies.

To begin with, Mr. Speaker, our subcommittee opinion is based on the most exhaustive testimony ever given to this phase of the space program—and one of the most comprehensive ever accorded the Government research phase of patents. Our subcommittee gave ample notice of its desire for expert testimony—3 months' notice, in fact. We heard, in person, every witness from every part of the country who asked to be heard. We received testimony from every competent Government witness whose interests were involved, including the U.S. Commissioner of Patents. While we were not very successful in the effort, we also went to considerable lengths to find witnesses who might favor the Government-ownership point of view. All told, we heard from 40 witnesses and received the comments of 20 others. Obviously, there was a wide range of opinion expressed, but less than half a dozen witnesses were sympathetic to the Federal-ownership cause.

I cite this background because it has been said that our hearings were used by the "vested interests"—presumably small businessmen, industrialists, and patent lawyers—to "weight" the testimony. Of course, they did. How could things be otherwise when virtually every non-Government person who is remotely concerned with the problem falls into the so-called "vested interest" category? At the same time, I ask is it not remarkable that the vast majority of Government experts in this field are inclined to concur with the views of the "vested interests?" In any case, if there are any persons—aside from the Federal-ownership advocates in Government and a few economic theorists in the universities—who admire the present patent clause of the Space Act, our hearings failed to produce them. If they exist, their failure to appear certainly was not for lack of opportunity.

Our subcommittee, by the way, has been censured in some quarters because it freely permitted private members of the patent bar to appear before it and make no effort to abridge their testimony. For this we make no apology, since we operated on the old-fashioned theory that it might be useful to listen to those who have a working knowledge of the patent system as well as those who merely take advantage of it or theorize about its defects.

In spite of the extent of our inquiry, I wish to emphasize that our committee was not trying to solve the entire portfolio of Government patent problems. We freely acknowledge that these are numerous and complex and quite beyond the scope of our mission. We were concerned only with the ownership of patents made under research and development contracts with the Space Administration.

I want to emphasize, too, that in making our recommendations for a revised patent section of the Space Act we are not trying to influence the policies now followed by the Atomic Energy Commission or the Department of Defense or any other Government agency whose policy may fall somewhere between these two extremes.

Neither have we attempted to concern ourselves with the monopoly aspects of the patent system except insofar as inventions arising out of space research and development may have some paramount significance for the public interest.

Our concern is with the effect which the patent section of the Space Act is having on the national space program—and this effect we find to be detrimental.

Mr. Speaker, we believe that the amendments we propose to the patent section of the law comprise a middle-ground approach which makes sense. What we propose to follow is certainly not the Federal-monopoly concept provided in the Atomic Energy Act. It just as surely is not the Department of Defense policy which is consistently to acquire from its contract inventors only a royalty-free irrevocable license to make and use inventions arising from the contract.

Some commentators have insisted on referring to the changes proposed by our committee as changes which will bring NASA's patent policy "into line" with that of the Department of Defense. Others have surmised that, in effect, this is what is going to happen.

Let me suggest to you, however, that anyone who carefully studies the committee bill—H.R. 12049—to amend the Space Act—together with the Statement of Intent which is contained in the committee's report—cannot logically arrive at such a conclusion. Members of our subcommittee have spent months with both Government and private patent experts in devising a formula to guide the Administrator of NASA on the question of taking title to Government-financed inventions. We have spelled out in the report specific instances in which title should vest in the United States.

So our approach is not the Defense Department approach, and to attest this fact I am in receipt of a letter from the Department's Chief of Procurement Policy who indicates that Defense is now considering changes in its requirements to approximate more closely those recommended by our committee.

Our approach does, however, permit uniformity with present defense policy when this is needed and is appropriate. It is a flexible approach.

Mr. Speaker, let us examine for a moment the rather peculiar assumption of the Federal-ownership advocates that the Government—in this case NASA—does not receive from private contractors what it bargains and pays for when it gets a license to use and make the invented article. Such an assumption, it seems to me, borders on fantasy. And this is why:

The license which the Government takes in such cases is royalty free. There is no cost to the Government beyond the initial outlay for the research contract. That license is good forever so far as the Government is concerned. It cannot be revoked. Moreover, the Government is at liberty to have the invented article produced by any company it desires. The Government may ask the contractor who developed the invention to produce it for the United States—or it may ask another contractor to produce the item. In short, the Government can turn to the lowest bidder who is then free to produce the invention for governmental purposes with no payment of royalties to the contractor who made the invention or to the patent holder. Note that this is in marked contradistinction to the impression fostered by the champions of Federal ownership.

What more can the Government want for itself?

The United States is not generally in the business of producing goods. When it does own patents it does not grant exclusive licenses for industrial production. It does not sue those who may infringe its ownership, nor collect royalties from those who may use its patents—and it should not become engaged in this sort of thing on a broad scale unless we as a nation are prepared to adopt a socialistic economy or turn to Soviet Russia's system of paying off inventors through "author's certificates" and "diplomas of discovery."

So what good does it do to require that NASA take title to all inventions produced under its research and development contracts?

The Federal-ownership advocates allege that this makes the invention free for anyone to use without payment of royalties. They say this is quite proper since the invention was made pursuant to a contract paid for by the taxpayer. One might be inclined to agree with them if such patents were actually picked up and developed by private industry. But the fact is that by putting the invention on the free market, the Government merely kills the goose that lays the egg. Few companies bother to develop a patent when they know that everybody else can take advantage of their development the moment it reaches the production stage. So the patent lies fallow and the economy suffers to that extent—a contention which will be substantiated when debate on the pending bill begins.

The Federal-ownership advocates allege that unless NASA asserts title to these inventions, vital scientific information will be hushed up and technical progress correspondingly stifled. To this, I would point out that the American patent system is predicated on the requirement that inventors disclose details about their invention in return for the right to exclusive production of the invention for a limited period of time. We managed, using this system, to circulate scientific information pretty well during a 160-year trial period prior to the birth of NASA.

The best and most complete disclosure of scientific and technical information still comes directly from the patenting process—and if this is slow or delayed, let us put the blame where it properly belongs: on an overburdened Patent Office and on the statutory deficiencies of the secrecy provisions in the patent code—not on the strained premise that

inventors are secretive or modest about introducing their brain children to the public.

Let me add that NASA, in all of its research contracts, specifically includes a clause requiring the prompt disclosure of all technical data and progress made by the contractor. It may be that such requirements are not always met in full, but Government ownership does not guarantee they will be met either. In fact, private contractors are more apt to be cooperative on this score when they are not required to give up all claims to their inventions than when they are.

Finally, title in NASA does very little to insure the dissemination of such information—unless we are prepared to appropriate additional money for that specific purpose. Information is not widely disseminated just because it happens to be the property of Uncle Sam.

Federal ownership advocates allege that the public pays several times when the Government does not insist on ownership of inventions produced under its research contracts—once for the service rendered and again in royalties if the contractor decides to market or lease his invention commercially. I admit this sounds highly unwarranted, it would be an abominable situation, in fact, if it were true. As already discussed, however, it is not true.

The Government, in most instances, has received its quid pro quo when the research services called for by the contract are performed. If a patentable invention results the Government has complete freedom to make and use that item without added cost. Moreover, our subcommittee inquiry indicates strongly that when private industry is not allowed to retain patent rights for commercial purposes, the costs to the Government of doing the research are likely to be higher to begin with. While this is a hard thing to substantiate for the record, there seems little doubt that higher charges are made for the desired research—in one form or another—when the Government insists on title.

Mr. Speaker, we have been hearing a good deal lately about the virtues of the atomic energy practice of Government monopoly on nuclear inventions. It is contended that what is sauce for the Atomic Energy Commission is sauce for everybody else, including NASA.

I submit, however, that the situations are not comparable. The AEC has had a unique origin. The atomic energy industry was initiated, sponsored, and paid for by the Federal Government from its inception. Furthermore, it deals in a limited and highly specialized field. The situation confronting NASA is quite different. The Space Administration must deal with contractors who spread across the entire industrial spectrum—electronics, metals, fuels, ceramics, machinery, plastics, instruments, textiles, thermals, cryogenics, and a thousand other areas. For the most part NASA must call on established industry to help with the space venture, on industrial elements with a broad background of self-acquired experience and know-how. It seems to me inequitable, to say the least, to demand outright ownership of an invention produced under a NASA research contract when the production of that invention is normally not only an unpredictable incident, but has resulted in considerable degree from a knowledge which far antedates the Government's interest in the field involved. This is a much worse kind of legalized piracy than any which the Federal-ownership advocates are disposed to call down upon the head of private enterprise.

I am not an expert on atomic energy and I do not pretend to judge how the AEC should handle matters of this nature. But I am convinced, as the result of close study, that the Federal-ownership concept of the AEC is not the best way to handle the space program. Even the patent expert from the Atomic Energy Commission who appeared before our subcommittee, a dedicated and competent witness, was not inclined to make any such assertion without qualifications.

Mr. Speaker, the impression has been widely spread that our recommendations for change in the patent section of the Space Act stem from the machinations of big business—that small business would prefer to have NASA keep title to inventions made through research and development contracts.

It is certainly true that big business wants the law changed and approves most of the recommendations which our committee has made—but all of the testimony which we received and all other indications point to the fact that small business wants the law changed even more. As I have said, our hearings were widely advertised throughout the general and trade press for more than 3 months—yet no small businessman or organization who favored Federal ownership asked to be heard. Those who did appear were among the most adamant in demanding changes in the law. The reason seems clear enough: ownership of ideas and a few patents is often all that keeps small business alive. Obviously small business does not want to surrender these to open competition.

Let me give you a concrete example of this, and also of the kind of trouble NASA runs into because of its patent law.

For the past year NASA has been trying to contract with a Texas firm for the development of a gravity meter—an instrument of crucial importance in connection with the exploration of the moon and in the development of spacecraft of the future. This company has about 20 employees. In NASA's judgment, it is the best qualified firm available to undertake the job. The firm has been offered a $300,000 3-year contract by NASA, yet it refuses to accept the offer because of the stringent patent restrictions in the Space Act which would require it to surrender its backlog of technical know-how for public exploitation.

I submit that this sort of thing is eloquent proof that something is radically wrong with the patent section of our present Space Act.

Another assertion which we are now hearing is that the Government should follow the pattern laid down by industry, that Uncle Sam should take title to inventions made under its research contracts because this is what industry does when inventions are made by its employees.

Of course the Government should follow that procedure. And it does. Under Executive Order 10096 the Government acquires title to all inventions made by its research employees when such inventions are made with Federal money or assistance. This is a condition of employment in both types of cases.

But a research contractor is not an employee or an agent of the Government. He is simply a contractor with whom the Government contracts to provide a service; to do research and development. Whether the contractor also agrees to throw in title to such inventions as may result, in the absence of statues like the Atomic Energy and Space Acts, is a matter for bargaining. There may be certain similarities between these situations, but there is a basic difference between the government-contractor relationship and the master-servant relationship of the company employee. It does not necessarily follow that the procedures should be the same in both cases.

So this argument is not very pursuasive. Certainly it is not conclusive.

Mr. Speaker, as I have indicated there are conditions under which the ownership of inventions made through NASA contracts should vest in the United States. The bill which our committee has reported requires that this be done when such conditions exist. The conditions are spelled out in the Statement of Intent included in the report. They are:

Where other laws, such as the Atomic Energy Act, require conformance.

When the public health, safety or welfare is a paramount feature of the invention.

Where the invention has depended largely on the prior conception or work of other parties.

Where the Government has been the sole or prime developer in the field of technology involved or has provided all or virtually all of the money for it.

Where the field of technology involved is entirely new, without significant commercial history, and is unlikely to be developed privately.

In spite of these measures which are designed to safeguard the public interest, the advocates of Federal-ownership decry such a balanced approach to the problem as a "giveaway." They insist on parroting the "Government pays—Government should own" theme. I will concede the argument carries overtones of plausibility. But I believe that any unbiased person who takes the trouble to look into the matter will find the argument a very leaky one so far as the American space program is concerned.

Mr. Speaker, the idea that Federal ownership of inventions should be required by statute in all cases, subject only to possible waiver, is totally irrational from the space exploration point of view. I would like to point out that even the minority views which have been expressed in connection with our patent

recommendations do not support retention of the law as it stands today. That part of the statute is conceded to be difficult to administer, quite aside from any considerations of principle.

In the final analysis, however, we cannot escape the inevitable fact that we in the United States need the finest creative thinking we can get if we are to win the space race. And we just do not get that kind of thinking when we pull a major incentive out from under those who are expected to produce it.

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

Mr. MITCHELL. I yield to the gentleman from Pennsylvania.

Mr. FULTON. First I would like to compliment the gentleman and the other members of the Patent Subcommittee, of which I was a member, on their very excellent and broadminded approach to this problem. Secondly, I believe what the gentleman has said has been really not a nonpartisan or bipartisan approach but a practical approach that has been endorsed by the great majority of the subcommittee across party lines. I favor the statement the gentleman has made. I want to compliment him on it and join with him in it. I do think it is wise at this time to move toward private enterprise but beyond that have enough leeway so that the Administrator of the Science and Astronautics Agency can readily protect his interests in these patents. I think the Committee on Science and Astronautics has likewise been wise in approving the report of the subcommittee which the gentleman now speaking has so ably chairmanned.

Mr. MITCHELL. I thank the gentleman. Certainly he was an extremely valuable member of the subcommittee and knows the great effort and work that the subcommittee did in coming up with this recommendation. He certainly was one of the more valuable members of the subcommittee.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I think the gentleman might well talk and rather boastfully, I think, too, of the work of the subcommittee which the gentleman from Georgia headed. That subcommittee—and I have been checking over recently just what was done by the subcommittee—held hearings that consumed 1,000 pages of testimony from witnesses far and wide, from all sections of this country. That is correct, is it not?

Mr. MITCHELL. That is correct.

Mr. BROOKS of Louisiana. That subcommittee also met in recess time. When the other Members of Congress were down home working in their congressional districts, that subcommittee was meeting up here in Washington listening mornings and afternoons to the testimony of those witnesses. Now, the committee actually consumed over a year's time in its deliberations, is that not correct?

Mr. MITCHELL. That is correct.

Mr. BROOKS of Louisiana. And I think particularly the recommendations of this subcommittee are entitled to more than ordinary importance. Normally you would say that a subcommittee is entitled to certain consideration of its recommendations, but in this case it is entitled to more than ordinary importance. The subcommittee seemed to seize at first upon the idea that private enterprise had been left out in the handling of the patent situations in reference to the Space Agency. I had the privilege of working on the original bill presented by the Select Committee to the Congress, which was adopted. I also had the privilege of working on the atomic energy bill. I think considerable improvement could have been had in both instances; and I am glad that the subcommittee, with the approval of the full Committee on Science and Astronautics, is coming in with a modified report which will recognize the key importance to enlist the active participation and support of private industry as it goes forward with the development of the technology in our great land.

Mr. MITCHELL. I thank my distinguished chairman. I would like to say at this point, illustrative of the fact that this is an extremely important matter so far as it concerns the space effort, our chairman saw fit to create this special subcommittee of which I have been privileged to be chairman. I think he should be commended for creating the subcommittee.

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

Mr. MITCHELL. I yield to my distinguished colleague from Colorado.

Mr. CHENOWETH. Mr. Speaker, I should like to commend the distinguished gentleman from Georgia on the fine statement that he is making here today. I concur in what he says, as this is a matter of extreme importance. I also want to take this opportunity to commend the gentleman on the manner in which he conducted the hearings of the subcommittee of which I was very happy to be a member. The gentleman rendered a real public service in the conduct of those hearings, which were most interesting and informative. The gentleman was fair to every witness and exerted every effort to obtain full information on this important subject. It was a delightful experience to serve as a member of the subcommittee and work with the gentleman from Georgia. I enjoyed my association with him immensely. I would like to ask the gentleman if it is not true that in our hearings, covering a period of a full week, we heard the leading patent attorneys of this country. None of these attorneys was able to present a case to our subcommittee where it would be advantageous for the Federal Government to take title to a patent in the type of case we are discussing. The Government does take an irrevocable, nonexclusive, royalty-free license for Government purposes in all of these patents where Federal funds are involved. Is it not true that it was the consensus of opinion of this outstanding array of patent lawyers, who are the leading patent attorneys of the country, that they could not think of any instance where the Federal Government would be any better off, or where it would be of any advantage to the Federal Government, to take title to these patents. Was it not their unanimous opinion that by taking the irrevocable, nonexclusive, nontransferable, royalty-free license to use these inventions for Government purposes the Federal Government was obtaining all of the rights it will ever need, or will want to use.

Mr. MITCHELL. Mr. Speaker, may I say that the gentleman was an inspiration to all of us on the committee with his untiring efforts and his interest in this subject matter. We certainly received great value from his legal background and experience.

Mr. CHENOWETH. I thank the gentleman.

Mr. MITCHELL. In answer to the gentleman's question I would say the gentleman is correct in saying that the consensus of the testimony before the subcommittee was that they could give no such example. However, there were others who felt, although perhaps without giving any specific instances, that there might be some invention in which the Government should retain title. As a result, the work of the subcommittee was to provide for and safeguard the public interest by insuring that should such inventions develop from the expenditure of public money, the public interest would be safeguarded by the Government being in a position to retain title. I thank the gentleman.

Mr. CHENOWETH. I hope the statement the gentleman is making here today will allay the fears of those who feel that we are giving away something, and that the Federal Government is not taking all that it is entitled to. As a matter of fact, the Federal Government should not be competing with private enterprise in exploiting the commercial use of patents. The Federal Government has full and irrevocable authority to use these inventions for Government purposes, and that is all it will ever want to do. Surely the Government is not going to compete with the inventor in the commercial development of the patent. What advantage or benefit would it be for the Government to take title to a patent? The inventor is entitled to the commercial exploitation of his invention, if it has any industrial value.

Mr. MITCHELL. I think we are in agreement. Not only does the Government not now exploit any invention to which it may own title, but it never should in any commercial exploitation that may be made.

Mr. CHENOWETH. Is it not also true that if we would follow the theory which some advocate in this situation we would destroy the patent system of this country? If we are not going to allow the inventor to enjoy the fruits of his invention, as is now provided under the patent system for a period of 17 years, then we have destroyed the entire patent system. There is no incentive for anyone to create an invention under those circumstances because he is going to have to share the patent with others who may be designated by the Government. This seems to be the

theory which is being advocated by those who do not agree with the recommendations of our subcommittee.

Mr. MITCHELL. Certainly Government ownership of patents is part of our patent system.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL. I yield.

Mr. BROOKS of Louisiana. What is wrong with the Atomic Energy Commission Act is that the patents reserved to the United States tend to fall into disuse and have not accomplished all the purposes the gentleman has in mind. I do not believe even the gentleman would want the United States to set up an office here to hire out patent rights. If it is right to give a man a patent for his new process or invention, he should be allowed to use it.

If it is wrong, certainly, the United States would have to go into the business of granting licenses because they have a method of exploiting their own patents and making money out of them.

Mr. MITCHELL. I thank my distinguished chairman. We hope to have the precise figures at the time that this matter comes up for general debate next week, but according to the information I have, approximately only 15 percent of the inventions held by the Atomic Energy Commission have actually been used. As was pointed out by the gentleman from Louisiana [Mr. BROOKS], this is one of the fallacies of this approach insofar as the space act is concerned. We are not here being critical in any way whatsoever of the Atomic Energy Act at all. We think there is an extreme difference between the type of operations carried out by the Atomic Energy Commission and the type of research and development contracts resulting in inventions coming under the contracts for the space agency.

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

Mr. MITCHELL. I yield.

Mr. HOLIFIELD. I realize the gentleman is making an address to the House and I do not want to take up the points at issue here at this particular time. I shall study the gentleman's remarks with interest and possibly obtain a special order myself in order to put the correct position so far as the Atomic Energy Act is concerned before the House. But, Mr. Speaker, I would like at this time to comment on the fact that under the Atomic Energy Act, and I am speaking with particular reference to the clause on patents that the U.S. Federal Government has had the opportunity of filing on patents which were paid for by taxpayers' funds. There has been no practice on the part of the Atomic Energy Commission to try to recoup any of the monetary advantages. There has been a much more important recoupment, however, that has taken place. Over 1,100 of these patents have been made available to all of industry. The gentleman gave some percentages as to the amount that has been used. The amount that has been used has no relation to the amount that the Atomic Energy Commission filed on. The Atomic Energy Commission filed on these patents and made them available to industry. The fact, however, that they have not been used is beside the point. If industry wanted to use them, they were there to be used. If they wanted to use the 1,100 patents, they could use each and every one of them or all of them, and the fact that they have not used them has other meanings.

Mr. MITCHELL. I think this is an extremely important point. The fact of the use of the invention is the important thing. If the system is such that it restricts or discourages use of inventions, then the American public is not getting the benefit of the invention.

Mr. HOLIFIELD. The gentleman reaches an assumption which is not based on the facts. The use of the invention is there and available. It is there for all of industry. In the case of the gentleman's proposal, it will mean that patents will be given to specific industries that have research and development contracts and they will be withheld from the rest of American industry and there will be a lack of use on the part of the balance of American industry, and there will be a lack of use of something that has been paid for by taxpayers' funds. So there is where you have the restriction of use. You do not have restriction of use under the Atomic Energy Commission.

Mr. Speaker, I will not take any more of the gentleman's time, but I do want to pay tribute to the gentleman. I know he has worked hard on this particular legislative project affecting patents. I certainly ascribe to the gentleman nothing but the sincerest of motives. I know the gentleman well and I admire his work here in the Congress. Certainly, there is a diversity of opinion here, and I think there is sincerity on both sides so far as our opinions are concerned.

Mr. MITCHELL. May I say to my good friend, the gentleman from California, there is no question as to sincerity on his part. He feels very strongly about this matter. But, at this point I would like to answer the question as to what this bill will do. This bill will not do what my good friend from California has said, in other words, to deny the use of the end product of the inventions to the American public.

We have a flexible proposal and we are presenting to this august body one that where the interest of the public demands that titles be retained by the Government that flexibility is there and the administrator can keep title in the Government; but also where there is no reason for the Government's having anything except an irrevocable royalty-free exclusive license then that is all the Government needs.

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

Mr. MITCHELL. I yield.

Mr. SISK. Mr. Speaker, at this time I want to pay a tribute to my distinguished colleague from Georgia. I have had an opportunity throughout his service in the Congress to serve with him on committees; first on the Veterans' Affairs Committee; and, of course, since that time, on the Committee on Science and Astronautics. In my opinion he is one of the most able Members of Congress. I personally deeply regret his decision to retire from this body. I having been one of those who have to some extent disagreed with the gentleman, on the particular issue under discussion, I want to say I have nothing but the greatest regard for his high motives, his sincerity, and the great job he has done on this subject as well as on every other subject the gentleman has seen fit to pursue. It is my hope that his present decision to retire from this body will be changed some of these days and that he will come back and contribute of his great talents to our country, because, indeed, as I say, he has done an outstanding job here for his people and for the Nation.

I simply want to take this opportunity to make this statement because I feel very strongly and very sincerely about the gentleman. In such endeavors as you may enter I wish you nothing but the best.

If the gentleman will yield for one further moment, with reference to his present discussion I, of course, hope to have the opportunity to make some additional comments on these patent sections. I think the gentleman from Georgia realizes that we have some differences of opinion, and I have a very strong feeling with relation to a statement made by my colleague from Colorado a little while ago. Probably our whole patent law should be junked and an entirely new effort made to set up and develop patent law in this country which will do away with some of the tendencies which are so prevalent in my opinion now in our patent law.

I appreciate the great effort which my colleague from Georgia made and the broad study which he made, realizing, of course, that he was concerned only with one phase of our patent law. I am concerned with seeing something done that will destroy the possibilities that are now inherent in the law to create great monopolies which I think are tending to destroy much of the independent and small business of this country. This is one reason, of course, that I have been so concerned with this issue, because of its tendency toward monopoly.

I know my colleague from Georgia does not feel as I do. His position on this issue leads in the direction of monopoly. I have a leaning in the other direction. I do feel that these inventions and many of the things that have come to pass through strictly Federal dollars and guaranteed profits will lead to further monopoly and a further merging into a few hands of a great part of our scientific endeavor in this country. This, of course, is my concern.

I appreciate the gentleman's yielding to me at this time. As I say, I hope to have more to say on the subject at a later date.

Mr. MITCHELL. I thank my good friend from California, I might say that he has really hit the crux of the problem as I see it personally. The issue concerns a monopolistic tendency being created in the United States.

The reason I feel this change is needed so vitally in the Space Act is because this is an amendment which will inure to the benefit of small business much more than to large corporations.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. The crux of the whole problem is to help the small business people and if the small business people want to help they are going to have to depend on using the protection of the patent system, not on Government-owned patents, but the royalties on patents they own and which they will be able to avail themselves of instances where they have had contracts with the U.S. Government. Will that not help small business?

Mr. MITCHELL. The way and the manner that this will inure to the benefit of small business is very simple. If you have Government ownership of patents they are available to everyone. Who are the ones who will move in and utilize these patents? The large boys who have the production capabilities. When you get to the small businessman's invention that is patented, then he can utilize the benefit and grow and increase his production and his employment.

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

Mr. MITCHELL. I yield to the gentleman from Pennsylvania.

Mr. QUIGLEY. I appreciate the gentleman yielding to me. It has been my great privilege to serve with the gentleman from Georgia on both the Committee on Veterans' Affairs and on the Astronautics Committee, also to serve under him as chairman of the subcommittee that went into this problem. As a result of my experience on that subcommittee, and as I think the brief discussion here today indicates, this is a very difficult, a very technical problem. I regret I was not able to see eye to eye with the gentleman from Georgia on his so-called solution that is proposed. It is my present intention to introduce an amendment to the bill at the proper time. I would urge all of the Members of the House to study the question, study the majority report, the minority views, as well as the views of such gentlemen as the gentleman from California [Mr. HOLIFIELD] and the gentleman from California [Mr. SISK]. This is a very important national problem, and I do believe, despite the tremendous effort put forth by the chairman of the subcommittee, we have not solved it, and the proposition that is suggested by the committee which will be submitted to the Congress next week is not the solution. I do not say that I have a solution, but I am not convinced that the subcommittee has come up with an answer.

Mr. MITCHELL. May I say to the gentleman from Pennsylvania that no member of the subcommittee worked any harder or made any more valuable contribution than did the gentleman. Because of his interest, his attendance, and his effort, the record that the subcommittee built up certainly is much more informative, and I join with the gentleman in commending its study to the entire membership of this body.

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

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

There was no objection.

Mr. DADDARIO. Mr. Speaker, my colleague the gentleman from Georgia [Mr. MITCHELL] is concluding his service in the Congress of the United States. I have served with him on the House Committee on Science and Astronautics and under his leadership when he served as chairman of the Subcommittee on Patents. He is a man of great intellectual capacity—able, objective, and above all concerned about the security and welfare of his country. As chairman of the Subcommittee on Patents he steered the investigation along a twisting and tortuous road—and came up with a recommendation that is in the best interest of our country—as we stride into the space age. There is no perfect solution. It may be that all patent law should be reviewed and revised. But the recommended changes in the Space Act of 1958 as affecting patents will be beneficial to our space effort, it will cause greater participation of industry, it will fall within our traditional concepts of free enterprise, and it will prove advantageous to our system of defense.

This subject will come up for debate next week. It should be thoroughly discussed at that time, as I know it will. And in the course of it all, I am certain that all the Members will agree that the gentleman from Georgia has done a thorough and painstaking job on a most difficult issue.

I would like to touch on one point that has been made today. Although it is only one of many points of controversy, it is one affecting small business. Is it so that patent ownership by private industry does not keep small business and that it only helps large companies? My opinion is that the recommendation made in this instance will protect small business. Small business has always been more dependent upon its patents for its competitive position in industry than have larger companies. If the patents of small business were in the Government and became part of the public domain, such small business has no protection of its competitive advantage, and is thus faced with the prospect of developing the product in competition with companies of far greater resources. It is obvious that small business cannot compete with big business unless it can retain title to a patent it develops, and our country has seen many businesses develop and prosper as a result.

Again, let me compliment my good friend, the gentleman from Georgia, on a difficult task well done.

PATENTS AND SPACE EXPLORATION

Mr. HOLIFIELD. 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 California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I plan on tomorrow to take up this matter of patent policies which the gentleman from Georgia has spoken on this afternoon, and I hope that the gentlemen who are here present will be present at that time. I promise I will be as generous in yielding as was the gentleman from Georgia, as I hope to put this patent matter in proper perspective and show that there are at least two sides to this problem, that the gentleman from Georgia is on one side of the problem and I happen to be on the other side.

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

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I would like to call to the attention of my friends, the two gentlemen from California [Mr. HOLIFIELD and Mr. SISK], that the same principles which they are using in their opposition against the proposal of the Subcommittee on Patents of the Committee on Science and Astronautics also apply with equal force against the whole U.S. patents system. To me their complaint is against the basic premise and the basic fundamental of the U.S. patent system and not the proposal of the Subcommittee on Patents of the Committee on Science and Astronautics that are made within the U.S. patent system. Our proposal is within the U.S. patent system, and it is not to change the basic system but it is to move in part toward private enterprise within the U.S. patent system.

WEIRD BIDDING PROCEDURE OF THE ARMY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. VANIK] is recognized for 20 minutes.

Mr. VANIK. Mr. Speaker, at this very moment the Defense Department is getting ready to make an award of a $42 million contract for the production of light armored personnel and weapons carriers for the Army. This contract will cost the taxpayers of America at least $6½ million more than it should. "By induced manipulations" the Logistic Section of the Department of Defense completely shatters the ordinarily efficient and decent methods of procurement which have generally been characteristic of the Army.

Here is a shocking picture of how economy loses out in military bidding. In 1958 the Army Ordnance Corps conducted extensive studies to determine a combat vehicle and tank production base, utilizing existing Government-owned facilities and equipment. This is fully in accord with the laws enacted by Congress with specific application to Army procurement. Section 4532(a) of title 10 specifically says:

> The Secretary of the Army shall have supplies needed for the Department of the Army made in factories or arsenals owned by the

United States, so far as those factories or arsenals can make those supplies on an economical basis.

In other words, Congress told the Department of the Army that its ordnance production should take place in Government plants unless a finding was made that such production was uneconomical.

Last summer, at considerable expense, the Department of the Army contracted for outside engineering service to determine the most suitable plants, either private or publicly owned, for the economic production of its light tank and personnel carrier family. The Ford Motor Co. was thereafter retained to provide engineers who would survey and determine where the Army could most economically and most suitably produce tank and personnel carriers including the M-113 personnel carrier. This determination would be made on the basis of current productive capacity and possible mobilization needs.

Thus, Mr. Speaker, Congress made it crystal clear that insofar as the Army is concerned, production of military hardware would be an in-house operation wherever possible, utilizing whatever plants or equipment were already bought and paid for by the taxpayer.

After exhaustive and comprehensive studies, the engineers of the Ford Motor Co. concluded that the Government-owned Cleveland ordnance plant was most efficiently suited to do the production job on the light tank family including the M-113 personnel carrier. This plant was also determined as most capable to meet this productive need and any future mobilization requirements that were necessary.

Army Secretary Wilber M. Brucker approved the findings of the Ford survey including the production base plan and submitted their recommendations for approval by the Department of Defense on August 13, 1959.

Thus the recommendation obtained through a private engineering survey, reviewed by the Ordnance Corps, and approved by the Secretary of the Army, for all practical matters determined that this production work should take place in the Cleveland Ordnance Plant.

Let us take a quick look at this plant. Nowhere in America is there a comparable production facility for these purposes—25 acres under roof, $130 million worth of modern machinery—all idle. And, in order to keep it idle the Government is spending $760,000 a year or about $2,000 every single day of the year for absolutely nothing.

Just how does the Department of Defense get around these unassailable hard facts and the intent of Congress? With all these hard facts pointing toward use of the Cleveland Ordnance Plant, I am absolutely convinced that it is impossible for this to happen—because everything is rigged to send this production work somewhere else. In other words, to take it from a Government-owned plant and hand the gravy to a private plant which will charge the taxpayer at least $6½ million more for use of its plant and equipment. This is mighty good for that plant's stockholders, particularly since the machinery it will use will be charged off to the taxpayers.

And who do you suppose is getting the breaks on this contract?—the Food Machinery & Chemical Corp., of San Jose, Calif., which has had more success with its ordnance division, comparatively speaking, than any other defense production company in America. This company by its own admission in a 2-page edition of the Air Force magazine of June 1960, paid for by the taxpayers, says that since 1941 it has designed and built more types of military-standardized tracked vehicles than any other company in America.

Now, Mr. Speaker, I have no objection to successful private enterprise, but I vigorously object to such production taking place under circumstances which increase the cost to the Government. In other words, why should this corporation be permitted to build this important military hardware in its San Jose plant, when there is every reason in the world to believe that the same work could be done by a private contractor for $6½ million less in the Government-owned plant in Cleveland or some other Government-owned facility?

Here is how the bidding is "rigged" against the use of the Cleveland Government-owned plant.

On December 17, 1959, officials of the Ordnance Tank Automotive Command held a bidder's conference at Detroit, Mich., on the production of light armored personnel carriers and the M-113 tanks. At this meeting prospective bidders were told that there would be no penalty or evaluation for use of Government-owned plants and equipment. The bidding could therefore be made on the basis of out-of-pocket cost including the use of Government plants and facilities. This proposal fully complied with the will of Congress expressed in section 4532(a) of title 10 of the United States Code. This proposal also would have resulted in lower bids reflecting the use of Government-owned facilities and equipment. The savings resulting from the use of Government-owned equipment would have been passed on to the taxpayer.

Now what happened?

Well, Mr. Speaker, on February 24, 1960, when requests for proposals were made for production of the M-113 vehicles, the Department of Defense made a turnabout. It directed that proposals for production could be made on one of two options: First, exclusive production in the bidder's private plant; or second, production in the Government-owned Cleveland Ordnance Plant.

However, if the Cleveland Ordnance Plant were used, the bidder faced insurmountable barriers which made production in the Government-owned plant economically impossible.

First of all the bidder would be obliged to pay a rent penalty on the Cleveland Ordnance Plant of 5.5 cents per square foot per month or a total of $67,200 per month for the entire plant—even though the plant was only partially used. This alone is an impossible financial burden on a bidder using the Government's plant in Cleveland. The total additional cost to a bidder would be almost $1,280,000 over the contract period.

This should be rigging enough, Mr. Speaker, to thoroughly discourage anyone planning or hoping to use the Government-owned plant in Cleveland.

But no, Mr. Speaker, there are more roadblocks in the path of economy. If Government-owned production equipment in the Cleveland Ordnance Plant are used, the producer must pay a prohibitive rental based on what they cost new. This completely denies any consideration for the present depreciated value of this equipment.

In the unlikely circumstance that anyone could overcome these obstacles the Department of Defense has devised one final scheme to insure that the Food Machinery & Chemical Corp. gets this contract. The contract proposal stated that bidders are required to add to their cost figure the cost of special tooling they will need for this production. The gimmick here, of course, is that in the plant of Food Machinery these special tools have already been made available at public expense and are in use. No other bidder can conceivably bid against such brazenly rigged conditions.

Now, Mr. Speaker, the Army Ordnance Corps has done an exemplary job in military procurement. Its procurement contract costs have been the most economical in the military service. The Army Ordnance Corps recommended the use of the Cleveland Ordnance Plant for the M-113 production. So did the independent engineers of the Ford Motor Co.

Mr. Speaker, Army Secretary Wilber Brucker, a fine and honorable gentleman, concurred in this recommendation. He certainly does not desire to pile extra burdens on the taxpayer.

Despite this overwhelming evidence in favor of making these Army vehicles in the Government-owned plant in Cleveland someone in the upper reaches of the Department of Defense said "No" and erected the impossible roadblocks in the path of sensible economy.

Mr. Speaker, I cannot believe the Defense Secretary, Thomas Gates, is aware of what is going on here. It is high time he gave a hard look at what is going on in this weird bidding procedure.

HOW FAR WILL THEY GO?—THE SAN FRANCISCO RIOTS

The SPEAKER pro tempore (Mr. PRICE). Under previous order of the House, the gentleman from Ohio [Mr. SCHERER] is recognized for 45 minutes.

Mr. SCHERER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD 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, at the outset, let me state categorically that the shameful San Francisco city hall

rioting was not a spontaneous outburst of student indignation against the House Committee on Un-American Activities, as many people would like for us to believe. We will be able to understand and better evaluate the demonstrations that took place in San Francisco if we look back a few years.

WHEN AND HOW THEY BEGAN

Approximately 3 years ago the Communist apparatus decided that, if its operations in the United States were to be less hampered and more successful, it had to get rid of the Committee on Un-American Activities, discredit the great Director of the Federal Bureau of Investigation, and generally weaken the FBI's influence and powers. Two and a half years ago, on September 20, 1957, to be exact, the Emergency Civil Liberties Committee, at Carnegie Hall in New York City, assumed this obligation. Obviously such a campaign, conducted in the name of the Communist Party would be unsuccessful. Since that meeting in Carnegie Hall, the Emergency Civil Liberties Committee has dedicated itself to three objectives:

First. To abolish the House Committee on Un-American Activities and bring to an end congressional investigations into subversive activities.

Second. To discredit J. Edgar Hoover and the Federal Bureau of Investigation.

Third. To bring about the repeal of the Smith Act, the Internal Security Act, and the Communist Control Act of 1954.

Now, the Emergency Civil Liberties Committee has a high-sounding name. Unfortunately the great majority of Americans and some Members of Congress are not aware of the nature of this organization. So that we may better evaluate and understand what it says and does, let me tell you about the Emergency Civil Liberties Committee.

WHO ARE THEY?

Both the Senate Internal Security Subcommittee and the House Committee on Un-American Activities, as well as J. Edgar Hoover in his book, "Masters of Deceit," have found this outfit to be Communist controlled and Communist dominated. Its present chairman, Harvey O'Connor, is an identified Communist, presently under indictment for contempt of Congress for refusing to answer questions concerning his Communist activities.

One of the moving forces of the committee is Frank Wilkinson, also an identified Communist, who has been convicted and sentenced and whose case is now on appeal for contempt in refusing to answer questions about his connections with the Communist conspiratorial apparatus. Wilkinson has a long record of service to the Communist cause and is the coordinator of the effort to bring about the abolition of the House Committee on Un-American Activities.

The majority of the members of the national council of this organization have long records of service to Communist and Communist-front causes. These records are set forth in detail in the House Committee on Un-American Activities report entitled "Operation Abolition."

WHAT THEY HAVE DONE

Now let us take a look at what the Emergency Civil Liberties Committee, with the help of others, has done in these 2½ years which finally resulted in "the ugly American" insurrection in San Francisco.

At first the Emergency Civil Liberties Committee sent its paid hirelings, Clark Foreman and the notorious Frank Wilkinson, into the cities where the committee held its hearings. Clark Foreman in particular met in advance of the hearings with identified Communists who had been subpenaed to testify before the committee. Witnesses were instructed how to avoid answering questions of the committee by making long, Communist propaganda speeches. They were told how to bait, vilify, and harass members and counsel of the Committee on Un-American Activities.

Subsequently, the Emergency Civil Liberties Committee grew bolder in its attempt to disrupt the hearings of the Committee on Un-American Activities. ECLC sent its people into the cities where hearings were to be held a week or more in advance of the hearings. They drafted petitions against the committee in which the work and objectives of the committee were completely misrepresented. Signatures to these petitions were obtained from well-meaning and some not-so-well-meaning citizens of the community.

ECLC saw that advertisements bitterly attacking the committee were placed in local newspapers. Of course, these "disciples of discord" did not disclose to the people of the community the fact that the Emergency Civil Liberties Committee was a Communist dominated and controlled organization.

Later, other additional techniques were adopted. Meetings and rallies were set up in advance of and during the committee's appearance. Leftwing and pro-Communist speakers were imported to address the rallies. Soon it was found that rallies did not reach enough people, so they began to use the radio for their propaganda attack against the investigation of subversive activities.

THEY GET BOLDER

In December the Committee on Un-American Activities went into Puerto Rico for hearings to show that San Juan was a nerve center for a new $100 million propaganda assault upon the Caribbean, Central and South America for the purpose of creating hatred and ill-will toward the United States. The testimony showed how the Foreign Agents' Registration Act was being flagrantly violated and why loopholes in that act must be plugged by the Congress.

We all know that over 95 percent of the Puerto Ricans are loyal and fine American citizens, but this House is well aware of the fact that there is a small group of radical, unstable, and fanatical nationalists in the Puerto Rican community. Ever since Puerto Ricans from this group shot the guards at Blair House during the Truman administration and Members of this House from that gallery, these revolutionaries have been comparatively quiet. Lately, however, there has been a clever, subtle infiltration of their ranks by Communist agents for the purpose of stirring up agitation and hatred against the United States.

In spite of the emotional instability and revolutionary tendencies of this segment of Puerto Ricans, the Emergency Civil Liberties Committee sent its executive director all the way from New York to San Juan in advance of our hearings. He was on the radio vilifying the committee before its appearance. He was meeting with subpenaed Communists and their leftwing lawyers and other groups in the city. He was busy preparing and issuing inflammatory press releases against the committee.

As a result, last December in San Juan we had a preview of what happened in San Francisco 2 weeks ago. In San Juan pickets surrounded the Federal building. They jeered at the committee and spat upon our automobiles as we entered the U.S. courthouse. The continual chanting and shouting outside the courthouse in an attempt to disrupt the hearings was a new technique which was used even more extensively at the San Francisco hearings.

In Puerto Rico members of the committee and its staff required police protection. None of the leftwing crowd, who regularly cry crocodile tears over alleged deprivation of the civil rights of Communists called before the congressional investigating committees, said one word about Members of Congress being deprived of their right to move freely about and conduct hearings provided by law without physical interference from those who differ with the objectives and duties of the Committee on Un-American Activities.

It is ironical that we heard no cries from these leftwingers about Members of this Congress being deprived of their civil liberties, their freedom of speech, their freedom to move about as they please, and their freedom of association.

The Emergency Civil Liberties Committee was well pleased with what happened in San Juan.

NEXT THEY EXPLOIT YOUTH

Two months later, in February of this year, the Committee on Un-American Activities was holding hearings here in Washington. During these hearings it was shown how the disturbances and riots that took place at the Seventh World Youth Festival in Vienna last year resulted largely from the fact that the heads of many of the delegations to that festival were not youths but hard core 40- to 60-year-old members of the Communist apparatus.

For the Washington hearings the Emergency Civil Liberties Committee developed still another technique. Supposedly spontaneously, there sprang up an organization called Youth Against the Un-American Activities Committee to protest our hearings on the Vienna Youth Festival. We were charged with investigating youth and interfering with the free expression of youth, when all we were trying to show was that some of the

delegations had no free expression because of their being Communist dominated and controlled by agents of the Kremlin. Some of the leftwing press cried crocodile tears for the young people who descended on Washington. This youth organization against the Committee on Un-American Activities was represented in the hearing room here in Washington by some 200 young people who were supposedly representative of American youth generally. I wish you could have seen the disreputable array of characters who were supposed to be a cross section of American youth.

Before the hearings ended, it was shown conclusively that these young people protesting these hearings were brought to Washington on buses from New York City by the Emergency Civil Liberties Committee. They were shepherded here from New York by the same notorious Clark Foreman who did the dirty work in San Juan. Dorothy Marshall, who is anything but youthful, went all the way from Los Angeles to New York to assist Foreman in bringing this group to Washington.

It was also shown, before the hearings ended, that the headquarters of this organization, called Youth Against the Un-American Activities Committee, was the same office as the Emergency Civil Liberties Committee, that its press releases attacking the Committee on Un-American Activities were typed on the typewriter of the Emergency Civil Liberties Committee. There is no doubt in my mind that they were written by Clark Foreman. It was shown that before this group made its expedition to Washington, it met in New York and was addressed and harangued by Clark Foreman, Dorothy Marshall, and a number of hard-core Communist functionaries, none of whom can be classified as youthful.

The February hearings here in Washington were a disgraceful, deceitful exploitation of youth by the Communist apparatus in an attempt to further discredit and destroy the Committee on Un-American Activities and to furnish grist for the Soviet propaganda machine throughout the world.

CALIFORNIA, HERE THEY COME

As I have said, the violence in San Francisco was the next step in the Communist assault against the committee. It was clearly planned at the highest Communist levels. The demonstrations, the rioting, and the resulting photographs were wanted for use throughout the world by the Kremlin's propagandists in a deceitful attempt to show that the young people in America were opposed to their Government when it was moving against Communist activities in the United States.

Frank Wilkinson, the identified Communist, the man who has been convicted and sentenced for refusing to tell a congressional committee about his long record of Communist activities in the United States, was there in San Francisco. He was in San Francisco before the hearings; he was in the corridors issuing instructions and inciting hostile action against the congressional committee.

Harry Bridges, the notorious head of the Longshoremen's Union, was also outside the hearing room inciting the mob to move in. It was Harry Bridges who just last year testified before our committee. He had just completed a trip around the world during which he consulted with all top Communist labor leaders in the transportation field. The hearings clearly established that the purpose of his trip was to bring about an agreement with these Communists in the transportation field to act in concert in tying up shipping throughout the world when the word was given. It was Harry Bridges who called Chiang Kai-shek a "bum" and testified that he would refuse to send war materials to Chiang Kai-shek even though the President of the United States felt that shipment of such material was necessary for the safety and security of this country.

In that mob were five or six other well-known, identified Communists. Among them was Archie Brown, who started the demonstrations in the hearing room the day before. Archie Brown, in his own words, is a "top-ranking Communist" and has been "for 20 years." In truth, he is the second top Communist in California—second only to Mickey Lima. Also there were Douglas Wachter and Ralph Izard. I am going to tell you about these two in a few minutes.

Among the rioters were members of Harry Bridges' Longshoremen's Union. In the forefront were a large segment of the beatnik crowd. Of course, a considerable number of students from universities in the bay area were there. Mostly they were the victims of this despicable propaganda plot. Chiefly they had come there only to picket and protest, urged on by the leftwing, pro-Communist and Communist teachers and professors in the bay area who hate the Committee on Un-American Activities with an unbelievable venom. However, these brave teachers stayed in the cloisters of the classroom while the students, whose minds had been poisoned with hatred and ill will against the committee, became involved in this well-conceived and well-organized demonstration.

Before the Committee on Un-American Activities arrived in San Francisco, meetings had been held to arrange for picketing and demonstrations. Meetings were called during the hearings to urge attendance and further demonstrations against the committee.

Here is a typical excerpt from the Daily Californian, the student publication of the University of California:

> The Student Committee for Civil Liberties plans to picket the hearings today. It has issued a call for students to attend the rally and hearings and suggests that people "laugh out loud" in the hearings when things get ridiculous.
>
> Rides for students who want to attend the hearings will leave at 8:15 to 10 a.m. this morning from Stiles Hall.

Among the Communist agents who were the principal agitators, and in some cases actual participants in the San Francisco riots were: Archie Brown, Ralph Izard, Frank Wilkinson, Harry Bridges, Merle Brodsky, Douglas Wachter, and Vernon Bown. It is interesting to note that the hierarchy of the Communist Party—Archie Brown, Ralph Izard, Frank Wilkinson, Harry Bridges, and Merle Brodsky—was careful to avoid actual violation of the law. They left that up to the underlings in party ranks.

I would like to point out that Vernon Bown, among those arrested in San Francisco, is the same Vernon Bown who was in 1954 among the notorious Louisville seven—charged at that time with sedition, destruction of property, conspiring to destroy property to achieve a political end, and contempt of court.

I say for some of the students involved, that they may not have fully realized that their protests had been organized and directed by a handful of expertly trained Communist agents, persons who have attended training schools for the specific purpose of learning how to create insurrection, how to incite a riot, how to organize peaceful and nonpeaceful protest, and how to lead and direct sincere innocents to the service of Communist aims.

Some developments, as a result of the riots, are shocking. I mention a few of these only to point out an underlying Communist tactic and plan which, when the time comes, could well be used for a major-scale riot, insurrection, or open revolution against duly constituted authority.

First of all, an important fact which is beginning to plague this Nation more and more is what is known as the upcoming second-generation Communists. The committee has faced these young Communist sons and daughters of Communist parents on an ever increasing basis in the past few years. They are school, college, and post-college-age young people who have been born into the closed cell of the Communist Party. During their school years, they are trained by their parents to follow and promote communism in every way possible.

During the San Francisco hearings, one such second generation Communist was Douglas Wachter, the son of Saul Wachter, an identified Communist agent. Douglas Wachter attended Berkeley High School in Berkeley, Calif., and 2 years ago, his senior year, was elected president of the Junior Statesmen Club, an influential political group on the campus. He then went on to the University of California where he has been extremely active in campus political activity, the Committee on Racial Equality —CORE—and boasts that he led the student contingent in the recent protests against the execution of Caryl Chessman.

Instead of playing baseball or going on camping trips together, Douglas Wachter and his father engage in other, more stimulating activities, such as attending the 17th national convention of the Communist Party last December as delegates from the northern sector of the California Communist Party.

MISSION ACCOMPLISHED?

What did the Communist Party accomplish as a result of the San Francisco riots? Their major aim of stopping the hearings failed, but the second aim of

creating an issue which the Communist press can use and twist for propaganda purposes throughout the world against the United States was infinitely successful. For years to come, the Communists will be constantly referring to the so-called black Friday in San Francisco, when the red-baiting, witch-hunting, Fascist racist, un-American committee had to call in goon squads who used police brutality of the worst sort against a spontaneous student protest.

Since the early days, one of the Communists' chief aims has been to destroy the confidence of the people in their law-enforcement agencies. Charges of police brutality have been revived and used over and over again.

Some of the Communist apologists say the police used undue force in San Francisco. The Communist publications go so far as to charge the police with causing the riot. I hesitate to repeat some of the scurrilous and absolutely untrue charges of brutality being made against the police.

The truth is, that the police and the sheriff leaned over backward, using almost every known device short of force, to break up the demonstrations and flagrant violations of a half-dozen laws before they were compelled to meet violence with firehoses and forcible eviction from the city hall. It was not until the mob attempted to break into the already overcrowded hearing room, had knocked down a police officer and had taken away his mace and started pounding him with it, that the police moved in. Eight policemen and four rioters were hospitalized. Of course, we hear little sympathy for these police officers. We see no photographs of the attack on the police. We see only pictures of rioters being dragged by police from the city hall because they had engaged in mob violence and refused to leave the building on directions of the police so that law and order might prevail.

Of course, the riot and the photos of the police dragging rioters who refused to leave the building are grist for the Communist propaganda machine throughout the world.

This, Mr. Speaker, is what some call police brutality or use of excessive force.

Mr. Speaker, the members of the Committee on Un-American Activities state that the chief of police of San Francisco, the sheriff of San Francisco County and their men acted in accordance with the highest and finest traditions of law-enforcement officials. This Congress should commend them and express our regrets and sympathy for those officers and their families who were injured in the proper performance of their duty.

We have learned from unimpeachable sources that the Communist Party is jubilant over what happened in San Francisco, particularly since people were arrested and went to jail. The Communist Party has just ordered further demonstrations against the committee whenever it holds hearings outside of Washington. It is the Communists' hope that the demonstrations will grow and that riots will become more intense so people will be jailed in larger numbers. The party feels this is the way to kill the committee.

THE UNKINDEST CUT OF ALL

Following the San Francisco hearings, Senator STROM THURMOND, of South Carolina, discussed the rioting on the floor of the Senate. In connection with his remarks he inserted in the CONGRESSIONAL RECORD an editorial from the Charleston, S.C., News and Courier of May 16, 1960. The editorial reads in part as follows:

> In considering the ugly attack on the subcommittee, which might have resulted in physical harm to Members of Congress, Californians should bear in mind the recent abuse heaped on the committee by U.S. Representative JAMES ROOSEVELT, Democrat, of California. He is to some degree responsible for the climate of opinion that made possible the storming of the subcommittee hearings.

I am not going to say what part, if any, the attack made upon the committee on the floor of this House by the gentleman from California played in the San Francisco demonstrations. I am merely going to relate some of the facts and then let the Members of the House determine whether or not the editorial from the Charleston News and Courier is justified.

On April 25, a little over 2 weeks before the San Francisco hearings, the gentleman from California [Mr. ROOSEVELT] made one of the most shocking and unjustified attacks on Members of this body that I have heard in the 8 years I have been a Member of Congress.

Here are some of the choice epithets the gentleman from California hurled at nine Members of this Congress on the floor of this House. He called the committee and its work "bumptious," "plainly silly," "incredible," "harmful," "useless," "bad," "evil," "abortive," "cruel," "appalling," "perverse," and "destructive." He charged the committee and its work with being "vicious," "a cancer," and "sanctimoniously cruel." He said that we were a "thoroughly bad institution," "a national problem," and a "degrading spectacle."

According to the gentleman from California:

> The major activity of the committee * * * is the abridgment of the citizens' freedoms.
>
> The essence of the committee's work is name calling.

The gentleman from California [Mr. ROOSEVELT] said 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."

Mr. ROOSEVELT concluded his scurrilous attack by charging:

> 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.

On May 5, in my reply to Mr. ROOSEVELT's attack on the committee, I pointed out that it was this same Emergency Civil Liberties Committee which, as early as April 8, covered the country from coast to coast with bulletins announcing Mr. ROOSEVELT's speech on the floor of the House attacking the Committee on Un-American Activities.

In its bulletin, the Emergency Civil Liberties Committee indicated that it had advance knowledge of how Mr. ROOSEVELT intended to handle his speech on the floor of the House. I charged in my reply that Russ Nixon, an identified member of the Communist Party, and an official of the Communist-controlled United Electrical Workers Union, was also a member of the national council of the Emergency Civil Liberties Committee; that it was representatives of this Communist-controlled United Electrical Workers Union, at the direction of Russ Nixon, that met with the gentleman from California on the matter of his April 25 attack on the Committee on Un-American Activities.

ADDING INSULT TO INJURY

One hundred twenty-five thousand reprints of the Roosevelt vilification of the House Committee on Un-American Activities were made. It is significant that at the personal direction of the gentleman from California, 1,000 reprints of this scurrilous attack on the committee went to the Communist-controlled United Electrical Workers Union. Ten thousand reprints were sent to the notorious Clark Foreman, director of the Communist-controlled Emergency Civil Liberties Committee. Fifty thousand were sent to Eason Monroe, of Los Angeles, Calif. Mr. Speaker, I insert at this point the information from the files of the Committee on Un-American Activities with reference to Eason Monroe

so that members of this House might better evaluate why this man should get 50,000 copies of this libelous attack, cloaked with the immunity of this House:

INFORMATION FROM THE FILES OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES, U.S. HOUSE OF REPRESENTATIVES

The Daily People's World of June 10, 1952, page 3, in reporting on a banquet given in Los Angeles in honor of the attorneys for the 14 Smith Act defendants, listed Dr. Eason Monroe, chairman, Committee for Repeal of the Levering Act, among those who sent messages of encouragement. He was identified on the same page of that issue of the paper as the newly elected executive director of the Southern California branch of the American Civil Liberties Union who would take office on July 1.

Eason Monroe, former head of language, arts department, San Francisco State College, was announced as a speaker at a meeting of the American Veterans for Peace (C-1951) scheduled for Armistice Day, November 11, at Santa Maria Hall, San Francisco (Daily People's World, Nov. 7, 1951, p. 3, and advertisement in the issue of Nov. 9, 1951, p. 6). On November 16, 1951, page 3, the Daily People's World reported that Dr. Monroe spoke on the relationship of the loyalty oath to the war program at a forum of the San Francisco Veterans for Peace on Armistice Day.

The Daily People's World of March 2, 1951, page 8, reported that Dr. Eason Monroe, of San Francisco, chairman of the Federation for the Repeal of the Levering Act, announced a conference to be held in Fresno Saturday, March 3, "to establish a 'citizens force' for repeal of the Levering 'loyalty' oath act as the first step in 'checking a flood of repressive legislation' now before the State legislature."

Dr. Eason Monroe was announced as a speaker at a conference on security screening and loyalty oaths, September 8, at Santa Maria Hall, San Francisco, under auspices of the Joint Action Committee of Northern California Unions (Daily People's World, Sept. 7, 1951, p. 3). He was to be the principal speaker at a meeting of the Residents Committee Against Loyalty Oaths in Los Angeles, January 28, 1953, as reported in the Daily People's World of January 27, 1953, p. 3, in which he was identified as executive secretary, Southern California chapter, American Civil Liberties Union. He was reported by the Daily People's World of February 25, 1954, page 3, as representing the American Civil Liberties Union at a Los Angeles school board hearing on the dismissal of teachers refusing to sign loyalty oaths and, along with representatives of these other organizations, as urging "the board of education * * * to halt its teacher witchhunt until the courts have ruled on the constitutionality of the Dilworth Act."

In an article entitled "Hearing Set for SF Teacher Oath Victims," the Daily People's World of August 24, 1953, page 6, reported:

"SAN FRANCISCO, August 23.—Eight former San Francisco State College faculty members, who were fired in 1950 for refusing to sign the loyalty oath, have been notified to appear at the State building 10 a.m. Tuesday for a hearing on their petitions for reinstatement.

"The petitions, filed shortly after their dismissal, were held up for hearing pending Supreme Court decision on the legality of the Levering Act loyalty oaths.

"The Supreme Court, last May, refused to hear a suit contesting the constitutionality of the Levering Act.

"The eight persons are * * * Dr. Albert Eason Monroe."

The Worker, Sunday edition of the Communist Party official newspaper, in January 4, 1959 issue, on page 5, listed Eason Monroe as one of 35 individuals who signed a petition urging U.S. Attorney General Rogers to "dismiss further prosecution in the Denver Smith Act case." He is identified in this source as executive director, ACLU of Southern California, Los Angeles.

A leaflet entitled "That Justice Shall Be Done," dated February 1958, on page 2 listed Dr. Eason Monroe as one of the signers of an appeal to the President in behalf of Morton Sobell. The leaflet was issued by the National Rosenberg-Sobell Committee (C-1956; I-1956).

Another 5,000 copies were sent by Mr. ROOSEVELT to the Communist-controlled Citizens Committee to Preserve American Freedoms, which is the west coast adjunct of the Emergency Civil Liberties Committee.

It is most significant, however, that 5,000 copies were originally ordered sent to one Ralph Izard at a Los Angeles address. Who is Ralph Izard? Ralph Izard is an identified Communist who has a long record of service to the Communist cause. He was one of the surly witnesses subpenaed before the committee at its San Francisco hearings. He is an identified Communist who used a U.S. passport to travel through Red China as a guest and at the expense of the Red Chinese government. Since his return to the United States, in his extensive lectures and writings, Izard has praised the Communist regime of Red China and denounced the Government of the United States.

It is even more significant that on the day the 10,000 reprints were to be mailed to the Citizens Committee To Preserve American Freedoms and the notorious Ralph Izard at the Los Angeles addresses. Mr. ROOSEVELT's office ordered them sent by air freight, not to Los Angeles, but to these people at San Francisco in order that they might arrive in time for the San Francisco hearings.

Copies of this derogatory and inflammatory speech were distributed to the mob that rioted outside our hearing room. Communist-identified witnesses who were called before the committee, came to the witness stand armed with Mr. ROOSEVELT's speech and taunted members of the Un-American Activities Committee with charges that came from their colleague's lips while using the immunity of this House. Choice epithets from this speech appeared on the placards of those who picketed the committee's hearings. The gentleman from California must have been proud to see his name on those banners as the author of the smear attack against his colleagues in the House.

From these facts, Mr. Speaker, I leave it to the judgment of the Members of this House whether the editorial inserted in the CONGRESSIONAL RECORD by the Senator from South Carolina was correct when it said that:

He (the gentleman from California) is to some degree responsible for the climate of opinion that made possible the storming of the subcommittee hearing.

THE CLERGY SPEAK OUT

Now I know, Mr. Speaker, that since I am a member of the House Committee on Un-American Activities I will be charged with slanting my remarks. However, there were a number of ministers present at the hearings in San Francisco. They issued a voluntary, joint statement which was sent to me in the mail. Those who issued the statement are Dr. G. Archer Weniger, of Oakland; Rev. Don Watson, of Oakland; Dr. H. Austin, of San Francisco; Rev. Robert F. Hakes, of Alameda; Dean William G. Bellshaw, of the San Francisco Baptist Seminary; Dr. H. O. Van Gilder, of the Western Baptist Bible College; and Dr. Arno Weniger, of San Francisco.

Here follows their own eyewitness account of what transpired inside the hearing room. Of course, the rioting outside the hearing room was, to say the least, far more serious:

More than a dozen ministers were in attendance at the congressional hearings of the House Un-American Activities Committee in San Francisco on May 12 and 13 in the supervisors chambers in the city hall. What we witnessed was utterly fantastic. The shameful demonstration against law and order and against this duly constituted committee of the Congress defies description. We sat in the rear of the room on a raised platform where we could easily observe the proceedings, right in the midst of the student demonstrators. We studied the crowd carefully for hours and could easily discern which were the masterminds of the mob riots. It is our certain conviction that this indefensible demonstration against law and order was conceived, planned, and directed by a few hard-core Communist agitators who were carrying out their textbook orders on insurrection with classic success. Leaders of the mob included faculty members and well-known leftist lawyers for the fifth-amendment Communists.

We were sitting where we were able to observe the giving of instructions by the riot leaders who had gained access to the room. The Daily Californian, which was distributed widely at the scene, gave explicit instructions on the front page of the Thursday issue on exactly how to harass the committee. They were told to laugh out loud at every incident that appeared to be amusing in order to make the Congressmen look ridiculous. These well-disciplined mobsters laughed on the dotted line and obeyed their masters to the last jeer. We watched a national committeeman for the party line up a dozen Communists near the railing and throw every sneer, invective, abusive language, vile profanity, and fiendish charge at the Congressmen they could conceive. For nearly 15 minutes at one point, this lawless crowd of students from the university, together with party cadres, had the chambers almost in their control. The students, comprising the rear third of the audience stood up on their seats and yelled, jeered, hissed, and scoffed at the Congressmen. It was almost complete breakdown of law and order. We witnessed more violations of the law in 15 minutes than we have seen in 15 years.

The only criticisms we have of the police authorities were of allowing this element to make such a mockery out of law and order, without jailing every one of the leaders.

The height of their devilish hypocrisy was reached when they had the consummate nerve to profane the national anthem by singing it at the peak of their demonstration, and giving expression to their treasonable delight by singing "Mine Eyes Have Seen the Glory of the Coming of the Lord." The depth of their deceit was reached when this mob element put their hand over their heart and pledged allegiance to the flag. We shall never forget the hiss and boos that greeted Mr. Arens when he first mentioned the name of God in connection with one who broke from the party.

We are at a loss to understand how clergymen, such as Bishop James Pike, could give any aid and comfort to this lawless kind of activity by statements deriding the committee, and by allowing his assistant pastor to address one of their despicable rallies.

We came away from this hearing absolutely convinced of the overwhelming necessity of continuing the House Committee on Un-American Activities. No free agent could view the hearings without being impressed with the fairness, justice, and dedication to a thankless, but positively necessary task.

Chairman EDWIN WILLIS was unusually temperate and patient. We have nothing but unbounded admiration for Richard Arens, committee counsel, whose skill and understanding of this perilous conspiracy was a blessing to behold. We apologize to these devoted public servants from Congress for the devilish and deceitful conduct of an infinitestimally small but alarmingly arrogant segment of this area, who are willing to be tools of the Communist conspiracy which would make a shambles out of the liberty which marks this great Nation as the land of the free and the home of the brave.

HON. CHARLES GOODELL

Mr. GLENN. Mr. Speaker, I ask unanimous consent that the gentlewoman from New York [Mrs. WEIS] may extend her remarks at this point in the RECORD.

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

There was no objection.

Mrs. WEIS. Mr. Speaker, today is the first anniversary of the swearing in as a Member of the House of Representatives of the gentleman from New York, Congressman CHARLES GOODELL, my Republican colleague and neighbor from Jamestown, N.Y. I want to take this brief opportunity to say a few words about the extremely fine job which the gentleman from New York, CHARLIE GOODELL, has done for the people of his district in the year he has spent in the Congress.

In the brief period that CHARLIE has served here, he has already established himself as a conscientious and articulate Member of the House. He has shown himself to be a particularly able debater, a tireless worker for those principles of government in which he believes, and he has already begun to emerge as one of the real leaders in the Congress.

Furthermore, as a member of the important House Education and Labor Committee, he has shown an ability to grasp the most complicated legislative proposals. His work on the committee, and the valuable contributions he has made in the committee's deliberations, are a tribute to the good judgment of the people of New York's 43d District who sent the gentleman from New York, CHARLIE GOODELL, to Washington as their Representative a year ago. He is proving himself to be a very able successor to the late beloved Dan Reed, and I am confident that he will be here for many more anniversaries such as this one today.

RESIDUAL OIL IMPORTS

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. SAYLOR. Mr. Speaker, I know that I speak for many Members of Congress when I congratulate Secretary of the Interior Fred A. Seaton and his competent staff for the Department's forthright action with respect to the matter of residual oil imports. The schedules announced last night are testimony to Mr. Seaton's honesty and courage at a time when he without any doubt has been subjected to maximum pressure from world oil companies.

Last Tuesday the Secretary met with a group of Members of the House representing both parties and both oil and coal producing States. We explained our anxiety over what we considered a relaxing of oil import restrictions earlier this year. We asked that a sound and reasonable schedule be adopted and enforced in the July-September and subsequent periods.

Secretary Seaton made no false promises. He explained that the administration was committed to carry out the provisions of the mandatory oil import control program and that he would do everything possible to assure its success. He explained that he knew the operation of the program could not be considered perfect, particularly in these early stages, but he assured us that he was putting the allocations in a 3-month instead of a 6-month period in order that he might watch the activities of the importers more closely and thus carry out the provisions of the program more expeditiously and efficiently.

Mr. Speaker, the Secretary's announcement of the new schedule last night comes as welcoming and encouraging news to the coal and domestic oil industries. My colleagues from the large oil producing States know very well that this decision by the Department of the Interior might well serve as a criterion for the handling of restrictions on all imported oils—crude and products.

Stephen F. Dunn, president of the National Coal Association, said that the announcement of the new residual oil import schedules "justifies the Nation's confidence that the Department of the Interior would administer the President's control program impartially and incisively." Mr. Dunn pointed out that the program was adopted to safeguard the national security, but that the coal industry can now "set its sights on a dynamic future protected by the relentless market impingement" of importers of residual oil. With the assurance that comes in the form of Interior's announcement, coal will be ready to answer whatever demands are imposed upon it as a component of the defense structure, Mr. Dunn explained.

Now, Mr. Speaker, I should like to impress upon my colleagues today that the job is far from over so far as domestic coal and oil management and labor are concerned. The influence of the oil companies will be applied with greater intensity than ever before in an attempt to destroy the balance of imports to exports as established under the program and applied to the new schedules by the Secretary of the Interior.

ADDITIONAL COMPENSATION FOR CERTAIN POSTAL FIELD SERVICE EMPLOYEES

Mr. GLENN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BARRY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. BARRY. Mr. Speaker, I would like to introduce at this time a bill to correct inequities with respect to the compensation of certain postal field service employees exercising supervisory functions, and for other purposes.

This bill would correct the unreasonable situation whereby certain postal employees must take salary reductions in order to be promoted. Under the present system, a promotion in some cases means a loss of pay of over $500 a year.

Why should a man be forced to take a cut in pay to get a promotion? A man's family may be seriously hurt by even a temporary drop in his pay. Such a system of wage scales hurts morale and handicaps the efficiency of the Post Office.

At present each level of postal field service pay is divided into seven steps. The following chart shows three typical pay levels:

	Postal service pay per annum						
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Level 4	$4,035	$4,175	$4,315	$4,455	$4,595	$4,735	$4,875
Level 5	4,275	4,415	4,555	4,695	4,835	4,975	5,115
Level 6	4,620	------	4,930	5,085	5,240	5,395	5,550

It can readily be seen that 6 steps in level 5 and even 2 steps in level 6 are lower than the top step in level 4. A man promoted from the top steps of any level to the bottom of the next takes a cut in salary. I know personally of a post office in my district where a superintendent of personnel at level 8 is receiving less than a relief supervisor at level 7. To correct such inequities I introduce legislation amending title 5 of the Postal Field Service Compensation Act of 1955 so that "the salary of any employee subject to the postal field service schedule shall not be less than one full step above the highest basic salary of any employee paid a scheduled rate under his direct supervision."

Enactment of this legislation should bring to an end the present unfair aspects of this system.

FIFTEENTH ANNIVERSARY OF THE MASSACRE OF THE CROATIAN ARMY

Mr. GLENN. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. BOLTON] may extend her remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mrs. BOLTON. Mr. Speaker, Memorial Day 1960 provided a fitting occasion for ceremonies in Cleveland commemorating the 15th anniversary of the massacre of the Croatian Army. Sponsored by the United American Croatians of Cleveland, the ceremonies appropriately honored the more than 150,000 Croatian soldiers who fell victim to Communist treachery at the close of World War II.

American Croatians have contributed significantly to every aspect of American life, and enriched the communities where they reside. My own city of Cleveland includes a large number of men and women of Croatian descent, and I am privileged to represent many of them in my constituency.

Two documents have been made available to me on this occasion: A resolution submitted by the United American Croatians of Cleveland entitled "Fifteenth Anniversary of the Croatian Genocide Bleiburg-Maribor Massacres," and an article by Stephen W. Skertic entitled "The Bleiburg-Maribor Tragedy—Croatian Golgotha." As these documents provide a revealing account of a tragic era in Croatian history, I include them at this point in the RECORD.

RESOLUTION ON THE 15TH ANNIVERSARY OF THE CROATIAN GENOCIDE BLEIBURG-MARIBOR MASSACRES

Whereas on this May 30 day, a befitting annual observance has been set by the American people to commemorate and honor the war dead of this great country, we as American Croatians join in this memorial observance and express our deepest gratitude for the sacrifices of all those Americans, since the founding of this Nation, who gave their lives for the preservation of future generations, and for the democratic ideals embodied in the Constitution and the American way of life; and

Whereas the freedom-seeking Croatian nation, from which we are descended, has also a special meaning to us, the assembly thus finds it especially fitting to honor the Croatian war dead, particularly the over 150,000 Croation soldiers, representing a whole generation of Croatian youth, who in May 1945, after the end of World War II hostilities, fell victims to "Serbo-Partisan" Communist treachery and virtual genocide for the recreation of the synthetic State of Yugoslavia; and

Whereas the perpetrators of genocide utilize mass murder with the intended result of the liquidation of a nation, and in this case, the then independent State of Croatia, the assembly, therefore, wishes to emphasize to America and the free world the reason given for this horrendous crime by reiterating the words of Tito's henchmen, Milovan Djilas, in charge of the genocidal operation against the Croatian nation, who said: "Croatian soldiers must die in order that (then defunct) Yugoslavia may live"; and

Whereas genocide is an international crime of the worst nature, violating all the inalienable divine, civil, and human rights of men and nations to existence, the assembly, herewith, demands that the Croatian genocide remembered as the "Bleiburg-Maribor massacres" be investigated by the American Government with all possible swiftness, and further demands that the administration and Congress vigorously use every means available to bring Tito and his Communist conspirators to justice, and to help restore an independent Croatia—from its hellish prison of Yugoslavia. Elemental justice demands this since it was the imprudent World War II Anglo-American recognition and support of Tito and the "Serbo-Partisan" Communists which helped precipitate these massacres and the forceful subjugation of the Croatian nation into a second and more tyrannical Yugoslavia.

UNITED AMERICAN CROTIANS OF CLEVELAND,
JOHN PRCELA, *President.*
NIKOLA FRIGAN, *Vice President.*
IVAN CORIC, *Secretary.*

THE BLEIBURG-MARIBOR TRAGEDY—CROATIAN GOLGOTHA

(By Stephen W. Skertic)

United in minds, wills and hearts with all fellow citizens throughout America, we reverently bow our heads in memory of the many thousands of Americans, who, since the establishment of this great Republic, have given their lives for freedom and the American way of life which we so fully enjoy today. For Americans of Croatian descent, however, Memorial Day has an extra significance, because the worst tragedy that ever befell the Croatian people in their 13 centuries of political and national history is also commemorated this month. More specifically this is why we have assembled here today, to observe the 15th anniversary of the massacre of the Croatian Army better known as the Bleiburg-Maribor tragedy.

The Bleiburg-Maribor tragedy symbolizes the chain of mass massacres perpetrated against the Croatian nation, which took place 15 years ago, when a great part of the Croatian Army numbering 250,000 men and accompanied by many thousands of civilians became victims of Tito's treachery, after seeking surrender to the more civilized Western Allies and subsequent protection in their flight from the cruelties of Communist terror. The Croatian Army and civilian refugees were confident that the Anglo-American troops would protect them against godless communism since the independent state of Croatia had never fired a single shot against the Western Allies, and had given innumerable proofs of defending the lives and property of its people only and exclusively within the frontiers of its own State. In addition, sanctuary was expected in accordance with the international laws of war provided by the Geneva Convention. Thus, it was in the tragic May 1945, when Croatian contact was made with the British Army, in the Carinthian province of Austria, only to end in frustration and ultimate death for these thousands of Croatians after the British accepted them to turn them back to Tito's Communist henchmen, contrary to all laws of decency and international agreements.

On May 16, 1945, 11 days after the war was over, the Croatian Golgotha began at the Austrian-Yugoslav border. Tens of thousands of Croatian soldiers and civilians were encamped on a large field near Bleiburg on the Austrian side. After the Croation soldiers were asked to lay down their arms by the British authorities and then forced to return home, they were fired upon by the Tito partisans from the nearby forests. On the Bleiburg field, an estimated 50,000 Croatian soldiers were slaughtered.

The Bleiburg massacres were only the beginning. Other huge contingents of Croation soldiers and refugees, who also surrendered to the British military authorities on the Austrian territory were shipped back in railway cars and military vehicles to the Slovenian border in Yugoslavia for extradition to Tito, despite promises that they would be sent to the prisoners of war camps in Italy. These extraditions were carried out near Villach, Krumpendorf, Griffen, Lawamuend, and other localities along the Austrian frontier.

After the partisans received the various unarmed Croatian Army units and civilian refugees, they formed separate columns from them and organized the huge death marches back to their homeland. While on the way through Slovenia, the liquidations of these thousands upon thousands of defenseless Croatians resumed. The genocidal operations were carried out by specially organized squads of the most extreme Communists who showed their mettle as confirmed Communists through these heinous deeds.

According to eyewitness reports, the greatest mass massacres on Yugoslav territory took place near Maribor in Slovenia. The 17th Partisan Assault Division, under the command of the Serbian colonel, Blaza Yankovic, was in charge of operations there. His subordinates, Capt. Rade Corak, a Serb from Bosnia in charge of the proletariat brigade, along with Capt. Boza Hinic, a Serb from Lika, had the special partisan honors of executing these murders.

A survivor of the death marches, Dr. Oton Knezovic, in his autobiographical account entitled "The Massacre of the Croatian Army in 1945," (English title of the Croatian text, Chicago: Croatian Franciscan Press, 1960, on pp. 92–94) writes: "An estimated 40,000 Croatian soldiers were killed there (near Maribor). And when after a time thousands upon thousands of human heads, hands, and legs were showing (from the trenches), more horrible scenes took place and stories were circulated among our older people (Slovenian residents). A great number of them told me that they would rather have been thrown into those trenches with the Croatians rather than live any longer in the locality and look at the horrible trench graves for the rest of their lives. * * * 'Now we can see and realize what Belgrade gave us and with what they adorn our sacred countryside,' concluded a Slovenian youth from the village of Hoce near Maribor."

From Maribor the death procession continued and at Kocevski Rog in Slovenia, the victims were brought in daily by trains, trucks, and wagon carts, and afterward driven in the nearby forest where its abounding abysslike ravines were filled with over 30,000 Croatian bodies. Here, the massacres lasted 8 days and were carried out under the command of Maj. Gen. Sima Dubajic, a Serb from the vicinity of Benkovac in Dalmatia. The direct executioners were, however, the selected extermination squads comprising the old Communists from the 11th Dalmatian Brigade, 26th Division.

These excutioners, presumably to conserve ammunition and time, devised a devilishly clever mass murder technique. By arranging boards over the deep natural ravines characteristic to the terrain of this region, they forced their victims, who were tied together in groups of sixes, to "walk the plank" and by either shooting the end man or hitting him over the head with a sledge, the others toppled with him into the abyss below. Such executions typified the utter, naked brutality of Tito's partisan chieftains in their lust for blood and power, during their insane mania for reestablishing a second Yugoslavia under Communist control. The motto was that "Croatian soldiers must die in order that Yugoslavia may live," a phrase attributed to Milovan Djilas, Tito's chief henchman at the time.

In the symposium, "The Croatian Nation in its Struggle for Freedom and Independence" (Chicago, Croatia Cultural Publishing Center, 1955), Prof. Krumoslav Draganovic, in his chapter, "The Biological Extermination of Croats in Tito's Yugoslavia," relates that after the execution of the Kocevski Rog massacres, "A Tito's commission from Ljubljana,

consisting of five persons, under the chairmanship of Col. Dule Koras, a Serb from Lika, inspected the very places of the abysses where the massacre took place, and ordered the sea of corpses to be concealed by dynamiting."

Professor Draganovic further relates in the same chapter that Tito's authorities would contest the number of their victims and goes on to say, "But for this there is an answer: Let them take out from their archives the reports of their own inspection commissions about the work of their extermination squads. And if they don't like to do that, then an international commission may conduct the exhumation of those thousands of corpses in each of the mentioned mass graves and count them, even though it may cost labor and expenses as it did in Katyn. We are, however, willing to bring forth the facts concerning the massacre of Croatian soldiers in 1945 which we obtained from sworn eyewitnesses."

The march of death became crystallized in its literal aspects when other huge contingents of the extradited Croatian Army were forced by the partisans to march all the way across Croatia to Kovin on the Rumanian border and to other parts of Yugoslav territory, leaving a trail of scattered bones and mass graves from the sick, exhausted, and massacred captives. Thus this Croatian Golgotha which had its origin at the Austrian frontier continued its way of the cross through Slovenia, Croatia, Serbia, and Macedonia—practically the whole length and breadth of Yugaslavia. This is apart from the other large sporadic massacres and death processions of those Croatians taken captive inside Yugoslavia who were not able to make it to the Austrian border.

Croatia itself had become an immense graveyard whose trenches, ravines, forests, mountain abysses and rivers became the depositories of those slaughtered victims. By far the greatest massacres were executed in Slovenia at Maribor, Kocevski Rog, Dolensko, Ptuj, Celje, and Krsko; but, however, since it would take a volume of books to list all the grave sites and describe the individual atrocities perpetrated within all of Yugoslavia, we will just further mention the more infamously known ones within Croatia.

At Gracani near Zagreb there were some 2,000 soldiers murdered, near Vrgin-Most approximately 7,000, near Dubocac on the Sava about 3,000, near Podravski Klostar 2,000. In Virovitica there were more than 1,700 young recruits killed, and in Butmir and Kasindol about 2,000 plus many other places with a lesser number of victims.

The late, beloved Cardinal Stepinac of Croatia, who suffered his own personal, living martyrdom at the hands of the Communists through 14 years of imprisonment and deprivation of Episcopal functions, previous to his rigged trial and arrest wrote on July 21, 1945, the following in reference to the general executions and persecutions in a lengthy letter dealing with "the persecution of the church in New Yugoslavia," which could be found on pages 426–442 in Richard Pattee's treatise, "The Case of Cardinal Stepinac" (Milwaukee, the Bruce Publishing Co., 1953).

The cardinal goes on to say: "When all this is seen, the question is asked, has the Croatian nation ever in its history suffered so many calamities as in the last 4 years of the war and the few months since the end of the war? If to this is added all the sufferings of the Croatian intellectuals and civil servants, then the question is asked, where is this leading us? One cannot but think that this is a question of the extermination of the Croatian nation. Finally the question is asked where does there exist a moral justification for the persecution of thousands of Croatian officers and hundreds of thousands (sic) of Croatian soldiers who, in the greatest good faith and with many sacrifices in order to serve the Coatian people, fulfilled their duty as soldiers? In conformity with the moral principles of war not one of them should be punished except those who violated the international rules of war or unjustly attacked the peaceful civil population who took no part in military operations. It will not be too much to point out also in defense of these Croatian officers and soldiers the fact that they considered their fight to be a defensive fight against all the injustices that were committed, admitted injustices (by Royal Yugoslavia)."

Altogether there were over 150,000 Croatian soldiers and civilians murdered during the death march massacres. Only a small part of the disarmed regular Croatian Army succeeded in saving itself. Before the eyes of the Western Powers and the rest of the free world, a generation of the Croatian youth was liquidated by Tito and the partisans—a genocide of youth that knows no parallel in history. In paraphrasing the Croatian poet-writer, Vinko Nikolic, it could be truly said that thousands of Croatian mothers and fathers have these many springs lamented their children and cannot be comforted, as they do not even know their dark sepulchres. They are veiled in black and deep in their souls glimmers a deluded hope that their beloved children—who long ago decayed in trenches and abysses—are still alive.

Actually, the total postwar Croatian dead numbers closer to 600,000 persons. We can see how complete the genocidal operations were when we consider that the partisans did not limit their bestial murders just to the Croatian Army and its civilian followers. Concentration and slave-labor camps were immediately set up throughout the country after the Communist occupation of Croatia, and hundreds of thousands of citizens of all ages and sex, and from every walk of life, were interned, tortured, and later liquidated. A police state was organized and persecution reigned everywhere.

In view of all this loss of lives and untold sufferings, the Croatian people can, then, rightfully recall these horrendous international crimes before the conscience of the Western Powers. For it was the refusal of the British Military Command to accept the Croatian Army's surrender—when it was bound by the Geneva Convention and the moral principles of war to do so—that allowed for the slaughter of the Croatian Army by the partisans. In addition, the powerful Anglo-American recognition and support of Tito and his known Communist liberation movement during the World War II period, given under the guise of a deceitful propaganda, greatly contributed to and indirectly permitted the establishment of Serbo communism in Yugoslavia. Moreover, material support is still given Tito through huge outpourings of the American taxpayer's dollars. Undoubtedly, when enough Americans and Britons learn of these Communist crimes, which have been kept so mysteriously silent, remedial steps will be taken in behalf of the Croatian nation. We are confident that the traditional fair play peculiar to our cultures will provide this in time. Unless it does, a blot will remain which time will not efface.

THE DUTY OF A CONGRESSMAN

Mr. DADDARIO. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. STAGGERS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. STAGGERS. Mr. Speaker, the citizens of the Second Congressional District of West Virginia are deeply interested in the operation of their Government, I am proud to say. Their interest and desire for information prompt many inquiries relative to the past, the present, and the future of our great Nation.

One of the questions which has apparently recurred many times in their quest for knowledge about the workings of democracy, and which has been asked me time and again is, "What are the duties of a Congressman, and what are his qualifications for holding one of the highest offices in the land?"

I am sure this inquiry is not confined to West Virginians and to those residing within the Second District. Surely the question is asked of many of us almost daily. In analyzing the subject, which is, of course, important to those of us individually who have been selected by the folks at home to represent them here in the Congress of the United States, I should like to submit the following as my conception of some of the duties of a Congressman:

The man who aspires to represent his fellow citizens in the most powerful and most truly democratic legislative assembly in the world assumes a weighty responsibility. He must humble himself before God and man and consider prayerfully and conscientiously the many issues which come before him. For his decision and action on those issues may determine not only the happiness and well being of the people he represents, but the fate of millions throughout the world and the destiny of generations yet unborn. He must lay aside his private prejudices and passions—and who of us is without those stumbling blocks to straight thinking?—and devote himself wholeheartedly to the task for which he was selected.

The framers of the Federal Constitution intended that the Members of the House of Representatives should represent the peculiar and sectional interests of the districts from which they are chosen. From the start, it was evident that different sections of our vast and growing Republic would have problems differing in detail because of varying economic, social, and cultural conditions existing within the districts set up for representation. Some areas would have crowded cities where the principal occupation is the manufacture and exchange of articles of commerce. Other areas would include only broad and sparsely settled agricultural lands. The major activity in still other areas would be delving beneath the earth for the precious minerals so essential in our modern civilization. In some districts, vast accumulations of wealth would set the tone for the aspirations of the fortunate. Or, concern with the life of the intellect and the spirit might determine the trend of public thinking. In others, a less favoring nature would impose a life of persistent toil and self-sacrifice on those who seek the great goals of virtue, happiness, and prosperity. Diversity of condition is a challenge to the success of any government, particularly so to a government which deliberately undertakes to promote the welfare of each and every citizen. Hence

our Founding Fathers provided for a body of legislators in which every variety of man in every variety of condition might have opportunity to select a fellow citizen capable of promoting the peculiar interests of his constituents, whatever those interests might be. The other Chamber of the National Assembly, the Senate, was charged with the responsibility for upholding the more generalized interests of the States and the Nation, those interests which transcend sectional needs and which set the pattern for the action of a free and united people.

The Second Congressional District of West Virginia is a huge one. Its 15 counties cover more than 7,800 square miles—one-third of the whole State. Within its borders only a few things match the district in size. Among these there comes to mind the Monongahela National Forest, playground of the Nation, conservator of water supplies vital to the populous cities of the East, and potential source of immense wealth in its forests. There comes to mind also the great university at Morgantown, monument to the intellectual aspirations of the State, and dispenser of light and virtue to many. Most of all, there comes to mind the skill, the ingenuity and the integrity of our population. More than 300,000 of us are scattered over this picturesque district—literally scattered. None of us live in cramped cities. Few of us enjoy the advantages supposed to accrue to those who have amassed great wealth. On the other hand, few of us exist in abject poverty. In contrast to the great size of our district, most of our economic undertakings are comparatively modest. We are essentially a laboring people. We operate the small farms, the orchards, the cattle ranges, the poultry establishments. We man the coal mines, the gas and oil wells, the sand and clay and stone pits. We own and conduct the small business enterprises, the stores and factories, the banks, the newspapers and radio stations. We service the public utilities, the railroads, and telephone and telegraph networks. We cherish and cultivate the vital institutions of church and school. Almost every variety and kind of activity can be found within our confines. But we are homogenous—we are one people—in the fact that practically all of us labor with our hands and our minds. Some of us are members of great labor unions. Many of us are not. We are independent workers—while still being interdependent. We belong to that great class denominated LABOR, organized or unorganized.

Personally, I conceive it to be the duty of a Congressman to conserve, to protect, and to advance the peculiar interests of a constituency so generally uniform in character. We aim at increasing the productivity and the efficiency of enterprises already in operation, be they farm, mine, factory, public utility, school, or church. We hope to expand and diversify potential sources of wealth. We are concerned with the safety and well-being of those who operate our mines and factories. We wish to reserve for our own use a fair share of the good things which originate in our own resources of land and climate and intelligence and industry. Beyond this we seek no unfair advantage over any individual or group of individuals anywhere. We value highly the capital investments that have helped to develop our resources. We actively welcome further capital investments, and we are content that a reasonable share of the profits of such investments should go to those who have the foresight to make them. For any sort of practice which involves exploitation or dishonesty, whether that practice be employed by labor or by capital, we have no sympathy and no condonation.

Within the Halls of Congress, it is the duty of a Congressman to be vigilant in acting positively on legislation which seems likely to affect the interests of the people of his district. Some 10,000 or more bills are considered in a typical session of Congress. Any one of these may have some impact on his district. In order to promote the purposes of his constituents, he must draft and introduce and prosecute bills of his own. He must marshal fact and argument in support of his position. He must enlist the interest and the concurrence of a majority of the House in his proposals. But many of the accomplishments of a Congressman are not achieved by legislation alone. He is in a uniquely favorable position to collect and organize information on which to base economic and cultural development within his district. An alert and well-informed Congressman can make this information readily accessible to business and industrial enterprises seeking openings or expansion. Thus a vast array of industrial developments, of scientific and educational installations, of water-control and soil-conservation projects can be initiated to the advantage of the area.

Notwithstanding the preeminence of local issues in the thoughts of any Congressman, he must share with the other branch of the National Legislature the preservation and the advancement of national interest. Particularly he is charged with the wise and economic use of public funds. Appropriation measures originating in the House of Representatives supply the sinews for effective prosecution of all our relations with foreign countries, for the Armed Forces whose constant readiness is our main guard against aggression in every form from an implacable enemy, and for the Federal Bureau of Investigation whose vigilance saves us from disruption and subversion within. It is the common interest of every citizen that America should be strong. Appropriations necessary to make effective the well-defined policies of the Armed Forces and the FBI should be both adequate and ungrudging. Recent developments on the international scene have placed us in a position which is, at the most favorable appraisal, vulnerable. A blunder in control of necessary security precautions, a hesitation in enlisting public approval, has magnified a minor incident into a major crisis. We have been crying Peace, Peace. But we find there is unfortunately no peace. For the moment, the supreme task is to see that we are ready for any eventuality. To that task we must, in the words of our fathers of the Revolution, dedicate our lives, our fortunes, and our sacred honor. Later may come the moment to reexamine the cogency of some of our policies, to assess responsibilities, and to define correctives.

So much for the duties of a Congressman. As for his qualifications, they can, like Caesar's Gaul, be divided into three parts. The first of these parts is purely legalistic. It is not necessary to remind anyone that constitutional requirements regarding eligibility for selection to the House of Representatives can be found in any textbook on government. The second part of the qualifications of a Congressman has to do with his moral outlook and his guiding philosophy of life. It is necessary that the purposes of a Congressman be clear and unequivocal. Whatever mists of uncertainy and indecision may becloud the minds of others, he must walk boldly and unafraid in the light of whatsoever wisdom is vouchsafed him by divine providence. He must be bound firmly to the people of his district in kinship of feeling and of spirit, in appreciation of the traditions which have framed an illustrious past, and in unwavering expectation of a still more glorious and happy future. As a private citizen and as a public official, he might well adopt the humble aim of keeping ever before him the exclamation of the Psalmist: "Thy word is a lamp unto my feet, and a light unto my path."

The third part of a Congressman's qualifications consists of data which are more or less personal. However, it may well become the most important factor, since this information reveals the degree to which he meets other requirements, and serves as a means of appraising his probity in all his relations in life.

Although I do not presume to elaborate on the qualifications of my worthy colleagues, I am pleased to furnish the following on the Representative from the Second Congressional District of West Virginia:

HARLEY O. STAGGERS, of Keyser, Mineral County, W. Va., born August 3, 1907, son of Jacob and Frances (Cumberledge) Staggers; attended public schools of Mineral County, graduated with an A.B. degree from Emory and Henry College in 1931, and received honorary Doctor of Laws from Emory and Henry College in 1953; graduate work at Duke and Northwestern Universities; high school teacher and coach for 2 years; head coach at Potomac State College, Keyser, W. Va., for 2 years; sheriff of Mineral County from 1937 to 1941; taught men's Bible class in Keyser, W. Va., for many years; served nearly 4 years in the U.S. Naval Air Corps as a navigator; member of the American Legion, Veterans of Foreign Wars, Disabled American Veterans, AMVETS, Loyal Order of Moose, Lions, Elks, Knights of Pythias, West Virginia Farm Bureau; past president of the West Virginia Moose Association; former governor of West Virginia Lions Clubs; married Mary V. Casey, of Keyser, W. Va.; father of six children, Margaret Ann, Mary Katherine, Frances Susan, Elizabeth Ellen,

Harley O., Jr., and Daniel Casey; elected to the 81st Congress on November 2, 1948; reelected to 82d and subsequent Congresses.

FOURTEENTH ANNIVERSARY OF THE REPUBLIC OF ITALY

Mr. DADDARIO. 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 Connecticut?

There was no objection.

Mr. DADDARIO. Mr. Speaker, one of the few gratifying and happy results of the last war was the rise of democracy in two large countries in Europe, in Germany and in Italy. Some 50 million Italians had lived and suffered under the Fascist dictatorship during the interwar years and most of the war years. That regime had not only shown its bankruptcy by trying to govern the country by force alone, but it also proved a failure in leading the Italian people in time of war. That is why the combined American-British forces were welcomed in Italy in mid-1943, and the Fascist regime was overthrown. In their effort to free themselves from their oppressors the Italian people were advised and aided by the victorious allies. Thus in the founding of the Republic of Italy, I am glad to say, our civilian and military leaders had a creditable share.

Fourteen years ago today, on June 2, 1946, the people of Italy freely and willingly decided in an election to have a republican form of government. The Republic of Italy was proclaimed on that day, and that event has become a significant one in Italy's political history. The course of events during the last 14 years have amply proved that the choice was a wise one, and the people have not only benefited materially by the change, but they have been happier with their new form of government. They have worked hard in strengthening the democratic institutions in the country, and have proved to the world that they can work for the good of all concerned far better under democratic institutions. They have made Italy a real and effective force for democracy in the West. On this 14th anniversary celebration of the Republic of Italy we wish the people of Italy peace and prosperity under the blessings of democracy.

SPEAKER RAYBURN ANNOUNCES FORMATION OF "CITIZENS FOR JOHNSON"

Mr. DADDARIO. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ANFUSO] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ANFUSO. Mr. Speaker, I desire to call to the attention of our colleagues in both Houses of Congress the formation of an organization known as Citizens for JOHNSON to work for the nomination of Senator LYNDON B. JOHNSON as the Democratic candidate for President.

Announcement of this organization was made this afternoon by the Honorable SAM RAYBURN, Speaker of the House, at a press conference in his office. This is a most auspicious occasion which occurs at a time in our Nation's history when the people of America are eagerly looking forward to able leadership and guidance.

Under leave to extend my remarks, I wish to insert into the RECORD the text of the release issued to the press by Speaker RAYBURN at the time of his announcement referred to above:

Formation of a Citizens for Johnson organization to work vigorously for the nomination of Senate Majority Leader LYNDON B. JOHNSON for President was announced Thursday.

Making the announcement as spokesman for the organization was House Speaker SAM RAYBURN in a special press conference held in the Speaker's rooms in the U.S. Capitol.

Joining RAYBURN in making the announcement were Oscar Chapman, Secretary of the Interior under President Truman, who will serve as chairman of the organization; India Edwards, former vice chairman of the Democratic National Committee, who will be cochairman, and John B. Connally, an attorney of Fort Worth, Tex., and former administrative assistant to Senator JOHNSON, who will be executive director.

Vice chairman and national committee members will be announced later, RAYBURN said.

Headquarters will be opened Friday in the Ambassador Hotel, 1404 K Street NW., in Washington.

"Our organization will review Senator JOHNSON's qualifications and achievements with every delegate to the convention. We are confident that once they become fully familiar with his outstanding qualities of leadership they will support him for the nomination," RAYBURN said.

Prior to formation of Citizens for JOHNSON, two groups which started in Texas, already were at work in behalf of JOHNSON. They are (1) JOHNSON for President Clubs and (2) Ladies for JOHNSON. Several hundred Johnson clubs now are operating throughout the Nation. The groups have been active for several months, and earlier this week the clubs ran full page advertisements in 18 newspapers in 15 cities extolling the leadership abilities of JOHNSON.

In a prepared statement the Citizens for Johnson Committee said:

"Already a large block of delegates are firmly committed to Senator JOHNSON, and we are confident he will be the next nominee of the Democratic Party.

"Senator JOHNSON has the best chance of any Democrat to win in November simply because he is the leader best qualified by experience to cope with the problems and issues facing our Nation and the free world today.

"JOHNSON's leadership is recognized even by the other presidential candidates who have joined their Senate Democratic colleagues four times to unanimously elect JOHNSON as their leader. We believe that for those who best know the responsibilities of our Government this is indicative of the quality of leadership Senator JOHNSON will provide this Nation.

"Here are some of the reasons we believe he is the leader our Nation needs:

"1. JOHNSON has had more experience in resolving important issues confronting our Nation and the free world than any other man being mentioned for the Presidency.

"2. It was the leadership of Senator JOHNSON that filled the vacuum and formulated a national policy for space exploration and for dealing with other nations in this vital field.

"3. His vision and leadership kept our Government functioning effectively under the difficulties of divided government.

"4. When JOHNSON became Senate Democratic leader there were a multitude of domestic issues—some a half-century old—which demanded solution, and under his leadership, three of the most productive Congresses in history emerged with solutions to innumerable grave problems.

"5. He is the only man being mentioned for the Presidency who has been intimately associated with every major foreign policy decision since World War II.

"6. Since JOHNSON became majority leader the Democratic Party has increased its majority in the Senate in every election."

BRIEFING FROM THE AIR FORCE

The SPEAKER, pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. CLARK] is recognized for 30 minutes.

Mr. CLARK. Mr. Speaker, I have asked for this time today to describe to you and the Members of the House one of the finest and most informative briefings which I received from the Air Force on Tuesday, May 24, 1960. This briefing, given at my request, was on the B–70 weapon systems which is presently in limited development because of an administration cut in the funds necessary for full weapon system development.

My interest in this specific item of our national defense stemmed primarily from the fact that recent articles and statements by Members of Congress, particularly in the other body, indicated to me that an intelligent reappraisal of the need for the B–70 was necessary. Like many of you I find myself so enmeshed with other matters that I am inclined to leave such items to our experts on the appropriate committees. And while I have the highest respect for the judgment of these gentlemen in their difficult tasks, I am sure you will agree that national defense is a matter for all of us and one which we should take every opportunity to understand and assess.

With this thought in mind, I called upon the Air Force to tell me about the B–70. I wanted specifically to understand such terms as "mach 3 speed," "compression lift," "load carrying capacity," "antisatellite weapons carrier," and many others. Within the short period of 1½ hours, I was given a thorough understanding of the B–70 weapon systems. This is a small investment of time for the education and knowledge which I received concerning this unique program.

It is not my purpose here today to give you that briefing. I am no expert in this area but I am a better informed Congressman because of that briefing. Rather my purpose today is to urge each and every one of you to ask for that same briefing—to invest at most 1½ hours of your heavy schedule in a personal education on this matter. Once received, you will find as I did that your

lack of knowledge of this vital weapon systems will be replaced by a greater lack of understanding of the reasons why the administration is limiting this program instead of putting it on a crash basis.

As recently as 2 weeks ago, the world, in somber reflection, sat in the galleries at the summit conference in Paris and watched the President of these great States hold himself in dignified restraint as the Chairman of the Soviet Union moved from epithet to tirade to absolute frenzy as he broke the diplomatic language barrier. Regardless of the incident which provided the impetus for this outburst, we as true Americans, felt our blood rise at this spectacle. But also, as intelligent Americans, we examined the scene in the cold light of day and came to the quick realization that diplomatic explosions and nuclear explosions are quite dissimilar. They are dissimilar, however, only because the United States possesses the capability in a deterrent form to return nuclear explosion for nuclear explosion. And while one might sit in restraint at a diplomatic explosion, the fact remains that there would be no restraint in a nuclear explosion. The Chairman of the Soviet Union knows this and I submit this is the true basis for his irrational action at the summit conference.

The primary arm, as we all know, of this deterrent force is the Strategic Air Command. Rarely a day passes in Congress that we do not hear in one form or another, expressions of security and gratitude for the Strategic Air Command. More importantly, the Congress and the American people have been unstinting in their efforts and funds to insure that the Strategic Air Command is well staffed and equipped to perform its primary mission.

Mr. Speaker, the B–70 program is the next step in the continued modernization of the Strategic Air Command. It is the only manned aircraft system now under development by the Air Force and is designed to fulfill the vital requirement for a manned follow-on aircraft to the B–52. Its introduction into the strategic bomber force is essential to the continued effectiveness of the manned bomber force. The aging B–47's and the earlier models of the B–52 are scheduled to phase out of the Air Force inventory by the midsixties. This condition, coupled with an ever increasing Soviet defensive posture, requires modernization of our manned strategic capability.

Such modernization, through the B–70, will continue the insurance policy in force which we bought when we established the Strategic Air Command. The dividends from that policy have been realized annually by all of us in the freedom from nuclear war horrors in these past several years. The premium for the coverage given by this policy is a small one. As such, it is a unique policy because it guarantees full benefits to the living as well as survivors after death. But like all other policies, it does contain a penalty clause which reads as follows:

The benefits of life, liberty and happiness, guaranteed by this policy will cease to be effective in direct proportion to the nonpayment of premiums; automatic cancellation occurs under complete lack of premium payments without benefit of the unusual 30-day grace period allowed in all other policies because mortality tables of nuclear wars predict that the grace period will be reduced from 30 days to 30 minutes.

Mr. Speaker, I am concerned that recent administration cuts in the B–70 program will cause a lapse of this policy. I urge you to determine for yourselves just what the B–70 weapon systems is and what it means to our national survival. Take an hour and a half of your busy schedule and ask the Air Force to give you its briefing on the B–70. I am sure if you do the Congress will gladly pay the next premium on our survival policy when it becomes due in the midsixties.

U.S. CONCESSIONS DECRIED IN PANAMA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, on April 19, 1960, while in Augusta, Ga., the President approved a nine-point program in an effort to improve troubled United States-Panamanian relations. Was this generous action on the part of our Government appreciated at Panama? It was not.

Instead, it was hailed as a signal victory for the mobs which attempted to invade the Canal Zone on November 3 and 28, 1959, and, as repeatedly predicted, has led to renewed agitations for still greater concessions.

Far better than anything that I could write about the reactions to these and other concessions to the Isthmian Republic, is a description of the Panamanian attitudes by Mr. Ralph K. Skinner in the May 27, 1960, issue of the Christian Science Monitor, which is commended for careful reading by every Member of the Congress and all others concerned with Panama-United States relations.

The indicated news story follows:

U.S. CONCESSIONS DECRIED IN PANAMA

(By Ralph K. Skinner)

PANAMA CITY, PANAMA.—Eleven important concessions made by the United States to Panama in March and April have made no improvement in the troubled relations between the two countries.

There has been no gratitude expressed in Panama for these concessions, meeting demands made over a period of years.

If the intent of the concessions was to show Uncle Sam's good will to the people of Panama, the plan has been made to backfire by Panamanian oppositionists.

As reasonably conservative a public figure as Roberto F. Chiari, now President-Elect of Panama, said, "The concessions made by the United States are a signal victory for the Panamanian people who took part in the heroic deeds last November."

BLACKMAIL CHARGED

In other words, the nine points announced personally by President Eisenhower as an aid to Panama are said to be the result of blackmail caused by the violence of a mob trying to force its way into the Canal Zone.

Another paper credited the concessions to the "hundreds of unknown Panamanians who faced the best army in the world," in November.

The general attitude expressed was that everything that Uncle Sam has given or will give to Panama is a belated payment of an overdue obligation.

The recently defeated presidential candidate Ricardo M. "Dickey" Arias said "Panama will obtain many more benefits from the United States beyond the nine point program announced by President Eisenhower."

MERE TRIFLES

Former Foreign Minister Aquilino Boyd summed it up for the ultranationalists by saying for publication, "Mere trifles do not make us nationalists happy."

The "mere trifles" to which he referred represented enormous economic gains for Panama, thousands of pay raises for its citizens working in the Canal Zone, assumption by Uncle Sam of the financial burden of Panama's water shortage and low-cost housing crises, and a future of greatly increased employment opportunity for Panama citizens in the Canal Zone.

The 11 concessions represented the biggest economic stimulation Panama has ever known. Yet two leading dailies here did not even mention the announcement of these concessions by Uncle Sam.

Vicious cartoons, for which Panama has become famous, have attacked the U.S. gifts.

PRESIDENT CARICATURED

A typical one shows President Eisenhower (he always wears two guns in Panama cartoons) threatening a tiny Panamanian figure. The Panamanian says, "Look here, Ike, you are not fooling anybody with the so-called concessions you have announced. You have failed to comply with the treaties for so long that when you fulfill some provision, you think you are doing us some great favor * * * but, what about the flag?"

The flying of the Panama flag in the Canal Zone is suggested by the press as the only solution to the troubled relations between Panama and the United States.

The enormity of Panamanian aspirations had confused even the most astute observers. Recent declarations have made the picture in Panama quite clear.

DEMANDS FULFILLED

Concessions already made by Uncle Sam have met all Panamanian demands which can be fulfilled without direct interference with the operation of the Panama Canal waterway.

The streamlined roadway to ultimate Panamanian aspirations has just one roadblock—thus far, insurmountable.

It is the matter of U.S. control and jurisdiction over the Canal Zone, braced by more than 50 years' worldwide acceptance of this U.S. role at the Panama Canal.

Panama seeks to penetrate, to breach, this high wall of U.S. control and jurisdiction. To do so, it must establish some visible type of joint jurisdiction, whether legal, administrative or civil, as a requirement recognized and acceded to by the United States.

FLAG USED

Because of its unfailing patriotic appeal, the Panama flag has been used to rally support from the masses of Panama. Press, radio, political leaders, and manipulators clamor for the flying of the Panama flag in the Canal Zone as a symbol of Panama's titular sovereignty in that area.

If Uncle Sam grants this request, the first Panama flag flown in the Canal Zone could be the stick of dynamite which crumbles the whole U.S. wall of resistance.

Less colorful and spectacular but serving the same purpose would be acceptance by the United States on equal footing of Panamanian magistrates or customs officials in the Canal Zone.

Any official acceptance by Uncle Sam of Panamanian jurisdiction in the Canal Zone will be the entering wedge for Panamanian claims for full jurisdiction.

Dr. Gilberto Arias, an important political figure, said recently "Some day Panamanians will have not only sovereignty but also full jurisdiction over the Canal Zone."

National policy is being exerted to bring that "some day" into reality as soon as possible. Nothing less than the granting to Panama of full jurisdiction in the Canal Zone will win Uncle Sam any cooperation, gratitude, or good will here.

A longtime foreign observer here said that, to state in its simplest form the complex situation here, Panama aspires for the United States to operate the Panama Canal, but under Panamanian jurisdiction, with a lion's share of dollars generated going directly into Panamanian pockets.

U.S. RESPONSIBILITY IN THE CARIBBEAN

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. FLOOD. Mr. Speaker, for many months, in and out of the Congress, I have endeavored to present to the people of the United States, a comprehensive picture of the crucial revolutionary movement that has developed to the south of us in the Caribbean. Aimed directly at the Panama Canal with the objective of wresting its control from the United States, this internationally organized program for conquest through subversion has transformed the Caribbean basin into a fourth front in the struggle for the Western Hemisphere.

Fortunately for the United States, there are well-informed groups in our country whose voices are heard above confusing public murmur. Among these is the Panama Canal Society of Washington, D.C., which, for many years, has fostered programs of public enlightenment on Isthmian questions. These include, such matters as the means for modernizing and increasing capacity of the Panama Canal and the crucial subject of exclusive U.S. sovereignty over the Canal Zone.

The 25th annual meeting of this society on May 28, 1960, held at the Sheraton-Carlton Hotel in the Nation's capital, was devoted to the theme of "United States Responsibility in the Caribbean," with Edward Tomlinson, author, traveler, lecturer, and distinguished radio commentator specializing in Latin-American affairs, as the guest speaker.

The Panama Canal Society of Washington, D.C., which I had the honor to address on May 12, 1956, on "John F. Stevens: Basic Architect of the Panama Canal," published in the CONGRESSIONAL RECORD of May 29, 1956, consists of former Panama Canal officials, engineers, and others connected with its construction, and subsequent operation, maintenance, sanitation, and protection. Thus, among its members are found representatives of the Armed Forces, Public Health, and Foreign Services, and shipping interests, who have lived on the isthmus and know its problems and hazards at firsthand.

The officials of the society for 1959–60 were Frank M. Hill, president; Clarence L. Chapin, vice president; and Matt C. O'Hearn, secretary-treasurer. The committee on arrangements consisted of Frank M. Hill, chairman; Joseph A. Chesseman; and Hon. Maurice H. Thatcher, sole surviving member—1910–13—of the Isthmian Canal Commission, former Civil Governor of the Canal Zone, and distinguished Member of Congress—1923–33—from Kentucky, and past president of the society, who served the accustomed role as toastmaster.

There were also present past presidents of the society: Andrew W. Dewling, Ben Jenkins, Stephen Latchford, Walter G. Ross, Col. George S. Brady, and David R. Wolverton.

Other distinguished personages present included:

Lt. Col. George J. Brennan, staff chaplain, Headquarters Command, U.S. Air Force, who gave the invocation.

Lt. Gen. Willis D. Crittenberger, former Commander in Chief, Caribbean, and Mrs. Crittenberger.

John Jay Daly, editor and author.

Capt. Miles P. DuVal, U.S. Navy, retired, noted historian of the Panama Canal and author of the Terminal Lake-Third Locks plan for its major improvement.

Harry W. Frantz, UPI Latin American correspondent, and Mrs. Frantz.

Col. Pierre Gaillard, U.S. Army, retired, and Mrs. Gaillard.

Capt. Frederick L. Oliver, U.S. Navy—retired—military and naval analyst of the Christian Science Monitor, and Mrs. Oliver.

Mrs. Wright Patman, wife of Congressman PATMAN, of Texas.

Mrs. Gaillard Sherman Rogers, Trinity College, Washington, D.C.

Mrs. Ruth Shipley, former Chief of the Passport Division of the State Department.

Vice Adm. John F. Shafroth, Naval Historical Foundation and former Commandant, 15th Naval District, Balboa, C.Z., and Mrs. Shafroth.

Mrs. Maurice H. Thatcher, former first lady of the Canal Zone.

Miss Caroline Thatcher, public schools, Baltimore, Md.

Mrs. Roy O. Woodruff, widow of Congressman Roy O. Woodruff.

Mrs. Ailene Gorgas Wrightson, daughter of Gen. William Crawford Gorgas.

Lorenzo S. Winslow, former Architect of the White House, and Mrs. Winslow.

In an enlightening address, enthusiastically approved by the discerning gathering, Mr. Tomlinson summarized the current situation in the Caribbean with special emphasis on Cuba, Trinidad, Guadeloupe, Martinique, Venezuela, and Panama.

In order that significant portions of the program may be permanently recorded in the annals of the Congress, I quote them as part of these remarks:

INVOCATION BY CHAPLAIN (LT. COL.) GEORGE J. BRENNAN

Bless us, Oh Lord, as we rededicate ourselves to the task of being good Americans. In serving our beloved country, both at home and overseas we are really serving You, for all authority ultimately comes from God.

We have so much to thank You for, first of all for being citizens of the Nation you have blessed beyond all others. Then, too, in Your loving providence You have permitted us to serve in work that was both stimulating and eminently useful to our country and the other nations of the earth.

Yes, we love our country and we hope that our efforts have brought others to know how satisfying life can be in a nation where liberty, tolerance, and justice are practiced by every good citizen. As official representatives of our Nation overseas, what a great responsibility we assumed.

We humbly ask that our efforts may continue to bear fruit and that we may always endeavor to be more profitable servants. Enlighten our intellects, inflame our hearts, and strengthen our wills that we may always make good use of the talents You have given us.

In these days when men and nations are tense with suspicions and fears, may we work as if everything depends on our own efforts but know in our hearts that whatever good we accomplish ultimately depends upon You. Ever walking humbly in the way of Your commandments, may we one day hear from Thine own lips that most satisfying of all commendations, "Well done, good and faithful servant, enter thou into the joy of the Lord." Amen.

PRESENTATION OF TOASTMASTER BY PRESIDENT HILL

It now becomes my pleasing duty to turn over the gavel to the toastmaster of this occasion to your friend and mine, a member of the society and honorary life president.

As you know, he served with efficient loyalty as member of the Isthmian Canal Commission during the construction era of the Panama Canal; also as Civil Governor of the Canal Zone, and he is now the sole surviving member of that Commission. No man ever serving our country on the isthmus has done more than he to build up good relations between the United States and Panama. He was a Member of the House of Representatives from Kentucky for five terms, after his isthmian tenure; and in Congress, and since, he served the canal, the Canal Zone, Panama, the canal construction workers and others of the canal organizations, in most effective ways. Thus, in Congress, he was the author of the legislation that established the ferry across the canal at its Pacific entrance and provided for the construction of the highway from the western terminus of the ferry to the zone line, both officially named for him. The ferry has carried more than 100 million passengers across the canal thus far, and millions of automobiles. Then, in Congress he was also the author of the legislation that established the Gorgas Memorial Laboratory in Panama City—a great research institution dealing with tropical disease, human and veterinary; and on his retirement from Congress he became the vice president and general counsel of the Gorgas Memorial Institute which has charge

of the laboratory, under Federal appropriations. In addition he has rendered invaluable services in behalf of annuities and benefits for the canal construction and permanent employees of the canal organizations since leaving Congress. All these highly important and beneficial services he has rendered gratuitously. As a result he has long been known on the isthmus as one of its greatest benefactors.

He needs no introduction to this audience. I present as your toastmaster Gov. Maurice H. Thatcher.

PRELIMINARY REMARKS BY GOVERNOR THATCHER

For the benefit of those who are not familiar with the purposes and achievements of the Panama Canal Society of Washington, D.C., I will make these observations.

The society was organized about 25 years ago, with the membership made up of surviving employees engaged in the building of the Panama Canal; then others serving in the Panama Canal organizations; and the Isthmian Army and Navy forces were made eligible for membership.

The Panama Canal Auxiliary of Washington, D.C., was organized in the early days of the society. The auxiliary membership was composed of women who had lived on the canal during the construction days. The purpose involved with these organizations was to provide opportunity for meeting and reunion of the "oldtimers," and others, so that they might keep alive the memories and experiences of the Panama Canal enterprise and enjoy the communion thus provided. Also, the society has been mindful of the important issues which have arisen from time to time concerning the government and operation of the canal, and plans for future enlargement to meet the demands of swiftly increased traffic. It has been interested also in the attempt of communism to infiltrate into the isthmus to aid and abet the overall communistic purpose to wrest control of the canal from the United States.

The annual meetings of the society, for years, have been distinguished by the presence and addresses of outstanding statesmen and leaders, and questions of vital concern as regards the management, control, and increased capacity of the canal have been ably discussed; and usually these addresses, together with accounts of the proceedings of the society's meetings, have found their way into the CONGRESSIONAL RECORD for general dissemination.

Situated in the Nation's Capital, the society has been in an excellent position for leadership on these questions, and has fully availed itself of the opportunities thus presented.

From year to year we have had the presence of the service orchestras to furnish delightful musical programs.

All in all, our meetings have been of a notable character; and today, as heretofore, with an outstanding guest speaker, delightful music, and the presence of distinguished guests, members, and friends, the society hopes to maintain its fine record of fellowship, instruction, and entertainment.

GOVERNOR THATCHER'S REMARKS INTRODUCING MR. TOMLINSON

With world tensions at a new low, with conditions on the isthmus and in the Caribbean confused and menacing, we are indeed fortunate today in having for our guest speaker one who has traveled through the Latin American countries and the islands of the West Indies, for more than 35 years, and knows them in most intimate fashion. It is to be doubted whether any other person has so varied a knowledge of all the conditions and political situations obtaining in these countries to the southward of the United States as are possessed by our distinguished friend who will address us.

His recent book, "Look Southward, Uncle," presents to North Americans a picture of the great world which extends from the Rio Grande on our southwestern border, to the far regions of Tierra del Fuego. The book is of a most outstanding character, and its author is to be warmly congratulated for having written so valuable a treatise on the questions involved.

His journalist career began years ago, after completion of graduate work at the University of Edinburgh. He became a regular correspondent for Collier's magazine. Also, he has written for the New York Herald Tribune and syndicate, and for the Scripps-Howard chain. From 1940–49 he was inter-American adviser and commentator for the National Broadcasting Co.; and he holds the Columbia University Maria Moors Cabot gold medal "for distinguished journalism in the field of inter-American affairs."

He has covered every important inter-American meeting since the 1928 Pan American Conference in Havana, and was the first to broadcast the day-to-day proceedings of these meetings, beginning with the historic conference at Montevideo in 1933. He has known the so-called dictators and political leaders of the present generation in Latin American countries; and he has lectured to thousands of audiences throughout the United States and Canada.

It gives me especial pleasure to present to you our guest speaker, Mr. Edward Tomlinson, a Scotsman born in Georgia.

U.S. RESPONSIBILITY IN THE CARIBBEAN

"The United States should make every reasonable and legitimate effort to help strengthen and expand the economy, as well as cultivate the respect and good will of the people of Panama," Edward Tomlinson, author, journalist, and authority on inter-American affairs, told the members and guests of the Panama Canal Society at their 25th anniversary luncheon at the Sheraton-Carlton Hotel in Washington.

"At the same time," Mr. Tomlinson declared, "we should insist upon the sanctity of the treaty of 1903, which grants us complete sovereign control over the 553 square miles of territory known as the Canal Zone."

Talking on the subject "U.S. Responsibilities in the Caribbean," Mr. Tomlinson said, "We should not yield to the pressure Isthmian politicians and extremists, egged on by most of the dozen or so wealthy families who run the country, are putting on us to fly the Panamanian flag over the zone and the waterway.

"Anybody who has ever spent any time in the little Republic knows, and the Panamanians know, this flag-flying proposition is a Trojan horse. Once the flag is raised the flaming nationalists and troublemakers would always be able to say 'You see, the imperialist Yankees admit that we are the sovereign over this treasured piece of Panamanian soil, but they won't let us administer it.' "

"Any change in the political provisions of the 1903 treaty would also set a dangerous precedent," the speaker said. "If we should agree to any concessions permitting the Panamanian Government to exercise, or even share political authority and administration over this territory, as they have been insisting upon, why shouldn't every other nation with which we have made a territorial treaty ask for similar revisions?

"Why should not Mexico ask for a revision of the treaty by which Texas became a part of the United States? Perhaps Khrushchev might insist upon reopening the treaty by which we acquired Alaska, since it was signed by the czars, whom the Communists exterminated. For that matter, maybe Colombia might like to reopen the various treaties and agreements by which they acknowledge the secession of Panama from that South American Republic.

"In spite of Panamanian accusations that they do not reap the material benefits from the canal and the zone which they deserve, the economic concessions we have made and the returns that accrue to them because of our presence on the Isthmus are not only considerable but generous."

Mr. Tomlinson pointed out that "we hand over to them every 12 months nearly $2 million in the form of an annuity. Panamanian nationals employed in the zone now receive identical base pay for identical jobs, regardless of race or color. In the month of March we bought goods and services from the citizens of Panama in the amount of $2,700,000, or more than $32 million a year. These are but a few of the items we contribute regularly to the economy of the little Republic."

"From the viewpoint of some Panamanians", Mr. Tomlinson went on to say, "one would think that the United States had taken over by force and is operating for its own private benefit a $2 billion public service project which belongs to them, instead of operating a vital and strategic artery of transportation built by the taxpayers of the United States, that serves the whole world.

"In fact," he declared, "we have the grave responsibility of seeing that the canal is maintained and operated at the highest efficiency and that it is adequately defended and protected.

"Right now," he continued, "the responsibility of defending and protecting it is just as grave as the responsibility of defending and operating it. We are in a desperate and dangerous cold war with the Communist world, and the Reds are seeking by every means and stratagem to penetrate and subvert every nation in this hemisphere, including Panama.

"They have established a strong bridgehead in Cuba, and Khrushchev has called on all Latin America to follow Castro's example and drive the U.S. interests out of their countries.

"Even the most responsible Cubans now admit that communism is a power in their homeland. The distinguished archbishop of Santiago this week warned his people that 'the enemy is no longer at our gates. He is already within the gates.'

"Fidel Castro not only has put himself on record as endorsing the Russian battle cry," he declared, "but his own crusade against this country is far more bitter, vitriolic, and menacing than that of Khrushchev. In the bearded Cuban's opinion, the United States and not Batista has been the great despoiler of the Cuban nation.

"Elsewhere in the Caribbean," Mr. Tomlinson warned, "our Red enemies are busy undermining us. Of course, it is not necessary to use a divining rod to know that the Panama Canal is the prize objective of their campaign."

"In fact the subversive influences now at work throughout the Caribbean and North and Central American are just as much of a threat to the isthmian waterway as those present in the Republic of Panama.

"Our stand against such threats, whether in Cuba, French Martinique or any other island or nation of the area, should be just as firm as if they were on the banks of the canal itself.

"There is an opinion in some official circles here in Washington," he pointed out, "that we must not take any definite steps on our own to defend this country against the despotic Communist Castro regime. To do so, according to this viewpoint, would be considered by the other American Republics as Yankee intervention.

"But we do not have to act alone. Every other Republic in this hemisphere is pledged in the charter, and other pacts and agreements of the Organization of American States, to help preserve freedom and democracy in the American nations, and to oppose the efforts of Old World powers to extend their systems to this hemisphere. In the historic Dulles resolution adopted at Caracas in 1954, they acknowledged that any attempt by international communism to establish itself in any American Republic would be considered a threat to all the nations of the Americas, and that this would call for immediate and common consultation among all of the Governments which are members of the OAS.

"In effect, this means that under the OAS Charter we have abandoned the unilateral concept of the Monroe Doctrine, and agreed to make it a multilateral doctrine. This is to say, we have agreed that our neighbors now have an equal responsibility with ourselves in preventing invasion of the Americas by any non-American power, or by infiltration of any alien doctrine.

"It is time for us to find out whether these neighbors intend to honor their pledged word and their official signatures. It is time to know whether they intend to stand up against the Communist onslaught now being made against this hemisphere or whether the responsibility of defending the Americas against this menace must revert to the United States. To delay would be courting disaster.

"In the words of the distinguished Cuban archbishop," Mr. Tomlinson concluded, " 'the enemy is within the gates.' "

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. O'HARA of Illinois, for 1 hour, tomorrow.

Mr. RABAUT, for 1 hour, on Thursday, June 9.

Mr. QUIGLEY, for 1 hour, on tomorrow.

Mr. HOLIFIELD, for 1 hour, on tomorrow.

Mr. FLOOD (at the request of Mr. DADDARIO), for 15 minutes today, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. NATCHER.

Mr. ROGERS of Texas.

Mrs. MAY.

(At the request of Mr. GLENN and to include extraneous matter the following:)

Mr. BOSCH.

Mr. DOOLEY in two instances.

(At the request of Mr. DADDARIO and to include extraneous matter the following:)

Mr. KING of California.

Mr. DANIELS.

Mr. MOELLER.

Mr. MCGOVERN.

ADJOURNMENT

Mr. DADDARIO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 55 minutes p.m.), the House adjourned until tomorrow, Friday, June 3, 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:

2213. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, Department of the Army, dated May 13, 1960, submitting a report, together with accompanying papers and illustrations on a beach erosion control report on cooperative study of North Shore of Cape Cod from Cape Cod Canal to Provincetown, Mass., under authority of section 2 of the River and Harbor Act approved July 3, 1930, as amended and supplemented (H. Doc. No. 404); to the Committee on Public Works and ordered to be printed with 11 illustrations.

2214. A lettter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 29, 1960, submitting a report, together with accompanying papers and an illustration, on a survey of Las Vegas wash and tributaries, Nevada, authorized by Public Law 479, 82d Congress, approved July 9, 1952 (H. Doc. No. 405); to the Committee on Public Works and ordered to be printed with one illustration.

2215. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 10, 1960, submitting a report, together with accompanying papers and an illustration, on an interim report on Red River at East Point, La., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on February 25, 1938 (H. Doc. No. 406); to the Committee on Public Works and ordered to be printed with one illustration.

2216. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 10, 1960, submitting a report, together with accompanying papers and an illustration, an interim report on Big Fossil Creek, Richland Hills, Tex., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on February 28, 1945 (H. Doc. No. 407); to the Committee on Public Works and ordered to be printed with one illustration.

2217. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 18, 1960, submitting a report, together with accompanying papers and illustrations, on a review of reports on Ocracoke Inlet, N.C., requested by a resolution of the Committee on Public Works, House of Representatives, adopted on July 29, 1955 (H. Doc. No. 408); to the Committee on Public Works and ordered to be printed with two illustrations.

2218. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 13, 1960, submitting a report, together with accompanying papers and an illustration, on Great Lakes harbors study—interim report on Rochester Harbor, N.Y., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted on May 18, 1956, June 27, 1956, and June 29, 1955, respectively (H. Doc. No. 409); to the Committee on Public Works and ordered to be printed with one illustration.

2219. A letter from the Chairman, Civil War Centennial Commission, transmitting the Third Annual Report of the Civil War Centennial Commission, pursuant to Public Law 85-305; to the Committee on the Judiciary.

2220. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "a bill to improve the public health through revising, consolidating, and improving the hospital and other medical facilities provisions of the Public Health Service Act, authorizing grants for construction of medical, dental, osteopathic, and public health teaching facilities, providing special project grants for postgraduate public health training, providing for Federal guarantee of loans for construction of group practice medical or dental care facilities, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC 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. SPENCE: Committee on Banking and Currency. H.R. 11207. A bill to amend the Small Business Act so as to authorize an additional $150 million for loans to small businesses, and for other purposes; with amendment (Rept. No. 1738). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 12052. A bill to extend the Defense Production Act of 1950, as amended, for an additional 2 years; without amendment (Rept. No. 1739). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 1740. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. LESINSKI: Committee on House Administration. House Joint Resolution 311. Joint resolution authorizing the erection of a statue of Taras Shevchenko on public grounds in the District of Columbia; with amendment (Rept. No. 1741). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Missouri: Committee on House Administration. House Joint Resolution 416. Joint resolution to provide for the erection in the city of Page, Ariz., of an appropriate marker to commemorate the achievements of former Commissioner of Reclamation, John C. Page; without amendment (Rept. No. 1742). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARDEN: Committee on Education and Labor. H.R. 12383. A bill to amend the Federal Employees' Compensation Act to make benefits more realistic in terms of present wage rates, and for other purposes; without amendment (Rept. No. 1743). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOYKIN: Committee on Merchant Marine and Fisheries. H.R. 10646. A bill to amend the Merchant Marine Act, 1936, in order to extend the life of certain vessels under the provisions of such act from 20 to 25 years; with amendment (Rept. No. 1744). Referred to the Committee of the Whole House on the State of the Union.

Mr. TRIMBLE: Committee on Rules. House Resolution 546. Resolution for the consideration of H.R. 12176, a bill to amend

title V of the Agricultural Act of 1949, as amended, and for other purposes; without amendment (Rept. No. 1745). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ABERNETHY:

H.R. 12483. A bill to amend section 801 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901; to the Committee on the District of Columbia.

By Mr. BARRY:

H.R. 12484. A bill to correct inequities with respect to the compensation of certain postal field service employees exercising supervisory functions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROYHILL:

H.R. 12485. A bill to amend the act of May 7, 1906, relating to the regulation of the practice of pharmacy and the sale of poisons in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FINO:

H.R. 12486. A bill to extend and improve the special education and rehabilitation services provided by the Federal Government; to the Committee on Education and Labor.

By Mr. GEORGE:

H.R. 12487. A bill to provide for a national agricultural exhibition; to the Committee on Agriculture.

By Mr. MERROW:

H.R. 12488. A bill granting the consent and approval of Congress to the northeastern water and related land resources compact; to the Committee on Public Works.

By Mr. MORRISON:

H.R. 12489. A bill to permit the coverage under social security of certain policemen and policewomen in the city of Hammond, La.; to the Committee on Ways and Means.

By Mr. SILER:

H.R. 12490. A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes; to the Committee on Banking and Currency.

By Mr. THOMSON of Wyoming:

H.R. 12491. A bill to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the county of Fremont, Wyo.; to the Committee on Agriculture.

By Mr. FRELINGHUYSEN:

H.R. 12492. A bill to provide additional opportunity for certain postal field service employees to obtain career appointments under the act of July 30, 1956, who lost opportunity for such appointments because of administrative error; to the Committee on Post Office and Civil Service.

By Mr. INOUYE:

H.R. 12493. A bill to provide cost-of-living allowances to judicial employees stationed outside the continental United States or in Alaska and Hawaii; to the Committee on the Judiciary.

By Mr. LAFORE:

H.R. 12494. A bill to extend and improve the special education and rehabilitation services provided by the Federal Government; to the Committee on Education and Labor.

By Mr. LESINSKI:

H.R. 12495. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Iowa:

H.R. 12496. A bill to amend the "anti-kickback statute" to extend it to all negotiated contracts; to the Committee on Government Operations.

By Mr. BREWSTER:

H.R. 12497. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, and the District of Columbia Business Corporation Act, as amended, with respect to certain foreign corporations; to the Committee on the District of Columbia.

By Mr. ANFUSO:

H.J. Res. 725. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. BARRY:

H.J. Res. 726. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. BOSCH:

H.J. Res. 727. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. BUCKLEY:

H.J. Res. 728. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. CELLER:

H.J. Res. 729. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. DELANEY:

H.J. Res. 730. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. DOOLEY:

H.J. Res. 731. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. FARBSTEIN:

H.J. Res. 732. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. FINO:

H.J. Res. 733. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. GILBERT:

H.J. Res. 734. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. HALPERN:

H.J. Res. 735. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. HEALEY:

H.J. Res. 736. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. HOLTZMAN:

H.J. Res. 737. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mrs. KELLY:

H.J. Res. 738. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. KEOGH:

H.J. Res. 739. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. KILBURN:

H.J. Res. 740. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. MILLER of New York:

H.J. Res. 741. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. MULTER:

H.J. Res. 742. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. O'BRIEN of New York:

H.J. Res. 743. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. OSTERTAG:

H.J. Res. 744. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. PIRNIE:

H.J. Res. 745. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. POWELL:

H.J. Res. 746. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. RAY:

H.J. Res. 747. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mrs. ST. GEORGE:

H.J. Res. 748. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. SANTANGELO:

H.J. Res. 749. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. TAYLOR:

H.J. Res. 750. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. WAINWRIGHT:

H.J. Res. 751. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mrs. WEIS:

H.J. Res. 752. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. ZELENKO:

H.J. Res. 753. Joint resolution authorizing Federal participation in the New York World's Fair; to the Committee on Foreign Affairs.

By Mr. LINDSAY:

H. Res. 547. Resolution to authorize the Committee on House Administration to conduct an investigation and study of expenditures from the contingent fund of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BROOKS of Louisiana: Memorial of the Legislature of the State of Louisiana, being House Concurrent Resolution No. 14, calling for a change in the manner of computing old-age assistance grant; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States relative to requesting an amendment to the Constitution of the United States relating to a decision of the U.S. Supreme Court; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Virgin Islands, memorializing the President and the Congress of the United States rela-

tive to bill No. 1222, "Protesting the authority granted to the Virgin Islands Corporation to establish wages, working rules, and working conditions without regard to provisions of other laws," which was adopted by the legislature on May 27, 1960; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DADDARIO:

H.R. 12498. A bill for the relief of Mariannina Di Fronzo; to the Committee on the Judiciary.

By Mr. DULSKI (by request):

H.R. 12499. A bill for the relief of John R. Rybicki; to the Committee on the Judiciary.

By Mrs. DWYER:

H.R. 12500. A bill for the relief of Annunziata Sabatini; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 12501. A bill for the relief of Theodore C. Dros and others; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H.R. 12502. A bill for the relief of Engineman 1st Class William J. Stevens; to the Committee on the Judiciary.

By Mr. VINSON:

H.R. 12503. A bill to provide for the conveyance to Carolina Freight Carriers Corp., a corporation of the State of North Carolina, of certain lands and any improvements thereon located in Bibb County, Ga.; to the Committee on Public Works.

By Mr. DADDARIO:

H.R. 12504. A bill for the relief of Mrs. Emilie Gerber; to the Committee on the Judiciary.

By Mr. KNOX:

H. Con. Res. 698. Concurrent resolution expressing the sense of Congress that the Secretary of the Navy, shall, in accordance with section 7308 of title 10, United States Code, transfer the former U.S.S. *Flamingo* (MSCO-11) to the Jansen-Richardson Post No. 488 of the American Legion, Ellsworth, Mich.; to the Committee on Armed Services.

EXTENSIONS OF REMARKS

A New Czech Exile Newspaper Understands and Fights Communism

EXTENSION OF REMARKS

OF

HON. ALBERT H. BOSCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 2, 1960

Mr. BOSCH. Mr. Speaker, I should like to call the attention of Members of Congress to a new Czech exile monthly newspaper edited in Munich, Germany, by Mr. Milos Svoboda, a Czech anti-Communist refugee. The newspaper's name is Ceske Listy—Czech News—and its first issue appeared on June 1, 1960.

In an analysis of the abortive Paris Conference, the paper says that the aim of the Communist moves wrecking the Conference were to harm the United States in the eyes of the world and to influence the American elections against Mr. Eisenhower and Mr. NIXON. That this analysis was right was clearly evident in the happenings in Japan, which are merely a continuation of the purposeful Communist attacks against our President. The Czech News describes the Communist bosses as cool and calculating men and declares that the Reds did not make any mistake in Paris. They predict a summit conference will come 8 months later at which time the Reds expect to have new partners striving for coexistence, they want to force the participation of Red China in international conferences and want more trade and more coexistence. The Czech News regrets the way in which the big press write in the West using Khrushchev's moves against Mr. Eisenhower instead of calling for stronger anti-communism in the West. Had Khrushchev not known the way in which this press was going to write, he would not have dared to wreck the Paris Conference, says the Czech News.

It is gratifying to see one exile newspaper grasping the situation so soberly and rejecting the unrealistic optimism of other exile publications and organizations which have believed that the Reds have made mistakes while in reality they have again scored one of their big propaganda successes. We certainly need people who see the global danger of the sly Communist in a clear way.

In his introductory article, the former Czechoslovak Minister and General of the Army, Lev Prchala, chairman of the Czech National Committee in London, propounds the idea of Christianity and tolerance between the Czechs and the Germans. This outstanding exile, General Prchala, spent World War II in London fighting Hitler, but refused to return to the Czechoslovakia of the national front in 1945 condemning the communization measures taken in that land and opposing communism as strongly as nazism. Had the Czech people heeded the advice of this just and wise man, they would probably still be free.

The first issue contains an article written for the Czech News by the distinguished American writer, Gen. Charles A. Willoughby, former chief of U.S. intelligence in the Far East under General MacArthur. In a brilliant analysis of the dangers of coexistence, General Willoughby warns of summit conferences. The general quotes the words of Dmitri Manuilski about the "stupid and decadent capitalists" who would leap at another chance to be friends of the Communists and also Lenin's words that "promises are like pie crusts, made to be broken." General Willoughby, however, finds an encouraging sign in the fact that the victims of the Iron Curtain, the Czechs, the Hungarians, the Germans, and others are finding a way together and that a broader principle emerges, the principle of freedom, friendly neighborliness, and self-determination for all.

In a message to the new newspaper, Lt. Gen. P. A. del Valle, of the U.S. Marine Corps, retired, declares:

> The governments of the free world do not undertake sufficient steps against communism. The road to the preservation of our freedom and to the liberation of the enslaved peoples does not lead through summit conferences, negotiations, trade, and friendship with the Communists. What the free world needs is an active warless policy of liberation using the means of an economic, political, journalistic, cultural, and diplomatic offensive against world communism. Before communism can be removed without war in your country, its helpers in the free world must be removed.

Ample quotations are given in the newspaper from speeches of distinguished Members of Congress. The words of Senator THOMAS J. DODD are quoted demanding that the question of the captive nations be exploited as an offset against the Communist offensive. On this question, the West is on sure ground—legally, morally and politically. There is no issue on which the Kremlin is more sensitive or more vulnerable.

Senator ROMAN HRUSKA is quoted as demanding a firm policy on Germany. Berlin must never fall into Communist hands. Senator HRUSKA mentioned in his speech, quoted the Czech News, a letter by Maj. Gen. Julius Klein demanding a firm policy so that it be heard by Nikita Khrushchev who seems to have reached the false and dangerous conclusion that the free world is intimidated by his claims to power and supremacy.

Furthermore, the newspaper quotes words of Senator HUBERT H. HUMPHREY and Congressman GORDON H. SCHERER. Czech News reports the words of Communist leaders such as Lenin who said:

> "Up to now we have won our victories over the world bourgeoisie because of its inability to unite," and words of Georgi Dmitrov: "The writer who, without being a party member, defends the Soviet Union, the union leader who is outside our ranks but defends Soviet international policy, is worth more than a thousand party members."

The Czech News contains many reports about Czech and exile life. One interesting article reports a meeting held as a common manifestation against Communist tactics at the summit meetings which was staged by the Ukrainian exiles in Munich, under the leadership of former Prime Minister of free Ukraine, the Honorable Jaroslaw Stezko, by the Hungarian refugees, the Anti-Bolshevic Bloc of Nations, the German Union of Expellees, and the Victims of Stalinism. A member of the Bavarian Landtag, Mr. Herbert Prochazka demanded that the German Federal Government support materially the political

exile of the enslaved peoples. The resolution of the Anti-Bolshevic Bloc of Nations whose president is Mr. Statzko, demanded the expulsion of Red regimes from the UN and that the question of the liberation of the captive nations be put on the daily agenda of world politics.

Also the scientific part of the new paper, in which, for example, Dr. Rudolf Wierer, former university professor of Brno, analyzes the new Czechoslovak Communist constitution, and the cultural parts are interesting. The editor, Mr. Svoboda, stresses the importance of the Czech exile orchestra director Rafael Kubelik, formerly in Chicago and London, who is going to Munich in 1961 to direct the Munich Symphony Orchestra.

This new newspaper hopes to reach not only the Czech exiles, but also the old Czech settlers in the countries of the free world. It is a refreshing sight to see this new publication advocating concrete proposals of action against communism. The Czech News proposes to persuade the governments of the countries of the free world to forbid the transactions of Western currencies as donations to the Communist countries through the Red monopoly foreign trade organization Tuzek. The paper says that the Communists prefer Western currencies to simple gift parcels, but that they would admit simple gift parcels if the Tuzek operations are prohibited because they prefer gift parcels for their needy population to nothing. This is sound logic for fighting anti-Communist exiles and the organizations such as the Assembly of Captive European Nations and the Free Europe Committee with its radio free Europe could derive useful information in the field of anticommunism.

This new newspaper, the Czech News, which brings so many quotations of American statesmen and Members of Congress and which clearly sees the dangers of communism, and seeks to effectively fight the Communist danger, and which preaches freedom, justice, and friendship between nations, including the Czechs, Germans, Slovaks, Hungarians, and others, really deserves the attention of Members of Congress and the moral support of all Americans.

The Republic of Italy—Its 14th Anniversary

EXTENSION OF REMARKS

OF

HON. DOMINICK V. DANIELS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 2, 1960

Mr. DANIELS. Mr. Speaker, the last war was not only the most destructive event in known and recorded history, but it was, in many respects, the most revolutionary of all wars. In Europe its shocking and terrifying effects in many spheres of human activity will not be easily forgotten. But in certain countries there, as a result of that war, certain powerful and dictatorial regimes were overthrown and popular democratic governments were substituted. Germany and Italy are, of course, two cases in point.

The Fascist government never seemed to have had popular support in Italy. It was dictatorial pure and simple, and its inability to lead the people of Italy in war showed its bankruptcy and lack of support. When the Anglo-American forces helped the Italian people to overthrow the Fascist regime, they also encouraged the people in their task of forming a democratic government. Very early in June, 14 years ago, the people of Italy voted for a republican type of government, and thus they voluntarily established the Republic of Italy.

Since those anxious and hopeful days, in the course of a mere 14 years, the people of Italy have gone far in strengthening their publicly supported republican government, and in establishing firmly democratic institutions in Italy. As the result of their devotion of these institutions, and also as the result of the help they received from the other democracies in the West, they have made Italy a source of strength of democracy against totalitarianism, a seedbed of the arts, and a home for creative thought and innovation. On this 14th anniversary celebration of Italian Independence Day I greet the proud people of Italy and join them in this celebration.

Wanda May Wood of Shamrock, Tex., Elected to Scholastic Honor Society of Gallaudet College

EXTENSION OF REMARKS

OF

HON. WALTER ROGERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 2, 1960

Mr. ROGERS of Texas. Mr. Speaker, it gives me great personal pleasure to announce that Miss Wanda May Wood of Shamrock, Tex., has been elected to the scholastic honor society of Gallaudet College, the world's only college for the deaf. She is the first student from Texas ever to be accorded such a distinct honor.

This young lady, the daughter of Mrs. J. E. Wood, of Shamrock, not only achieved membership in the Phi Alpha Pi Society of the college, but also received the Thomas S. Marr Award for outstanding academic achievement and scholarship. A senior at the college, Miss Wood will graduate this month with the highest average in her class. She was also a dean's list student during her studies.

Outstanding as they are, the accomplishments of this Texas coed have by no means been limited to the scholastic field. She just recently reigned as Sweetheart of Alpha Sigma Pi Fraternity during its 11th annual carnival held at Gallaudet. Members of the fraternity named Miss Wood their sweetheart in honor of her leadership, scholarship, and character.

Miss Wood, truly outstanding both as a scholar and as an individual, is a credit not only to the city of Shamrock and the State of Texas, but to the entire Nation as well. For her determination and many achievements, Miss Wood certainly deserves the best wishes and earnest praise of us all.

The American Woman Commemorative Stamp

EXTENSION OF REMARKS

OF

HON. CATHERINE MAY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 2, 1960

Mrs. MAY. Mr. Speaker, today the Nation pays tribute to an important segment of our population by issuing, through the Post Office Department, a special stamp honoring the American woman. I freely admit that mine is a prejudiced position in calling this event to your attention. However, I should appreciate a moment of your time to express, on behalf of American women everywhere, gratitude for the recognition this stamp represents.

Incidentally, this is a 4-cent stamp—the variety employed daily in the transaction of more important bits of American business than any other single element in our national life, except, of course, the women it commemorates.

There have been many pioneers in the progress of women toward their present status since Abigail Adams first looked to new horizons. Some of these, Susan B. Anthony, Jane Addams, Clara Barton, Carrie Catt, Elizabeth Stanton, and Lucretia Mott, already have been honored either individually or collectively on stamps previously issued. Certainly there are others who could symbolize the spirit of American woman. But appropriately enough this stamp features a composite image of the thousands of American women who, through continuing contribution to family, church, and country, have arrived in mid-20th century to full partnership in the development, preservation, and extension of the American way of life.

That American woman takes her partnership position seriously is reflected in her growing participation in human, public, and even corporate affairs.

It has been said that, by sheer weight of numbers, American women control a majority of the Nation's votes and a majority of its wealth. Actually, the answer to their advanced position in the politics and economy of the country is not one of statistics but of sincere and intelligent interest; of desire to fulfill the responsibilities that come with full

partnership in any undertaking. If there is a preponderance of women sitting in town meetings, school meetings, or in stockholders' meetings, it is because they believe that the living strength of our Republic—in principle and in practice—requires the active, informed support of each citizen.

The advancement of American women to their present partnership status has been a cooperative effort, appreciably aided by the men and other women who have sat where you are now sitting—thoughtful citizens who gave and who continue to give enthusiastic support to the expanded role which women have proved themselves well able to assume.

This expanded role has many facets, as the commemorative stamp issued today indicates. It embraces the home, civic affairs, education, the arts and sciences, and industry. In all of these women are making major and lasting contributions—sharing responsibility on an equal basis with their associates. They recognize that equal rights and equal responsibility go hand in hand—as privilege is acquired, accountability must be assumed.

By recognizing her capabilities—by giving her the opportunity to put these capabilities to maximum use for the public good, the Nation has encouraged the American woman to develop to her full stature. In exchange, her endeavors to advance the welfare of family, community, and her Nation reflect the highest tradition of responsible citizenship.

Statement of Secretary of Defense Before Senate Committee on Foreign Relations

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, June 2, 1960

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement delivered by Secretary of Defense Thomas S. Gates before the Senate Committee on Foreign Relations, on today, June 2, 1960.

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

STATEMENT OF SECRETARY OF DEFENSE THOMAS S. GATES BEFORE THE SENATE COMMITTEE ON FOREIGN RELATIONS, JUNE 2, 1960

Mr. Chairman, I appreciate this opportunity to appear before you and I have a short statement if I may read it.

I am certain that you wish me to cover the role played by the Department of Defense in the U-2 overflight program. Elements of the Department of Defense gave technical advice to the U-2 project. No military aircraft were used for these flights nor were the pilots military personnel.

From time to time the Director of the CIA, after obtaining the concurrence of the Secretary of Defense and the Secretary of State, recommended a series of programs to the President. More specifically I reviewed program proposals embracing several priority missions, one or more of which it was proposed to execute in the near future. Responsibility for the operational conduct of the program rested with the CIA.

Of paramount importance was "the take" of these flights. Information on airfields, aircraft, missiles, missile testing and training, special weapons storage, submarine production, atomic production, and air defense deployments were of the types of vital information observed. These data were considered in formulating our military programs. We obviously were the prime customer and ours is the major interest.

On a separate subject—

One incident, and one over which I assume full responsibility, is the calling of a test of the readiness of our military communications from Paris. In view of the fact that my action in this matter has been questioned by some, I would like to give you the facts.

First of all, our military forces are always on some degree of alert. So it is merely a matter of moving this degree or condition of alert up or down the scale. On Sunday night (May 15) we were already aware of the sense of the statement which Mr. Khrushchev was going to make the following morning. The conditions which he had set for his participation in the conference made it apparent even at the time that he deliberately intended to wreck the conference.

This communications alert was not an act that was either offensive or defensive in character. It did not recall Army, Navy, Air Force and Marine personnel from leave. There was no movement of forces involved. However, I want to emphasize that it did make certain that if subsequent developments made necessary a higher state of readiness, such action could be taken promptly and convincingly.

Under the circumstances it seemed most prudent to me to increase the awareness of our unified commanders. Moreover, since the command and individuals concerned in the decision process, including the President, the Secretary of State, and myself, were overseas it was important to check out our military communications. At about midnight, Paris time, Sunday night, I requested that a quiet increase in command readiness, particularly with respect to communications, be instituted without public notice, if possible.

One phase of our testing is to call nonotice exercises of our command communications. While some commands went further in executing the instructions issued by the JCS as a result of my message than I had anticipated, I consider the order proper and absolutely essential. In similar circumstances I would take exactly the same action.

A Salute to the Foreign Agricultural Service

EXTENSION OF REMARKS

OF

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 2, 1960

Mr. NATCHER. Mr. Speaker, on June 5, 1960, we will celebrate the 30th anniversary of the Foreign Agricultural Service and it is appropriate at this time to pay tribute to this all-important operation of the Department of Agriculture.

The Foreign Agricultural Service is responsible for developing plans and policies related to the administration of the foreign affairs and interests of U.S. agriculture. This responsibility covers a wide range of activities and the health and strength of our domestic agricultural programs depend in large measure on the success of the work being done by the FAS. The Service is directly concerned with the development of foreign markets with emphasis placed on proper and efficient disposition of our surplus agricultural commodities. Trade programs are analyzed as to the effect restrictive trade policies have on American farm products, and FAS also develops, directs, and coordinates basic policies for the encouragement of world trade in American agricultural products. The FAS maintains an agricultural attaché in most of our Embassies and consulates, and it is the primary responsibility of these persons to report on marketing and trade activities in the country to which they are assigned. The Foreign Agricultural Service then disseminates to the American farmer the information obtained by these attachés and others which is essential to the aggressive foreign marketing of our agricultural products. This service also cooperates with ICA in the administration of the agricultural portion of the foreign assistance program. This work includes training foreign agricultural leaders and providing technical assistance to cooperating foreign countries.

Historically, our farmers produce more than domestic consumption requires, and the excess goes to foreign markets. Although our export market is relatively smaller than our domestic market, it provides us with additional agricultural income and also gives a more complete outlet for our total production. During the war and postwar years, foreign demand for our farm products was unusually high and, consequently, American agriculture expanded its production plant to a size considerably greater than it might have done had there not been a war. However, since 1952 foreign demand for our agricultural products has fallen off appreciably, and today we are faced with the very real problem of what to do with the full capacity of our agricultural plant. The present surplus commodity situation is traceable in great degree to insufficient movement to foreign markets.

For the first time in history, we must actively develop foreign markets for our farm products, and it is only recently that we have become aware of this necessity. It is essential that we acquire knowledge of what is taking place in the rest of the world as it affects our own agriculture, and that we take proper steps to overcome obstacles in marketing our farm products abroad if we are to maintain a sound and prosperous agriculture in the United States.

The many well-qualified, well-trained persons involved in the numerous activities of the Foreign Agricultural Service insure the continued effectiveness of the Service. They are loyal, dedicated employees, experts in their field, and possess the ability to cooperate fully with Foreign Service officers in our Embassies, and also with foreign agricultural officials.

Mr. Speaker, the Department of Agriculture is to be commended upon the outstanding work being carried on by the Foreign Agricultural Service, and it is, indeed, a pleasure to offer my personal congratulations on the fine job they are doing.

Memorial Day, Larchmont, N.Y.

EXTENSION OF REMARKS

OF

HON. EDWIN B. DOOLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 2, 1960

Mr. DOOLEY. Mr. Speaker, under the leadership of Commander Ben McGrath, of Larchmont, N.Y., Memorial Day for a number of years in that community has been a very unusual and memorable occasion.

Through careful planning, meticulous attention to details, and much civic cooperation, Commander McGrath was able to evoke an attendance at the 1960 Memorial Day service which is entirely out of keeping with the size of the community.

It seems literally as though all of Larchmont turns out to hear the speeches and see the parade. The police and fire department cooperate thoroughly, as do the Boy Scouts and Girl Scouts and the Cubs and Brownies, and the parade is an unusually splendid affair.

It has been my privilege to talk before the Larchmont Memorial Day gathering for several years, and my remarks given on this past May 30 follow:

Once again I stand before my neighbors and friends on this important day to speak a message—a message primarily in tribute to those who were once among us, but who were swept away by an irresistible tide of arms. Their passing brought deep sorrow to their parents, their spouses, and their children. A number of those among us know the pangs that service-connected losses brought them through personal bereavement.

We know only this—that as civilized human beings it is proper and fitting that we honor our departed comrades here today. And that in their memory we pause to take inventory of the heritage they left us. That the world—our world—was better when they left it cannot be denied.

There was not the sword of Damocles hanging over all of us in the form of the nuclear bomb, threatening us with fiery extinction in one dreadful moment of scorching flame. There was not the rash of rioting on the international scene, in Korea, Turkey, South America, and the Antilles—rioting which bespeaks terrifying impatience with the status quo and indicates a pressing need for social and political change in farflung areas.

There was not the phenomena of oppressed people everywhere rising in forceful numbers to overthrow ancient systems of tyranny and colonialism.

There was not in the bright days of our departed comrades the multitude of juvenile delinquency crimes—which cry out loudly that something is amiss with our social patterns. And there was not, I truly believe, the frightful emphasis on inconsequential things which today are given importance entirely inconsistent with their pragmatic value.

These are the disappointing facts of our inventory.

What is there on the hopeful side? Much indeed.

People—our people and other people—today are shattering the impediments that have long stood in the way of man's progress. The interchange of scientific knowledge on an international scale has made it possible for nations to provide the power, the industrial knowledge, and the resources, to give their peoples the necessities of life, the jobs, the homes, and the necessary raiment.

Disease is gradually yielding its enigmas to the penetrating explorations of the electric microscope. Ignorance and illiteracy are being wiped out. Food and shelter will soon be available to a world which for centuries saw a large percentage of its inhabitants in dire want and painful penury.

What, may I ask, is the stumbling block to achieving these world goals, to world progress, to peace and prosperity, which would permit man to attack the social problems that beset us?

The answer is Russia.

If we did not have to spend $40 billion on arms to give us deterrent military strength, to give us a voice at the international bargaining table, we could do much for the sick, the mentally ill, the poorly housed, the oppressed.

Russia, however, prefers to pursue its course of attempted world domination, to spread its evil doctrine of communism by every devious means available to it.

Its record is one of deceit and infamy.

Russia has repudiated every agreement she has made with her former allies.

She has seized and impounded behind the Iron Curtain, Lithuania, Estonia, Latvia, Poland, Armenia, Hungary, Yugoslavia, and a host of other smaller national entities.

But of this we can be certain—politically, Russia is a giant with feet of clay. Of the 200 million people in the Soviet's immediate orbit, 56 percent are not dedicated by conditioning or heritage to the Union of Soviet Socialist Republics.

There are, in fact, only 96 million Russians compared with 114 million non-Russians in the U.S.S.R. Idel-Ural has 15 million, Uzbek has 8 million, the Ukraine has 42 million, and the other segments of the Soviet Union have 35 million non-Russians.

I mention these facts to show that instead of a tightly knit coalition of states, Russia is a loosely formed composite of divergent nations, each proud of its own heritage and chafing under Communist domination.

So much for Russia—which, we must not forget, for all its inherent problems, still has intercontinental missile operational capabilities sufficient to destroy us.

I think that on the brighter side of life today is the widepsread awakening on the part of our citizens to the importance of the part government plays in the life of our people.

More than ever our citizens are beginning to appreciate that it is not how much a man earns for himself that is the criterion of his true worth so much as it is the contribution he is making to the welfare of others, to his community, and to his country.

All over this land of ours businessmen are learning the rudiments of politics. They are finally realizing that it is important to them that they have a voice in the legislative processes of our country. It is they who should help make the laws which govern them, rather than leave it to a few self-appointed professional policymakers.

Let us in memory of our departed comrades determine now that henceforth we will make every effort to prove that this is not a world governed by the anarchy of chance, but rather a purposeful, God-fearing world of order and law, and one which we cherish and endeavor to improve.

Let us keep faith with the dead who died gallantly and with the conviction that those who had the gift of life would not fail them nor their children, nor their children's children.

As Father Keller, the founder of the Christophers, said so eloquently and humbly, "Better to light a candle than curse the darkness."

Citizenship in a Free Society

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, June 2, 1960

Mr. WILEY. Mr. President, it was my privilege and pleasure last night to attend the 50th anniversary commemorative dinner of the Boy Scouts of America. The President was there and did a grand job of ad libbing. There was a pageant highlighting 50 years of scouting contribution to the Nation. The scouts themselves put that on and they did a grand job.

Ellsworth H. Augustus, president of the Boy Scouts of America, presided, and the U.S. Marine Corps orchestra rendered some very beautiful music.

The Secretary of Commerce, Frederick H. Mueller, delivered a very wonderful 50th anniversary talk. The title of the speech was "Citizenship in a Free Society." I ask unanimous consent that the address be printed in the RECORD.

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

CITIZENSHIP IN A FREE SOCIETY

(Text of address by Secretary of Commerce Frederick H. Mueller, prepared for delivery at the 50th anniversary commemorative dinner, Boy Scouts of America, Sheraton-Park Hotel, Washington, D.C., June 1, 1960)

Mr. President, President Augustus, members of the diplomatic corps, friends and supporters of the Boy Scouts of America, it is an honor and an inspiration to have been privileged to participate in these ceremonies.

In paying tribute to a half century of distinguished service by the Boy Scouts of America we are also wishing them continuing success in the years to come.

For we shall have even greater need of the principles of the Boy Scout movement as the demands upon citizenship in a free society become even broader.

An associate of mine, hearing that I was to address this meeting, asked the highly flattering question as to whether I had been a Boy Scout.

My answer was that I graduated from high school the year the Boy Scouts of America was founded—just 50 years ago this month. Can you think of a better reason for not having been a member?

I did have an exceptional opportunity as a youngster to have the friendship and inspiration of a man who, after the founding of the Boy Scout organization, became very active in its work.

I refer to Capt. Charles Belknap, a Civil War captain at the age of 20, who was the grandfather of one of my boyhood friends.

He spent much of his time teaching us the lore of the woods, especially Indian lore, on which he was an expert and instilled in us the same basic appreciation of the principles and activity later embodied in the Boy Scout movement.

Needless to say, however, that I have maintained an active interest in an organization which has been such a powerful force for good—not only for its generations of individual members and leaders, but also for the communities fortunate enough to have Scout troops and councils.

In this audience, and all over America, are dedicated men who deserve special tribute tonight.

I refer to members of Boy Scout councils and troop committees, to Scoutmasters and their adult assistants, and to other business and professional men who devote so many hours to active guidance of this magnificent Scout movement.

I know that they have had their reward many times over.

But all of us, in or out of scouting, are the beneficiaries of one of the greatest and most successful experiments in youth development in world history.

The principles upon which the Boy Scout movement was founded, and which have been responsible for its growth, are derived from the finest of American traditions.

Its emphasis on physical, mental, moral, and spiritual development, its teaching of fairplay and self-reliance in every endeavor—these are the ingredients which have made this Nation great, and assure the future of our free democratic society.

Each year, since 1951, there has been awarded by the President of the United States, pursuant to an act of Congress, the Young American Medal for Bravery.

It is awarded to one who has exhibited exceptional courage in an effort to save—or has successfully saved—the life of a person in actual and imminent danger.

It is most significant that, of the eight such awards made to date, six of the recipients were Boy Scouts at the time of their act of heroism and a seventh had been a member of the Scouts.

There is another fact about the Scouts which is of particular significance to law enforcement officers.

Attorney General Rogers, whose place I am honored to take tonight, informs me that those best informed in the Federal prison system—the Director, wardens, and the people working at the National Training School for Boys and other youth correction centers—have stated that, of all the men and boys who are received in our various detention facilities, less than one in a thousand has ever had any connection with the Boy Scouts of America.

The facts should not surprise anyone familiar with the Scout oath and the Scout law.

For our legal system and the legal systems of the entire free world have a moral basis.

Lenin described the Communist ideal when he said, "All is moral that serves to strengthen the Soviet system."

How different is the constantly expressed determination—throughout the Cub Scout promise, the Boy Scout oath, and the explorer code—to do one's best to serve God in the spirit of good will and fairness to all men everywhere.

I recently had occasion to write a message for Fitness In Action, the publication of the President's Council on Youth Fitness.

I there stated that fitness must always be defined in terms of its purpose.

The kind of fitness which we seek is the development of free and responsible individuals for life and service in a free society.

Our strength grows out of our high dedication to opportunities for every individual to realize his best potential and highest destiny.

Thus we do not seek mere survival, but the enlargement of the dignity and moral worth of humanity.

To preserve and extend these basic traditions and ideals, we shall require the best will—and the greatest variety of talents, intelligence, and judgment—which a free people can muster.

This is why the program of the Boy Scouts of America, and of their fellow Scouts all over the world, is so basic to our common task.

That task is to realize the joy and fulfillment which freedom alone can win for a troubled world.

Scouting is an ideal workshop for voluntary citizenship in a worldwide community dedicated to freedom for all.

Scouts learn the lesson inscribed on the Department of Justice building: "Justice in the life and conduct of the State is possible only as first it resides in the hearts and souls of the citizens."

Scouts learn that freedom and justice are inseparable, and that justice involves respect for the rights of others.

Scouting breeds not only the will to cooperate, but also the will to think for one's self.

In providing constructive outlets for the restless and surging energies of youth, Scouting builds character through practical experience in living, learning, playing, and working with others.

Scouting makes another basic contribution to the way of life of a free society and the broadest requirements of citizenship.

I refer to experience in leadership.

We adults have had occasion to witness many perversions of that word "leadership."

It has been used to cover a multitude of sins.

In a strictly scientific and objective sense, the qualities making for leadership are amoral.

They can exist regardless of how they are used.

A man is a leader to the extent that he can successfully rationalize the sentiments, attitudes, aspirations—or even the fears and hatreds—of a group.

Thus the leader may or may not lead in a sound or healthy direction.

Leadership can exploit the worst or bring out the best in a whole people.

But this vital point is often overlooked: the quality of the leader is conditioned and determined by the quality of those he leads.

In this sense people get the kind of leaders they want—and deserve.

There is leadership by default, when the rank and file are indifferent and willing—as we say—to "let George do it."

There is leadership by force when opposition to the ruling clique is discouraged or even coerced until it is no longer vocal and effective.

There is leadership by personal ambition where there is rivalry based upon prestige and personality factors regardless of the needs of the group.

And finally there is responsible leadership, which emerges when the group is made up of responsible and interested people free to express ways of accomplishing common objectives.

Here leadership does not come by default, force, or personal ambition.

It is won through the character and capacity to achieve acceptance in the free market of ideas.

The Boy Scouts produce that kind of leaders because they produce that kind of boys who grow into that kind of men.

And behind the whole process is a set of ideals, principles, goals which set in motion a chain reaction between leaders and led which preserves, strengthens, and motivates the whole group.

As Secretary of Commerce, I have achieved new insight into what has made American free enterprise so strong and productive.

In industry, as in Government, he profits most who best serves the long-run interests of the people.

Free men, as citizens or as customers, can't be pushed around.

They must be persuaded.

And persuasion requires three qualities with which the Boy Scouts of America have been enriching our land for a half century—to be respected as a person; to have a sense of direction; and to make that direction the highest of human aspirations.

Citizenship in a free society is thus based, in the final analysis, upon more than knowledge.

Science and technology have opened new vistas to a better life of which our forefathers could only dream.

But we are all too aware that such knowledge can destroy us.

We may have reached the turning point, the moment of truth.

The coming decade will test our faith in God and man.

But we in America can face that future with great confidence in knowing that since 1910 over 35 million men and boys have taken that beautiful Scout oath:

"On my honor, I will do my best to do my duty to God and my country."

Mistaken Identity

EXTENSION OF REMARKS

OF

HON. WALTER H. MOELLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 2, 1960

Mr. MOELLER. Mr. Speaker, several months ago, a constituent of mine, Mr. Charles E. Hutsler, wage administrator, International Association of Bridge, Structural and Ornamental Iron Workers, made a phone call to the Board of Parole, Department of Justice, in behalf of someone else to find out the procedure to be followed for hearings under

section 504 of the Labor-Management Reporting and Disclosure Act of 1959. The act prohibits a person from holding certain positions in a labor union if they have been convicted or indicted for certain crimes. It further provides exemption from its provisions after a hearing before the Board of Parole. Mr. Hutsler requested the staff director to send to him the regulations governing these hearings. The staff director replied that the regulations had not been written at that time and that he would send them upon their completion. The name of the person on whose behalf the call was made was not divulged at that time because it was felt it was not necessary to do so.

Later, the attention of Mr. Hutsler was called to page AA-4 of the Daily Labor Reporter of February 6, 1960, published by the Bureau of National Affairs. In that article it was stated that additional cases before the Board on which no hearings had been scheduled involved Mr. Hutsler and several others. When the Bureau of National Affairs was advised of the circumstances which actually existed, they immediately printed a 2½ page explanation and clarification of the matter.

The memorandum which started the events which led up to the news item being published in the Bureau of National Affairs publication was filed with the Congress, apparently to justify a request for funds to implement the Labor-Management Reporting and Disclosure Act. It was entered into the record of the hearing by the subcommittee, and when it was called to their attention later, the record of the hearings had been closed and no correction was possible. I am therefore taking this only remaining opportunity in an attempt to clear the record of this damaging testimony.

It appears from the correspondence available to me that there is, to say the least, an inconsistency in the statements made by the Staff Director of the Board of Parole and the Chairman of the Board. The Chairman, in a letter dated April 26, 1960, addressed to the Honorable ALBERT THOMAS, chairman, Subcommittee on Deficiencies Appropriations, House of Representatives, states that—

> I am informed by a member of the Board's staff that Mr. Hutsler called the Board and discussed at some length, without identifying himself, the prohibitive clauses of the new Labor Act as relates to an employee of the Iron Workers of America. This staff member informs me that he had no reason to know that Mr. Hutsler was an attorney or that he was calling for information regarding a second party. At that time Mr. Hutsler identified no one else.

The Staff Director for the Board, in a letter dated March 4, 1960, addressed to Mr. Charles E. Hutsler, wage administrator, International Association of Bridge, Structural and Ornamental Iron Workers, stated that—

> The only name our records showed was your name. We did not in our records show you, however, as the person who might be barred from employment pursuant to the Labor-Management Act, but merely as the person with whom the case could be identified.

Mr. Reed's letter of April 26, 1960, to the Honorable ALBERT THOMAS tends to leave the impression that they had reason to believe that Mr. Hutsler was actually involved, whereas the letter of March 4, 1960, from the Staff Director clearly indicates that they were merely using Mr. Hutsler's name as the person with whom the case could be identified. In other words, it was clear to the Department of Justice that Mr. Hutsler was not involved in a case before the Board of Parole, although such a conclusion was drawn by the Bureau of National Affairs, based upon the memorandum of February 12, 1960, mentioned above.

If the Bureau of National Affairs had read the testimony in connection with the memorandum in the record, it is my belief they would not have published the news item as they did. It is also my belief that the Department of Justice would not have written the memorandum of February 12, 1960, in the manner in which it appeared in the record if they had suspected the repercussions which actually resulted from the memorandum.

This is a regrettable situation which could have been avoided by more precise consideration by both the Department of Justice and the Bureau of National Affairs. It is my sincere wish that this matter will encourage more thoughtful and precise memorandums by the Department of Justice in substantiating their request for appropriations and more accurate and factual reporting by national publications when a person's reputation and integrity are involved.

Memorial Day in the Village of Mamaroneck

EXTENSION OF REMARKS

OF

HON. EDWIN B. DOOLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 2, 1960

Mr. DOOLEY. Mr. Speaker, Memorial Day in the village of Mamaroneck, N.Y., is a special occasion. The dignitaries of the community, Boy Scouts and Girl Scouts, the fire department members, and persons from other organizations turn out for a huge parade which is paced by the high school band. Much preparation and thought goes into the arrangements and the entire line of march gathers, together with other citizens, at the beautiful village hall where speeches are made and the dead are remembered.

It was my privilege to address the gathering this year on May 30, and my remarks follow:

Mr. Chairman, as your congressional representative, I take pride in participating in this memorial service here today—standing as I do among neighbors and friends.

This year, it seems to me, Memorial Day has a special significance. Honoring as it does all those who have died to keep America a free and undivided Nation, I see it as a symbol of the liberty we still enjoy as part of the free world.

We all know that today there is a threat to that liberty—a threat greater than ever before. Only because we are strong is the world outside the Iron Curtain still unconquered. Only because our military muscles are flexed and our heart undaunted is communism contained within the borders of the Russian-dominated half of the world.

On this day, therefore, let us give thanks to God that this is so, and let us pray for continued strength and courage that those whom we honor will not have died needlessly.

Memorial Day was established to honor those who died in the War Between the States, but today it is an occasion upon which we revere the dead of all our wars.

It is a day when a humble and grateful people gather across America for simple programs of reverence and patriotism; a day when we bow our heads and ask divine help to keep ours "the land of the free and the home of the brave."

And it is a day when "liberty" and "freedom" are spoken openly and unashamedly; when good old-fashioned patriotism wells up inside us and sometimes overflows. It is a day when we recapture the courage and determination that steeled our wills through times of bitter internal strife and fierce international struggle.

It is a day, too, when bands play and bright flags whip in the breeze and we boast to each other, perhaps, of the victories America has won. But it is a day also when "Taps" and the staccato crack of rifle fire give solemnity to our national mood, as they blend in echo across the graves of those who gave their lives for their country.

On this day, the epic voices of the past live again.

"To be prepared for war is one of the most effective means of preserving peace." So spoke George Washington, Father of our Country.

How apt are these words today. How alive. How true. We should thank God that our leaders in the Nation's Capital have not forgotten those words of advice and warning.

"We shall nobly save or meanly lose the last best hope of earth." Those are the words of Abraham Lincoln, defining the issue of his time. They might, indeed, have been spoken today as Mr. Khrushchev rattles his atomic weapons and blows his propaganda trumpet.

"Damn the torpedoes. Full speed ahead." These words of Admiral Farragut in Mobile Bay have given dramatic substance to the determination of all Americans who prefer liberty to death.

"Speak softly and carry a big stick," warned Teddy Roosevelt, paraphrasing George Washington's original advice.

I think those words must be echoing today in the heart of President Eisenhower as he lets the bellicose Khrushchev rant, rave, and make menacing gestures. For our President knows just how big an atomic stick we carry. He does not have to bluff and shout in the Russian manner to make his international points. He carries his big stick with quiet dignity. There is no need for him to brandish it and roar defiance.

In closing, let me quote some of Ike's own words. In a few short sentences, they clarify today's great issues for all the world to see and understand:

"We march in the noblest cause of all—human freedom. If we make ourselves worthy of America's ideals, if we do not forget that our Nation was founded on the premise that all men are creatures of God's making, the world will come to know that it is free men who carry forward the true promise of human progress and dignity."

Let us then on this Memorial Day rededicate ourselves individually and as a nation to "march in the noblest cause of all—human freedom."

Let us not be ashamed of showing our patriotism, our love of country—God's country, as it has been called. Let us show the world that we believe deeply and sincerely that it is the finest, the happiest, the freest of all the world's nations and that no sacrifice will be too great for Americans to keep it so.

Suppressing the Truth

EXTENSION OF REMARKS

OF

HON. CECIL R. KING

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 2, 1960

Mr. KING of California. Mr. Speaker, shocking as it may seem, I am advised that some savings and loan associations are pooling their efforts to suppress the truth.

On May 19, 1960, under the heading "False Confidence in Federal Savings and Loan Insurance Corporation," I exposed in the CONGRESSIONAL RECORD, the incompetent management of the Federal Savings and Loan Insurance Corporation and its far reaching disastrous effect upon the public welfare.

Instead of the savings and loan associations pooling their resources to correct this evil, a group is combining to suppress the facts. Is it because this group fears intimidation by the crushing autocratic powers of the Federal Savings and Loan Insurance Corporation, including the power of seizure under the false guise of an "emergency," just as they seized the sound and solvent Long Beach Savings & Loan Association?

These associations borrow huge sums from the Federal Home Loan Bank System, as their annual reports show, and are therefore subject to immediate economic reprisals. This may account for their efforts to suppress the truth and their hesitancy to stand forthright for the principles of justice and clean up the management of the Federal Savings and Loan Insurance Corporation.

In any event the public welfare must be considered first, and it is imperative that an immediate cleanup of the incompetent management of the Federal Savings and Loan Insurance Corporation be undertaken. Now is not the time for the savings and loan associations to say all is well.

The truth is that all is not well.

As Congressman, I have found it necessary before to investigate corrupt governmental bureaus. With my committee and staff, we exposed the laxity, malfeasance, and corruption that infested that vital governmental agency—the Bureau of Internal Revenue.

As a direct result of such investigation, the entire Federal system of tax administration was completely overhauled.

The committee's job was done in spite of the threats, intimidations, delaying tactics, and the frantic behind-the-scenes maneuvering of men in high places, and the pooling of efforts of racketeers from all parts of the Nation.

Among those taking part in hindering and impeding the work of this committee were paid agents of the Federal Home Loan Bank of San Francisco, an arm of the Federal Home Loan Bank Board, the alter ego of the Federal Savings and Loan Insurance Corporation.

These facts are documented in the congressional committee records.

In recent court proceedings it was disclosed that the Home Loan Bank Board refused to give receipts for much of the $114 million in cash, U.S. bonds, notes, and other assets it seized from the Long Beach Association. The refusal of receipts is an utter disregard for the law, and in fact a direct violation of the law.

Evidence disclosed that before an inventory was made more than 74 Board agents and personnel from competing savings associations had access, over a period of weeks, to books, records, documents and assets of the seized Long Beach Association.

Further evidence of the incompetent management of the Federal Home Loan Bank Board was revealed in sworn testimony in the U.S. district court at Los Angeles.

At the court hearings, one of the witnesses called was Home Loan Bank Board examiner, Robert T. Keith, who, under interrogation, stated that the inventory of the Long Beach Association's assets since the seizure, had been prepared under his supervision. When asked whether the inventory included a trust deed for $7,980,000, which was among the association's documents seized by Mr. Ault, the supervisory authority, he stated, "to my knowledge it is not included in the inventory." He added, "he didn't know the reason for the omission."

Then the association's attorney wondered about 44 documents listed in the inventory as missing. Documents which were alleged to total in value $863,212. The Home Loan Bank Board's examiner said, "he didn't recall whether he had asked deposed association officials where the documents were." He was then asked if he had reported them to the bonding company, and the examiner said, "No." On being questioned further, he was asked if he had told Mr. Ault, the supervisory authority, of the missing documents, he stated, "I don't believe so. It was in the inventory."

Further questions were posed:

Question. Who do you think you should report anything missing to?

Answer. I don't know.

Question. Do you know the difference between a mortgage and a trust deed?

Answer. I don't think I could explain it.

Question. Do you know what a collateral pledge agreement is as used by the association?

Answer. No, I don't.

This is an example of the incompetency of the individuals that the bureaucratic Home Loan Bank Board has placed in charge of the seized Long Beach Association, and yet one of the charges against the Long Beach Association was incompetent management. The deposed management had built the association from $7,500 to $114 million.

It is interesting to note that the Home Loan Bank Board has enacted its own regulations, one of which provides the following:

Such Board may declare its own emergency, seize an association, place their agent in charge, refuse receipts or an accounting to the shareholders and their elected management. Such seizure places all rights and powers of the association officers, directors, and shareholders in the hands of the Board's agent.

Thus, without any judicial process of law, and without the consent of the shareholders, the control of their savings is transferred to this incompetent management.

The Federal Home Loan Bank Board has repeatedly told the U.S. courts that the courts have no jurisdiction. This leaves the citizen without recourse or protection against the unrestrained power of this bureaucratic Board.

Like the European totalitarian "isms," the Federal Home Loan Bank Board has set up its own administrative hearings, to adjudicate before itself its own misconduct, a process of whitewashing its own incompetency and deceit.

Attempts at justice by this so-called administrative process, reminds one of a confessed felon being permitted to place himself as judge and thereby adjudicate his own misconduct.

How any savings and loan association manager can face the public and assure the investor that the conduct of the management of the Federal Savings and Loan Insurance Corporation is a safeguard to their savings is beyond my comprehension.

The savings and loan associations as individual institutions have been a remarkably fine example of honest, capable management, and as such have rendered valuable and able service to their respective communities.

The time is here to clean up the management of the Federal Savings and Loan Insurance Corporation and its alter ego the Home Loan Bank Board, before the citizens lose confidence in this great and important industry.

Lyndon Johnson: The Age of the Principled Man

EXTENSION OF REMARKS

OF

HON. GEORGE S. McGOVERN

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 2, 1960

Mr. McGOVERN. Mr. Speaker, on Sunday, May 29, a large crowd of South Dakota citizens gathered to break ground for the construction of Big Bend Dam, the final in a chain of great multiple-purpose dams on the Missouri River projected under the Flood Control Act of 1944.

The principal speaker for this historic ceremony was the distinguished majority leader of the Senate, LYNDON JOHNSON. In sharing the platform with Senator JOHNSON, I told my fellow South Dakotans that speaking, not simply as a member of his political party but as a student of American history, I regard LYNDON JOHNSON as the most masterful Senate leader in our national history. I further stated that if events should bring Senator JOHNSON into the White House, he would go down in history as one of our greatest Presidents.

We could not have picked a more appropriate speaker for the dedication of a great new multiple-purpose dam. Senator JOHNSON has been a vigorous champion of river and resource development. He, for example, led the fight that produced Senate approval of public development of the Hells Canyon project. His concern for human as well as physical resources is evidenced by the fact that through the joint leadership of our distinguished Speaker and Senator JOHNSON, the first major civil rights legislation since the Civil War was enacted. Likewise, he paved the way for the passage of the strongest legislation to assist our schools that has ever cleared the Senate. His concern for responsible conduct by America both at home and abroad, his determination to build peace through strength—are well known.

LYNDON JOHNSON is a man of principle. It is thus appropriate that he took for his theme at the Big Bend Dam ceremony, "The Age of the Principled Man." I ask unanimous consent that this splendid address be included at this point in the RECORD:

ADDRESS BY SENATOR LYNDON B. JOHNSON AT DEDICATION OF BIG BEND DAM, PIERRE, S. DAK.

AGE OF THE PRINCIPLED MAN

Few moments are ever so inspiring as a moment such as this, when we come to dedicate the power of nature to the strength of freedom.

In the weeks and months ahead, great changes will appear on this scene we see.

But we know—and we are glad—that this work will find its ultimate worth in changes the eye cannot see: the changes for good which will be wrought in the lives and souls of America's families here—and, most especially, in the hope and promise for our young.

What we are doing here—what we are doing all along this great Missouri River and the other rivers of America—is to harness the rivers so that we may unharness the high potential of the generations who come after us.

PEOPLES' WORK

When I say, "we," I do not refer to those of us who serve in Washington, for this is not Washington's work. This is not the work of what we call our Government—this is the work of the people, all of the people, for the good of all the people.

Between the people and their Government there must never be a distinction. The purposes must always be the same—and, above all, the faith must be the same. The people of America—whether in the Dakotas or in Texas—believe in themselves. Their Government must share that belief and be, always, a Government of confidence, never a Government of doubt.

VOICES OF DOUBT

Down through the ages, we have heard again and again the loud voices of doubt and despair.

Two hundred years ago, eminent men were sounding the alarm that the human race would perish because the population would use up the nitrogen in the air.

Not long after, the cry was raised—and widely believed—that the world was doomed because the supplies of coal would be exhausted and everyone would soon die of the cold.

In our own land, within the last 100 years, men have predicted with complete assurance that our timber and our oil and many of our other basic essentials soon would be exhausted and gone.

Some even foresaw that we would run out of land. And it might have happened. If today we had to use horses and mules to meet our needs for horsepower, we would need 30 times more farmland than we now have just to raise feed for the animals.

THE ART OF SELF-GOVERNMENT

These cries of alarm are always with us—even today.

We have learned in these times much that men have not known before concerning the nature of our world and its elements—and now men are less ready to predict the end of our natural wealth and assets. But, through the years as we have learned of the world around us, we have devoted much less study to our system and our Government and our people—and, as a result, the voices of doubt today are raised to tell us what we cannot do in the realm of governing ourselves.

We hear it said that we cannot afford our future—we cannot afford our freedom—we cannot afford education for our young—we cannot afford dignity for our aged—we cannot afford to harness our rivers or conserve our soil or engage in any of these other enterprises which build the basics of our strength.

LUXURY OF WASTE

Luxuries and indulgences we can never afford and do not want to afford them, for the American people are far too realistic and practical to be enticed by such follies.

But ours is—above all else—a responsible system, a responsible system with a high and noble morality. And out of that responsibility and that morality there is one rule by which we live: America can always—and America must always—afford to root out waste.

The most offensive luxury—the most corrupting indulgence—is waste, and the toleration of waste strikes against the very foundation of a responsible system such as ours.

I say this, mindful that within our lifetimes there once was a great and stirring cry that this would be the century of the common man. There was talk of how, in this century, the common man would rise to a new dignity and a new freedom.

THE OBSOLESCENT COMMON MAN

In less than a generation, though, that term and that expression has become obsolete. We don't hear it any more because—given his freedom, given opportunity, given justice—the common man has proved himself to be capable of many uncommon things. And we no longer can think of God's children as common men.

In the years since that cry of common man was raised we in America have moved to a new level of achievement and abundance which—not too long back—voices of doubt were saying could not be attained.

We have demonstrated—to ourselves and to our neighbors in the world—what can be achieved under a system such as ours. We have exercised great leadership and dramatic leadership in the physical and tangible things. Today, I believe, the world requires—the century requires—that Americans exercise a new leadership: a leadership of goals and aspirations for the inspiration of the world.

CENTURY OF PRINCIPLES

I am not a phrasemaker, but if I were to put this into a simple statement, I would express the wish that we might set ourselves to make this remembered as the century of the principled man.

What we have done—or tried to do—throughout the course of our existence is to fashion a government of principle, rather than a government of power. Toward our own people, we expect the conduct of our Government to be principled—with honor and ethics and values and conscience. In world affairs, this, too, has been the work of the American leadership: to establish principles by which nations shall live rather than by raw power alone.

Today there is opportunity for us to lead by extending these principles—this whole concept of responsible principles—far beyond the realms of the past.

BILLIONS OF POOR

The world today is a world of billions of poor and only a few millions who live with much self-respect.

The world is a world of injustice, oppression, want, frustration—and all of these things flow from one thing: waste. Everywhere there is potential—just as there is such great potential here. But men live less well than we because the potential is allowed to waste.

If this is to be, as it ought to be, a century in which the principled man prevails against the unprincipled men and doctrines of communism, we need to make it our work to end such waste.

Let us set our course to the task of leading the world to end the waste of resources, to end the waste of lives, to end the waste of man's opportunity to be free of poverty, disease, and ignorance.

POWER IS DUTY

We reject the concept of an America concerned only with power, for we believe, as it has been said, that "power is, to the last particle, duty."

Principled men seek duty and perform its tasks—and the power and strength of

America today only places upon us all more responsibility to seek and exercise our duty.

Our duty as men of principle cannot be met alone by sending into the world America's dollars. The world little knows the difference between the American dollar and the Russian ruble. But the world will know—and the world will understand—the difference between the principles of freedom and the lack of principles of Communist doctrine and Communist leadership.

CHANGE OF APPROACH

Fundamental changes must come in America's approach to the world and America's approach to the tasks and challenges of this century.

We must—as a people—turn to the way of principle in our affairs and turn away from the old ways of power by which despots of the age have lived. We do not seek to sit down at the conference table and divide the world between West and East for, if we do this, our principles are indistinguishable from those whom we oppose.

There is work to do at the summits of diplomacy, but there is also much work for free men—principled men—to do in the valleys of the earth's great rivers. This is the work we must do—leading the world not by our power but by our principles.

SHIELD OF POWER

Power we must keep: beyond question, beyond compare, so that behind that shield, the principles we carry will have the chance to grow. But power must never be America's only work, for we have a greater task as a nation devoted to making this a world of principle in which the waste of human lives and resources is brought to an end.

I say these things here with the feeling that can come only to those who have lived their lives close to work such as we do here. I was born in Texas on the banks of the Pedernales River and knew throughout my early years the season of its flood and drought. My proudest year—and my most satisfying work—was to have the opportunity when I came into public office to lead the way in bringing to the lower Colorado rivershed the great dams which brought light and hope and opportunity to the hills where I was born. I saw the darkness of 100 years rolled away and the drudgery of the ages ended for the wives and mothers and fathers of that region.

Such work as this is—and will always be to me—the work of a principled land and it is the work of principle which must become America's basis of new leadership in the world.

SENATE

FRIDAY, JUNE 3, 1960

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Spirit Eternal, apart from Thee we could know no good desire, no outreach of thought beyond ourselves, no discontent with things as they are.

Our prayer is born out of what we see in the world where Thou hast put us bearing Thy image. All about us are the miseries which are the bitter harvest of man's injustice and oppression. We would feel ourselves joined with the destitute and dispossessed.

Open our hearts to the stricken and heavy laden whatever be the portion of the earth they tread.

When we pray for a better world, joyous and peaceful and blessed by plenty, with all its banners bright, give us to see that even as our years grow shorter we can yet have a part in bringing redemption to all men.

And, O God, when we dream dreams that the wilderness that haunts us shall blossom as the rose, give us the dedication to go forth sowing the seed of brotherhood and putting our hands to the plow which furrows the good earth. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 2, 1960, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, June 3, 1960, the President had approved and signed the following acts:

S. 44. An act to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; and

S. 1833. An act authorizing the establishment of a national historic site at Bent's Old Fort, near La Junta, Colo.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 10572. An act to authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes;

H.R. 11761. An act to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes; and

H.J. Res. 402. Joint resolution granting the consent and approval of Congress for the States of Virginia and Maryland and the District of Columbia to enter into a compact related to the regulation of mass transit in the Washington, D.C., metropolitan area, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 10777) to authorize certain construction at military installations, and for other purposes, and it was signed by the President pro tempore.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were each read twice by their titles and referred, or placed on the calendar, as indicated:

H.R. 11761. An act to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes; to the Committee on Agriculture and Forestry.

H.J. Res. 402. Joint resolution granting the consent and approval of Congress for the States of Virginia and Maryland and the District of Columbia to enter into a compact related to the regulation of mass transit in the Washington, D.C., metropolitan area, and for other purposes; to the Committee on the Judiciary.

H.R. 10572. An act to authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes; placed on the calendar.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF CIVIL WAR CENTENNIAL COMMISSION

A letter from the Chairman, Civil War Centennial Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, for the period March 1,