To be consuls of the United States of America

Robert J. Clarke, of Connecticut.
Lawrence R. Devlin, of California.
Lion Gardiner, Jr., of Ohio.
Wilbur L. Garges, Jr., of Virginia.
Fitzhugh Green, of the District of Columbia.
Carl O. Hawthorne, of California.
William F. Keyes, of New York.
Frank A. Kierman, Jr., of Massachusetts.
Joseph Yoshio Kiyonaga, of Maryland.
James F. Shea, of Maryland.

Foreign Service Reserve officers to be vice consuls of the United States of America

Kenneth C. Cathey, of the District of Columbia.
Raymond H. Close, of New Jersey.
Charles O. Coudert, of Connecticut.
Martin C. Hawkins III, of Arkansas.
John H. Kenney, of Massachusetts.
F. Lamar King, of Maryland.
Cornelius A. McCauley, of Virginia.
John J. Reagan, of Virginia.
Arthur G. Wiley, Jr., of Virginia.

Foreign Service Reserve officers to be vice consuls and secretaries in the diplomatic service of the United States of America

Frank Ahmed, of Massachusetts.
Timothy J. Burke, of New York.
Duane R. Clarridge, of New Hampshire.
Robert Chin, of the District of Columbia.

Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America

Robert N. Dahlgren, of California.
Sidney H. Fine, of California.
John T. Flynn, of Maryland.
Robert M. Fulton, of California.
Philip A. Heller, of New York.
James E. Hoofnagle, of Virginia.
Miss Sara Jane Jamison, of Pennsylvania.
Gordon L. Jorgensen, of the District of Columbia.
Edward Macauley 3d, of Rhode Island.
Robert J. Myers, of Indiana.
Brian T. Moran, of Texas.
Walter R. Roberts, of New York.
Richard D. Tucker, of Virginia.
John R. Wood, of Georgia.
Howard V. Bennett, of West Virginia.

Foreign Service staff officers to be consuls of the United States of America

Blake Cochran, of Maryland.
Joseph I. Krene, of California.
Reinhard W. Lamprecht, of Illinois.

Vinton Chapin, of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

Leland Barrows, of Kansas, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cameroun, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Togo.

UNITED NATIONS

The following-named representatives of the United States of America to the 15th session of the General Assembly of the United Nations to serve no longer than December 31, 1960:

Henry Cabot Lodge, of Massachusetts.

GEORGE D. AIKEN, U.S. Senator from the State of Vermont.

WAYNE MORSE, U.S. Senator from the State of Oregon.

Francis O. Wilcox, Assistant Secretary, International Organization Affairs, Department of State.

Mrs. Oswald B. Lord, of New York.
Mrs. Zelma Watson George, of Ohio.
Arthur F. Lamey, of Montana.
Frederick Blake Payne, of New York.
Charles Rosenbaum, of Colorado.

Miss Frances E. Willis, Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

GOVERNOR OF GUAM

Joseph Flores, of Guam, to be Governor of Guam for a term of 4 years.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 22, 1960

The House met at 12 o'clock noon.

Rev. William F. (Billy) Graham, D.D., Montreat, N.C., offered the following prayer:

Our Father and our God: We come to Thee recognizing our dependence and our need of Thee at this hour of our history. We bless Thee and praise Thee that Thou hast been with us these many years. Thou wast with our Founding Fathers and Thou hast been with this Nation through difficult days and through days of peace and prosperity; and now we come to Thee humbly confessing our sense of need of Thee more now than any time in many years.

We need Thy wisdom. We pray that Thou wouldst give to this body of men supernatural wisdom in dealing with the problems that they face. We pray that Thou wouldst give to them courage, courage to stand for that which is morally right regardless of consequences. Give to them faith, faith to believe that Thou art in the shadows watching, directing, and leading, that Thou art the Lord of history, and that history is in Thy hands.

Bless this Nation, we pray, and bless these men that lead us; for we ask it in the name of Jesus Christ, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 765. Joint resolution making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Vice President had appointed Mr. BRIDGES, Mr. SPARKMAN, and Mr. HENNINGS as the members on the part of the Senate of the Joint Committee on Arrangements for the Inauguration of the President and Vice President-elect on January 20 next.

CONVEYANCE OF CERTAIN PROPERTY TO THE VILLAGE OF HIGHLAND FALLS, N.Y.

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6479) to provide for the conveyance of certain real property of the United States to the village of Highland Falls, N.Y., with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, lines 3 and 4, strike out "50 per centum of the".

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDING CIVIL SERVICE RETIREMENT ACT

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8241) to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, strike out all after line 2 over to and including line 3 on page 2 and insert: "That (a) subsection (1) of section 1 of the Civil Service Retirement Act is amended by striking out the words 'in the case of an employee separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service or a Member separated before he has completed five years of Member service' and inserting in lieu thereof 'in the case of an employee or Member separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service'.

"(b) Subsection (f) of section 6 of such Act is amended by striking out the words 'Member service' where they first appear in such subsection and inserting in lieu thereof the words 'civilian service'.

"(c) Subsection (b) of section 8 of such Act is amended by striking out the words 'Member service' in the first sentence and inserting in lieu thereof the words 'civilian service'.

"(d)(1) So much of subsection (b) of section 9 of such Act as precedes the first proviso is amended to read as follows:

"'(b) The annuity of a congressional employee retiring under this Act shall be computed as provided in subsection (a) except that with respect to so much of his service as a congressional employee and his military service as does not exceed a total of fifteen years, and with respect to any Member service, the annuity shall be computed by multiplying 2½ per centum of the average salary by the years of such service:'.

"(2) Clause (1) of the second sentence of such subsection is amended by inserting after the words 'congressional employee' the words 'or Member, or any combination of such service'.

"(e) The first sentence of section 9(c) is amended to read as follows:

"'(c) The annuity of a Member, or of a former Member with title to Member annuity, retiring under this Act shall be computed as provided in subsection (a), except that if he has had at least five years' service

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as a Member or a congressional employee, or any combination of such service the annuity shall be computed, with respect to (1) his service as a Member and so much of his military service as is creditable for the purposes of this clause, and (2) so much of his congressional employee service as does not exceed fifteen years, by multiplying 2½ per centum of the average salary by the years of such service.' "

Page 2, line 4, strike out "(b)" and insert "(f)".

Page 2, line 5, strike out "(5 U.S.C. 2263 (c))".

Page 4, after line 3, insert:

"SEC. 2. Section 403 of the Civil Service Retirement Act Amendments of 1956 (70 Stat. 760; 5 U.S.C. 2251 note) is amended by adding at the end thereof the following sentence: 'In the case of any Member separated from service before October 1, 1956, with title to a deferred annuity, the deferred annuity may begin at the age of sixty years if the Member had completed at least ten years of Member service, but no annuity shall be paid under this sentence for any period prior to the first day of the first month which begins after enactment thereof.' "

Page 4, after line 3, insert:

"SEC. 3. (a) Section 2(2) of the Act of June 25, 1958 (Public Law 85-465; 72 Stat. 219), is amended to read as follows:

" '(2) who (A) died before February 29, 1948, or (B), if retired under the Alaska Railroad Retirement Act of June 29, 1936, as amended, or under sections 91 to 107, inclusive, of title 2 of the Canal Zone Code, approved June 19, 1934, as amended, died before April 1, 1948; and'.

"(b) Section 4 of such Act of June 25, 1958, shall apply to annuities authorized by this section.

"(c) An annuity provided by this section shall commence August 1, 1958, or on the first day of the month in which application therefor is received in the Civil Service Commission, whichever occurs later."

Page 4, line 4, strike out "2" and insert "4".

Page 4, lines 5 and 6, strike out "the first section of".

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. MURRAY. 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 Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, as passed by the House, H.R. 8241 would facilitate the reemployment of retired Members of Congress whose services are desired in some other Federal position by amending the requirement that annuity be discontinued during such reemployment.

This discontinuance-of-annuity requirement would be retained as regards the retired Member reemployed in another regular full-time or part-time salaried Federal position. Under the bill, however, the retired Member reemployed, first on a full-time or substantially full-time basis without compensation or, second, on a paid intermittent basis will continue to receive his annuity. The Member reemployed intermittently will have his reemployment salary reduced by an amount equal to annuity allocable to the intermittent time actually worked. These provisions are necessary and desirable and place the reemployed Member of Congress under requirements similar to those which apply to reemployed annuitants generally.

The House-passed bill contained further provision—also approved by the Senate—to permit a Member of Congress who performs non-Member service, subject to the Retirement Act, after he leaves Congress to credit such service—under the non-Member formula—in the computation or recomputation of his Member annuity.

The Senate has added six amendments to the House-passed bill.

First. Section 1(a) of the Senate amendments permits Members of Congress to be credited with prior service in other Federal positions to qualify under the 5-year minimum service requirement for annuity benefits upon reaching age 62. Present law requires refund of retirement contributions in the case of any Member separated before completing 5 years of Member service. The refund is mandatory, even though the Member may have rendered other Federal service which, if added to his Member service, would give him 5 years or more of total service. On the other hand, any Federal employee who completes 5 years of service—even though several different positions are involved—is credited with all such service to qualify for annuity benefits. The amendment, in effect, grants equal treatment to Members.

Second. Under section 1(b) of the Senate amendments a Member could retire with an immediate annuity at age 62 with 5 years' civilian service, whereas 5 years of Member service are now required. This would also be in line with the existing provision applicable to employees generally.

Third. Section 1(c) would amend existing law so that a Member separated with 5 years of civilian service will be entitled to an annuity beginning when he reaches age 62. Previously, 5 years of Member service were required. This amendment will apply to Members the same titular requirement as for employees generally.

Fourth. Subsections (d) and (e) of section 1 amend the annuity formulas for congressional employees and Members.

A congressional employee's annuity is presently computed at 2½ percent of average salary for all congressional employee and creditable military service not exceeding 15 years. Annuity for any remaining service of any type is then computed independently, as follows: (a) 1½ percent of average salary for years of other service up to 5; 1¾ percent for years of other service between 5 and 10, and 2 percent for years of other service over 10.

Similarly, the annuity of a Member is now computed at 2½ percent of average salary for years of Member service, any congressional employee service—not exceeding 15 years—and creditable military service. Any other service is then considered independently under the 1½ percent, 1¾ percent, and 2 percent method.

Under subsections (d) and (e) each formula would be amended to require application of the regular three-step formula for employees generally to the total service of the retiring congressional employee or Member, with the 2½ percent formula to be used in lieu of the regular formula in respect to any years of service as indicated. In other words, for service not covered by the 2½ percent factor, 1¾ percent would be applied to years of total service between 5 and 10, and 2 percent would apply to total service in excess of 10. Retiring congressional employees would also have the benefit of the 2½ percent formula for any prior Member service, which is not true under present law.

Fifth. Section 2 of the Senate amendment amends section 403 of title IV of Public Law 84-854, which continues without change the rights acquired under prior laws by employees and Members retired or otherwise separated prior to October 1, 1956, the effective date of the Civil Service Retirement Act Amendments of 1956. This section would add an exception to afford a Member of Congress separated before October 1, 1956, with title to deferred annuity which would otherwise begin at age 62, an annuity commencing at age 60 if he has at least 10 years of Member service—as is the case for Members separated on or after October 1, 1956.

Sixth. Section 3 amends Public Law 85-465, which was intended to grant survivor annuities to unremarried widows and widowers of employees and retirees who died after 10 years of service, either in service or after retirement, prior to February 29, 1948.

Subsequent check revealed that Public Law 85-465 did not close all the gaps in survivor protection that the Congress intended. Two actual cases have arisen of pre-1948 Canal Zone and Alaska Railroad retirees who died between February 29 and March 31, 1948, without survivor protection. The amendment would place them, and the few other cases which may arise, on an equal footing with similar cases already covered.

The Chairman of the U.S. Civil Service Commission has submitted a report favoring enactment of this legislation and pointing out that, since in general the number of individuals affected will be very few, the cost involved is not material. The report also contains a detailed explanation of the provisions of H.R. 8241, as passed by the Senate.

Mr. Speaker, under unanimous consent I include at this point in the RECORD the report of the Chairman of the U.S. Civil Service Commission, dated June 1, 1960, on H.R. 8241:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., June 1, 1960.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Old House Office Building.

DEAR MR. MURRAY: This is in response to your request for a report on H.R. 8241 as passed by the Senate.

An explanation of the bill by sections, with attendant comment, follows:

SECTION 1

Subsection (a) relates to refund rights of Members. Section 1(1) of the present act authorizes refund of retirement deductions with interest to those employees separated or transferred to a position not covered by the act before completing 5 years of civilian service or to Members of Congress separated before serving 5 years as Member. Subsection (a) would place both in the same category so that an employee or Member separated or transferred to a position not under the act with less than 5 years of civilian service would receive a refund.

Subsection (b) would amend section 6(f) of the act so that a Member could retire with an immediate annuity at age 62 with 5-years civilian service, whereas 5 years of Member service are now required. The change would not alter the existing requirement in section 6(f) that 10-years Member service is needed for retirement at age 60 nor does it alter any of the other age-and-service retirement combinations stated therein.

Subsection (c) would amend section 8(b) of the act so that a Member separated from service on or after January 1, 1956, with 5 years of civilian service may be paid an annuity beginning upon attainment of age 62. Previously, 5 years of Member service were required. Thus, employee service can be added to the Member service to satisfy the service requirement. No change is proposed in the present requirement for 10 years of Member service at separation to support title to deferred annuity at age 60.

Public Law 85–772, approved August 27, 1958, amended the survivor annuity provisions of the Retirement Act so that survivor annuity would be payable if a Member died after completing 5 years of civilian service (rather than 5 years' Member service as theretofore). Subsections (b) and (c) of section 1 of the bill extend the same principle to the age-62, 5-year Member retirement provisions and thus make the act more uniform.

Subsections (d) and (e) would amend the annuity formulas for congressional employees and Members.

Under present law, a congressional employee's annuity is computed at 2½ percent of average salary for all congressional employee and creditable military service not exceeding 15 years. Annuity for any remaining service of any type is then computed independently as follows: (a) 1½ percent of average salary for years of other service up to 5; 1¾ percent for years of other service between 5 and 10; and 2 percent for years of other service over 10.

Similarly, the annuity of a Member is now computed at 2½ percent of average salary for years of Member service, any congressional employee service (not exceeding 15 years), and creditable military service. Any other service is then considered independently under the 1½, 1¾, and 2 percent described above.

Under the bill, each formula would be amended to require application of the regular three-step formula for employees generally to the total service of the retiring congressional employee or Member, with the 2½-percent formula to be used in lieu of the regular formula in respect to any years of service for which the special 2½-percent factor is authorized. In other words, the step or steps of the regular formula to be applied would be determined, not by the length of the service for computation under it, but by the total service of the retiring congressional employee or Member. Thus, for service not covered by the 2½-percent factor, 1¾ percent would be applied to years of total service between 5 and 10, and 2 percent would apply to total service in excess of 10. Retiring congressional employees would also have the benefit of the 2½-percent formula for any prior Member service, which is not true under present law.

Amendment to each formula would operate prospectively, applicable only to congressional employees and Members separating on or after enactment date of the bill.

These two annuity formulas were established by the Civil Service Retirement Act Amendments of 1956. We can find nothing in the legislative history of the amendments to indicate whether their design was deliberate or resulted from inadvertence. We do know that any computation formula which, for example, affords 2½ percent of average salary for each of the first 15 years of service and then provides a lesser return for additional years served is at variance with one of the generally accepted principles of a staff retirement plan. The objective of retaining experienced and valuable employees is best served by a formula of the sort applicable to employees generally, which provides increasing incentive for the middle and later years of a full career.

Subsection (f) amends the Retirement Act provisions relating to reemployment of former Members of Congress who are retired or have title to deferred Member annuity.

Present provisions, in effect since October 1, 1956, require discontinuance of Member annuity during any period of employment in an appointive Federal position, with resumption of the annuity at the same rate when the employment terminates. The bill retains these general requirements but adds new features, as follows:

1. New provision is made for computing or recomputing any former Member's annuity, at his option, to include credit for any non-Member service, subject to the Retirement Act, performed after the separation upon which Member annuity title is based. Annuity so computed or recomputed would start (a) the date Member annuity commences, (b) the first of the month after final separation from non-Member employment, or (c) the first of the month after the bill's enactment, whichever is latest.

This new provision would treat the described reemployment service as if performed prior to separation as a Member, with computation or recomputation under the terms of the law in effect at time of Member separation, and subject to the terms of the annuity election made by the Member at time of his retirement.

Present law credits non-Member service performed before, but not after, Member service. Member annuitants may be reemployed with Retirement Act coverage the same as any other appointees and when so appointed may serve to acquire title (or add to benefits under preexisting title) to a separate and additional employee annuity. However, without such separate employee annuity title, non-Member service performed after leaving Congress now produces no added retirement income for the former Member.

2. New provision is made for continuing Member annuity, with no resulting increase, during reemployment after December 31, 1958, in an appointive civilian position on an intermittent-service or when-actually-employed basis, or on a full-time or substantially full-time basis without compensation. During reemployment on an intermittent-service or when-actually-employed basis, the employing agency would be required to reduce the salary by the annuity allocable to periods of actual employment and to transfer to the retirement fund the amount so withheld.

Under existing discontinuance-of-annuity provisions, a Member annuitant accepting employment of this sort now loses his annuity over the entire period covered by his appointment even though he may draw only an occasional day's pay, or none at all in without-compensation situations. The bill would eliminate unwarranted loss of benefits where, as often occurs, the executive branch wishes to appoint a retired Member to a position (on a board or commission, for example) to serve intermittently or without compensation.

In the total of 44,514 employees and Members retired in fiscal year 1959 were 97 congressional employees and 55 Members whose annuities were computed in whole or in part under the 2½-percent formula. Since the number is only one-third of 1 percent of the total, and since not even all of these would be affected by the proposal, its cost in relation to total retirement costs would be minor.

SECTION 2

This section amends section 403 of title IV of Public Law 84–854, which provides in general for continuation of rights acquired under prior laws to employees and Members retired or otherwise separated prior to October 1, 1956, the effective date of the Civil Service Retirement Act Amendments of 1956.

The bill would add an exception to section 403 to afford Members of Congress separated before October 1, 1956, with title to deferred annuity which would otherwise begin at age 62, an annuity commencing at age 60 if the former Member has at least 10 years of Member service. While the retirement date might be moved up to age 60 in each affected case, payment of the annuity could not commence earlier than the first of the month following enactment of the bill.

Under the Member provisions of the Retirement Act prior to October 1, 1956, the deferred annuity provided at age 60 after 10 years' Member service (available now only to Members separated on or after April 1, 1954) is a reduced annuity. The reduction is one-fourth of 1 percent for each full month the Member lacks of being age 62 at retirement date. Annuities afforded under this amendment would be so reduced. Since retirement date in each case would be age 60, the age reduction in each instance would be 6 percent.

The number of former Members who will benefit is not known, but will doubtless be very limited. Cost is not material.

SECTION 3

This section amends Public Law 85–465 to extend the widow-and-widower annuities provided therein to certain overlooked cases.

The purpose of the survivor annuity provisions of Public Law 85–465 (see H. Rept. No. 1211 of August 21, 1957) was to give "annuity title to unremarried widows and widowers of employees and retirees who died after 10 years of service, either in service or after retirement, prior to February 29, 1948. Widows and widowers of retirees who died on or after February 29, 1948, already are receiving annuities under 1948 amendments to the law."

Subsequent analysis of Public Law 85–465 (and related prior legislation) revealed that it did not close all the gaps in survivor protection that the Congress intended. A legislative discrepancy resulted in no survivor protection in cases of pre-1948 Canal Zone and Alaska Railroad retirees who died between February 29 and March 31, 1948. Two actual cases in this category have arisen to date. This provision would place them, and the few other cases which may arise, on an equal footing with the similar cases already covered by Public Law 85–465.

Since the number of eligibles will be few, the cost of this provision is negligible.

SECTION 4

This section provides for payment of benefits authorized by the bill from the civil service retirement and disability fund, notwithstanding any other provision of law. Such provision would circumvent the advance appropriation requirement contained

in the paragraph headed "Civil Service Retirement and Disability Fund" in section 101 of title I of the act of August 28, 1958, Public Law 85-844, 72 Stat. 1064.

In line with Commission policy, we make no recommendation on the merits of sections 1 and 2 of this bill, since their provisions affect Members of Congress and congressional employees only. However, we may comment that the objectives of section 1 harmonize with provisions applicable to employees in general. Section 2 retroactively liberalizes certain rights vested under prior laws.

Section 3 embodies a legislative proposal initiated by the Commission. We favor enactment of its provisions into law.

The Bureau of the Budget advises that there would be no objection to the submission of this report to your committee.

By direction of the Commission.

Sincerely yours,

ROGER W. JONES,
Chairman.

Mr. WALLHAUSER. 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. WALLHAUSER. Mr. Speaker, the distinguished chairman of the Post Office and Civil Service Committee, the gentleman from Tennessee [Mr. MURRAY], has made a very clear, extensive, and understandable report and explanation of the provisions of H.R. 8241 to the Members. This legislation will correct longstanding inequities of the Retirement Act. I wish to compliment the chairman personally, the members of the subcommittee and full committee that considered the bill, and the efficient members of the committee staff on their willingness to understand the problem, the fair manner in which it was evaluated, and the achievement of the final successful result of their efforts.

SPEAKER EMPOWERED TO DECLARE A RECESS ON JUNE 29, 1960

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, June 29, 1960, for the Speaker to declare a recess for the purpose of receiving in joint meeting his majesty, the King of Thailand.

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

There was no objection.

CALL OF THE HOUSE

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

The SPEAKER. Obviously 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. 140]

Alford	Carnahan	Fisher
Barden	Diggs	Frazier
Blitch	Durham	Jackson
Brewster	Edmondson	Lafore
Buckley	Evins	Latta
Burdick	Fenton	McSween
Milliken	Saylor	Teague, Calif.
Mitchell	Schneebeli	Wampler
Morris, Okla.	Steed	
Mumma	Taylor	

The SPEAKER. On this rollcall 403 Members have answered to their names, a quorum.

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

SOCIAL SECURITY AMENDMENTS OF 1960

The SPEAKER. The Chair recognizes the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 562 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. 12580) to extend and improve coverage under the Federal old-age, survivors, and disability insurance system and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such Act; and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendment shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. 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. MADDEN. Mr. Speaker, House Resolution 562 provides for consideration of H.R. 12580, a bill to amend the Social Security Act. The resolution provides for a closed rule, waiving points of order, with 4 hours of general debate.

H.R. 12580 will, among other improvements, make it possible for the States—under a Federal-State grant-in-aid program—to provide medical care for low-income aged who are otherwise self-sufficient but whom the States determine need help on medical expenses; remove the age-50 eligibilty requirement in the disability insurance program; liberalize the eligibility requirements for old-age, survivors, and disability—OASDI—benefits; extend coverage under the program to additional groups; make certain improvements in the social security benefit protection for children; make eligible for benefits certain additional widows; effectuate certain improvements in the administrative financing and solvency provisions of the unemployment compensation system as well as to extend its coverage; increase authorizations for maternal and child welfare programs; to make it possible for the States to improve medical care under their old-age assistance program; and so forth.

A new title of the Social Security Act is established which will initiate a new Federal-State grant-in-aid program to help the States assist low-income aged individuals who need help in meeting their medical expenses. Participation in the program will be at the option of each individual State and will only be effective after June 1961 upon the submittal of a plan which would meet the general requirements specified in the bill.

Persons 65 years of age, whose income and resources—taking into account their other living requirements as determined by a State—are insufficient to meet the cost of their medical services will be eligible. Persons eligible for payments under this program are not eligible under the other Federal-State public assistance programs.

The scope of benefits provided will be determined by the States. The Federal Government, however, will participate under the matching formula in any program which provides any or all of the services up to the limits specified.

The Federal Government will provide funds for payments for benefits under an approved State plan in accordance with an equalization formula under which the Federal share will be between 50 percent and 65 percent of the costs depending upon the per capita income of the State.

Contingent upon a showing of an improvement in their medical programs, States would get somewhat more favorable Federal matching, effective October 1960, for up to an additional $5 in medical payments. Over 2 million persons could be affected by this change. The cost in a full year of operation will be about $10 million to the Federal Government and about $7 million to the States.

An estimated 250,000 people—disabled insured workers under age 50 and their dependents—would qualify for benefits for the second month following the month of enactment of the bill through removal of the age-50 qualification for benefits in present law.

The bill would liberalize social security work requirements so that, to be eligible for benefits, a person would need one quarter of coverage for every four calendar quarters beween January 1, 1951, and the beginning of the calendar quarter in which he reached retirement or died, whichever first occurred.

It is estimated that this provision will make about 600,000 additional persons eligible for benefits beginning January 1961.

The bill would increase the benefits payable to children in certain cases and will provide benefits for certain widows

and children who are not now eligible for benefits. Other than as noted below, these changes would be effective for benefits for the month following the month of enactment.

Survivors of workers who died before 1940, and who had at least six quarters of coverage, would qualify for benefit payments. About 25,000 people, most of them widows aged 75 or over, would be made eligible for benefits for the first time.

Approximately 150,000 self-employed physicians would be covered on the same basis as other self-employed professional people, such as lawyers and dentists are now covered. This coverage would be effective for taxable years ending on or after December 31, 1960. Coverage would at the same time be extended to services performed by medical and dental interns.

The bill would make certain changes in the investment provisions to make the bond interest earnings of the funds more nearly equivalent to the rate of return being received by people who buy Government obligations in the open market.

These changes are generally in line with the recommendations of the Advisory Council to the Secretary of Health, Education, and Welfare on Social Security Financing.

The improvements which the bill would make in the old-age, survivors, and disability insurance system will not require any social security tax increases. This is because provision is made for modest additional receipts from interest payments on trust fund investments and since the other OASDI provisions of the bill result in either relatively negligible increases or decreases in cost. Also, it should be observed that no change is made in the taxable earnings base of $4,800.

This bill, in my opinion, is wholly inadequate to effectively legislate proper care and protection for about 16 million of our pioneer citizens who are and will be unable to get sufficient medical, surgery, and hospital care. I opposed this bill in the Rules Committee as being a feeble effort to solve a major national health problem for our older people.

Mr. Speaker, I do not oppose a rule for debate on this bill but I do hope that the legislation can be expanded and changed when it reaches the other body for consideration and enactment. The Nation needs health, medical, and hospital relief for the aged now and I hope, before final enactment, this bill will be amended so we can get an adequate program started.

Mr. Speaker, I have no further requests for time and I now yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN. Mr. Speaker, I know of no one who is opposing the rule. I have no requests for time on this side. I reserve the balance of my time.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLS. 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. 12580) to extend and improve coverage under the Federal old-age, survivors, and disability insurance system and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such act; 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. 12580, with Mr. ZABLOCKI in the chair.

The Clerk read the title of the bill.

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

Mr. MILLS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the social security bill, H.R. 12580, which is now before the Committee, represents the careful and considered judgment of the Committee on Ways and Means as to changes and additions that should be made at this time in the opinion of the committee to the Social Security Act.

Mr. Chairman, as Members of the House will readily agree, the soundness and effectiveness of the programs that we have under the Social Security Act are extremely important to every American family. Perhaps, and I think I can say without fear of successful contradiction, no other single piece of legislation concerned with domestic policy touches more people than the Social Security Act at the moment. Decisions with respect to changes and additions to that act, therefore, must not be made by the Congress lightly. The Committee on Ways and Means considers it has a very heavy responsibility and an obligation to Members of this House and to the American people to treat these various programs which are encompassed by the Social Security Act with the utmost care and thought with the overriding consideration always being the actuarial soundness of the system.

It was in this spirit that the Committee on Ways and Means went about its work in considering all the various proposals which had been suggested by Members of this body and others. The committee had before it over 500 bills covering all titles of the Social Security Act—public assistance provisions, OASDI provisions, unemployment compensation provisions, maternal and child welfare provisions, and so on.

Mr. Chairman, in many areas there was substantial agreement among Members of the committee as to what should be done with respect to proposals which had been made and changes which had been suggested. Likewise, Mr. Chairman, with respect to other areas there were sharp differences of opinion as to how far the committee should go and precisely what action should be recommended at this time. This was particularly true with respect to the area of health care for the aged.

In just a moment I shall describe what the committee recommends with regard not only to this important area but also with respect to other areas of the Social Security Act. However, Mr. Chairman, with respect to both medical care for the aged and other titles, let me reiterate that there were those in the committee who felt that the committee had not gone far enough; there were others in the committee who perhaps felt that the committee should not have gone quite as far as it did. This is not unusual in the committee process. The bill which is before this body represents the best thought of a majority of the committee. It represents meritorious and beneficial legislation which, if this body acts favorably upon it, should prove to be of great benefit to millions of Americans.

The bill makes a number of improvements in the existing programs under the Social Security Act, including old-age and survivors insurance, disability insurance, unemployment compensation, public assistance, and maternal and child welfare. In addition, the bill includes a new title XVI to be added to the Social Security Act, which will initiate a new Federal-State grant-in-aid program of medical services to the low-income aged.

THE NEW TITLE XVI

Mr. Chairman, let me first briefly summarize for you the proposed new title XVI on medical care for the aged.

This title of the Social Security Act will, as the gentleman from Indiana [Mr. MADDEN] said, in presenting the rule, initiate a new Federal-State grant-in-aid program to help the States assist low-income aged individuals who need help in meeting their medical expenses. Participation in the program will be completely at the option of each individual State and will only be effective after June 1961, upon the submittal of a plan which would meet the general requirements specified in the bill, and which would be approved by the Secretary of HEW.

This arrangement follows the historic Federal-State approach which is embodied in the public assistance and other titles to the Social Security Act. It is purely voluntary with the States. It does not involve a "payroll" tax. The costs would be paid from general funds. Each State will determine the extent and character of its own program.

ELIGIBILITY

Persons 65 years of age, whose income and resources, taking into account their other living requirements as determined by a State, are insufficient to meet the cost of their medical services, will be eligible, that is, people 65 years of age and over who are determined by the State to be in need of assistance with respect to medical problems and medical care. Those people who are presently

receiving medical care or who are presently in title I, the old age assistance program, will not be eligible to benefit under this new title.

SCOPE OF BENEFITS

The scope of medical benefits and services provided will be determined by the States. We say, however, in this bill, the extent to which the Federal Government will go in participating with the States in the cost of certain aspects of these medical care programs and needs. Of course, the State can exceed these limits if it wants to pay the full costs beyond them.

For example, we say that we will only participate with the State in taking care of an individual otherwise eligible under this program to the extent of 120 days of in-patient hospital service. We say that we will help the States on costs only to the extent of $200 in taking care of prescribed drugs that might be needed by one eligible under the program. We say that we will only go to the extent of $200 in helping to take care of the cost of laboratory and X-ray services that might be needed under the program. In addition, the Federal Government will participate under the matching formula for skilled nursing home services, physicians services, outpatient hospital services, organized home care services, private duty nursing services, therapeutic services, and major dental treatment, as further specified in the bill.

The Federal Government will match with the States the costs of these programs as determined by the States on the basis of a formula that is presently applicable in titles I, X, and XIV of the Social Security Act to that amount of money that is spent under these programs between $30 and $65 a month. That formula is known as a variable grant formula depending upon the per capita income of the State. We may match on a 50-percent basis in some instances—$50 out of $100—and we may put up $65 out of $100 in some other instances—65 percent in States with the lowest per capita income.

The program under the new title cannot be more liberal in providing medical care than the medical care program already in effect, under title I, Old-Age Assistance. We also provide that the title I program cannot be reduced by a State in order to establish this new program. If we are going to have the new program, if the States are to set it up, they must do this in addition to what they are already doing in taking care of medical needs of people who are under the old-age assistance programs.

COST AND NUMBER OF PERSONS AFFECTED

There is a great deal of uncertainty, I might say very frankly, Mr. Chairman, as to the cost of such a program. There is a great deal of uncertainty as to the exact number of people that might participate or would be eligible under the program. It is entirely possible that the States may include as eligibles under this program, if all of them participate, some 10 million elderly people, 65 years of age or older. Out of those 10 million people, it is generally estimated by those who are in a better position to know than I that from half a million to 1 million each year become sick or need some medical attention the entire cost of which they otherwise cannot meet themselves. It is that group of people that this new title is aimed to assist, provided, of course, that the States themselves desire to establish such a program. That is a weakness, I might frankly admit, Mr. Chairman, as contended by those who would have us do something other than this. Here we are making possible a program which will succeed only on the basis of the individual wishes of each and every State. But I remind you, Mr. Chairman, that we did the same thing with respect to four other titles of social security years ago. It has developed that to some varying extent practically all States in the Union and most of the territories and possessions have set up not just one but all of the programs which are involved in those four titles and four categories.

OLD-AGE ASSISTANCE MEDICAL PROGRAM

Mr. Chairman, there is another integral part in this bill in the area of medical care, and I refer to the action taken by the committee in proposing language that is calculated to induce the States to do more in some instances, where more is thought to be needed or required, with respect to the medical care program under title I, or the old-age assistance program.

Under the bill we are making possible the addition of money, perhaps $10,500,000 of Federal money, to the title I program when it is demonstrated by the State that the State is making better provision for the medical care of these people 65 years of age and older under the OAA program.

Contingent upon a showing of an improvement in their medical programs, States would get somewhat more favorable Federal matching, effective October 1960, for up to an additional $5 in medical payments. Over 2 million persons could be affected by this change. The cost in a full year of operation will be about $10 million to the Federal Government and about $7 million to the States.

As I have previously noted, the medical provisions of a State plan approved under title I must be at least as broad as those of the State plan approved under title XVI. States with no medical care plan in their old-age assistance program, accordingly, will need to develop such a plan before they can have a plan approved under title XVI. The incentive provisions contained in the bill are intended to encourage this development.

In addition to these provisions, Mr. Chairman, the bill instructs the Secretary of Health, Education, and Welfare to develop guides or recommended standards as to the level, content, and quality of medical care for the use and information of the States in evaluating and improving their public assistance medical care programs and their title XVI programs, and the Secretary is also required to secure periodic reports from the States on the items included in, and the quantity of, medical care for which expenditures are made under these programs. The first report under these provisions is to be submitted to the Congress not later than March 15, 1962.

There are a number of other provisions contained in the bill. I want to allude to some of them very briefly.

CHANGES IN THE DISABILITY INSURANCE PROGRAM

Mr. Chairman, this bill would make changes in the disability benefit provisions of title II of the Social Security Act.

One of these changes recommended will provide protection to a substantial number of additional individuals—an estimated 250,000—by extending the disability benefit provisions to disabled insured workers under age 50 and their dependents.

The disability benefit program has become one of the important areas of title II of the Social Security Act. This is the section that provides a disability benefit for the individual who becomes totally disabled and unable to engage in substantial gainful employment.

It will be recalled, Mr. Chairman, that at the request and suggestion of the Committee on Ways and Means in 1956 this program was initiated by the Congress. It was not a request from the administration but a decision reached with the Committee on Ways and Means, that here were a group of people who have lost opportunities for employment income to the same extent, perhaps, as those people who were at that time covered under social security, and lost income because of retirement from the work market. Here is that individual who is totally and permanently disabled. We said at that time, however, in connection with eligibility, that person had to be not only totally and permanently disabled in order to draw a benefit but he also had to be 50 years of age or older.

In 1958 we provided that this individual 50 years of age or older not only could draw a benefit but those of his dependents otherwise eligible under the law could draw a benefit, just as though he had retired under other provisions of the Social Security Act.

This year we are suggesting to the Congress that the 50-year age requirement be eliminated entirely. We also recommend that there be provided a more liberal basis for rehabilitation than we have in existing law; namely, that we not confine this trial work period of rehabilitation to those under a formal Federal-State rehabilitation program but extend the trial work period for all disabled workers who attempt to return to work.

Moreover, Mr. Chairman, the bill provides that the disabled worker who regains his ability to work and then within 5 years again becomes disabled will not be required to wait through a second 6-month waiting period before his benefits will be resumed, as is now required.

With regard to repeal of the age 50 provision, we feel, Mr. Chairman, that there is just as great a need on the part of the individual who may be 40 years of age who becomes disabled but is otherwise eligible as there is at the age of 50. We are cognizant of the fact, Mr. Chairman, that the younger the worker may be who becomes totally and permanently disabled the greater is the possibility that he has young children who are depend-

ent upon him and who cannot enter the labor market to replace wages he is losing as a result of total and permanent disability. As I indicated, there are about 250,000 people who will be immediately eligible under this provision of the bill for benefits who are not now eligible for those benefits.

CHANGES IN THE OASI PROGRAM—INSURED STATUS REQUIREMENT

Mr. Chairman, one of the important provisions in the bill has to do with the insured status requirement. As Members of the House will recall, generally present law requires, for an individual to become eligible for benefits, that the worker must have one quarter of coverage for each two quarters elapsing after 1950 and before retirement, disability or death. Under the bill, this requirement is liberalized so that individuals need have only one quarter of coverage for each four quarters so elapsing.

Let us take the case of the person who becomes 65 years of age during this year and, therefore, eligible to retire. It is necessary for him to have some 18 or 19 quarters of coverage under existing law. Mr. Chairman, we are recommending a change in that provision so that one can be eligible for benefits with one quarter out of every four quarters of employment being covered under social security. That will mean people 65 and over can establish eligibility this year with about nine quarters of coverage. It will be a very decided advantage to those people who are not quite able to establish their eligibility at the moment. It will be a benefit to those people who are about to reach retirement age. There are approximately, Mr. Chairman, 600,000 people who will have eligibility immediately under social security under this provision who would not otherwise qualify, and by January 1, 1966, there will be 1,400,000 people who will enjoy benefits who would not enjoy benefits under the provisions of existing law. The amendment would be of particular importance to the 600,000 people whose jobs would be covered for the first time under the Committee's recommendations, since it would enable them to become insured much sooner than they could under present law. It would also be important for people for whom coverage is possible under the law but who have not yet been brought under the program. Some 2½ million employees of State and local governments, and additional employees in several smaller groups, would be able to attain fully insured status under the program in a relatively short time if they now come under the program.

EXTENSION OF COVERAGE

The bill now before the Committee contains provisions to extend the coverage of the OASDI program to some approximately 300,000 additional people. These additional groups are as follows:

First. Self-employed doctors of medicine: As Members will recall, the OASDI program now covers members of all self-employed professional groups except doctors of medicine. During the past several years, the Committee on Ways and Means has received many requests from doctors for coverage. The Committee was aware, in addition, that many State medical societies have gone on record in behalf of extension of coverage to doctors. At the same time, we recognized that there were other State societies—and I may say that my own State society in Arkansas is included in this latter group—which still oppose coverage. While I voted against coverage of self-employed doctors, the majority of the Committee felt that coverage should be extended to this additional professional group on the same basis that it has been extended to other professional groups, such as lawyers, dentists, and so forth. Approximately 150,000 self-employed doctors would be brought into the system effective for taxable years ending after December 31, 1960.

Second. Additional domestic workers in private homes and others who perform work not in the course of the employer's business: The committee bill liberalizes the existing provision relating to coverage of domestic workers. Under present law, the earnings of domestic workers in private households—other than those on farms operated for profit—are covered only when they amount to at least $50 in a calendar quarter from one employer. The committee bill would cover such earnings if they amount to at least $25 from one employer. At the same time, the bill would set a lower age limit so as to exclude from coverage on earnings of domestic workers who are under age 16. It is estimated that this provision of the bill would bring into the program about 100,000 additional domestic employees, and it also would improve the situation, by including additional earnings, of others in this category who are already covered. At the same time, the lower age limit of 16 would substantially eliminate casual or intermittent workers such as lawn cutters, and so forth.

Third. Provisions relating to coverage of employees of State and local governments: The bill recommends several changes designed to facilitate the coverage of State and local government employees as follows:

(a) Retroactive coverage: In order to assist workers in improving their protection, the committee has made it possible for these groups to obtain extended retroactive coverage beginning as early as January 1, 1956. The retroactive coverage provision extending this far back expired after the end of 1959 under existing law. Whether such coverage will be utilized, of course, remains completely at the option of the States. The committee bill also contains provisions designed to add flexibility in determining the beginning date for coverage for different political subdivisions by making it possible, when a retirement system is covered, for the State to provide different beginning dates for different political subdivisions.

(b) The bill contains additional provisions designed to facilitate coverage, or to solve problems which have arisen in a variety of State and local coverage situations. For example, the State of Virginia has been added to the list of States which may, if they so choose, extend coverage to policemen and firemen covered by retirement systems; provisions relating to delegation of certain ministerial functions by the Governors, to solve administrative problems, are included; provisions to facilitate coverage of employees of municipal and county hospitals are included; and other State and local provisions are included.

Fourth. Miscellaneous additional coverage provisions: In addition to the above, the bill includes provisions to bring in workers in Guam and American Samoa; to facilitate coverage of additional employees of nonprofit organizations and to validate certain erroneous returns already filed; provisions to give ministers an additional 3 years in which to obtain coverage; provisions to cover services of parents in the employ of their sons or daughters in a trade or business; provisions to extend coverage to American citizens employed in the United States by foreign governments and international organizations; and other miscellaneous provisions.

IMPROVEMENTS IN THE BENEFIT PROTECTION FOR WIDOWS, CHILDREN, AND SO FORTH

Mr. Chairman, the Committee on Ways and Means believes there are several respects in which the protection available to the dependents and survivors of insured workers should be improved, and the bill before you would make the following improvements:

First. Increase in benefits to certain children of deceased workers—under present law the amount payable to a child of a deceased worker is equal to one-half of the benefit amount the worker would have been paid if he had lived, plus one-fourth of that benefit amount divided by the number of children. The committee bill would make the benefit for each child of a deceased worker equal to three-fourths of the amount the worker would have been paid had he lived subject to the maximum limits. About 400,000 children would get some benefit increase as a result of this.

Second. Benefits for survivors of workers who died before 1940; the committee bill recommends that benefits be paid to the survivors of workers who acquired six quarters of coverage and died before 1940. The vast majority of these are widows. About 25,000 of these would be covered.

Third. Miscellaneous benefit provisions: In addition to the above, the bill provides for benefits in certain situations where a marriage is legally invalid, although entered into in a bona fide manner; certain additional benefits for a child based on his father's earnings record even though the child is supported by a stepfather; and a reduction in the length of time needed from 3 to 1 year to acquire the status of wife, child, or husband for benefit purposes.

ADDITIONAL MISCELLANEOUS PROVISIONS DESIGNED TO MAKE IMPROVEMENTS IN COMPUTING BENEFITS, ADMINISTRATION, AND TO SIMPLIFY THE ACT

Mr. Chairman, the bill before us contains so many provisions which are designed, in one way or another, to improve the benefit structure or to facilitate payments or to facilitate administration of the act that it is not feasible,

within the time available to us, to discuss all of these provisions in detail. I should simply like to emphasize to this House that this bill does contain a large number of very valuable and beneficial provisions along these lines.

For example, there are provisions in this bill which are designed to improve the method of computing benefits. Under the present law, a person's average monthly wage on which his benefit is based is computed over a span of time that may vary with the time when he files an application for benefits or for a benefit recomputation. A person who does not understand the complicated provisions of the law or who does not know what his earnings will be in future years may find that he has not applied for benefits at a time most advantageous to him. The committee bill would substitute for the present complicated provisions on computation a provision for computing the average monthly wage, in retirement cases, on the basis of a constant number of years, regardless of when the person started to work or when after age 65 he files application for benefits. I will not go further into this provision but simply say that it should prove beneficial in many, many thousands of cases.

We have included in this bill now before you provisions to change the present law governing payment of the lump-sum death benefit; we have included provisions to eliminate a large number of obsolete recomputations; we have included provisions which should be of assistance to claimants where they have filed cases in court; and we have included a large number of other meritorious provisions.

MATERNAL AND CHILD HEALTH PROVISIONS

Mr. Chairman, I shall return shortly to a discussion of the financial status of the OASI and DI Trust Funds, but before doing so I wish at this point to briefly summarize additional changes made in other titles of the Social Security Act.

First, I refer to changes made in title V. The bill now before you would increase the amounts authorized to be appropriated for maternal and child health services, crippled children's services, and child welfare services under title V, as follows:

	Current authorization	Recommended authorization
Maternal and child health services	$21,500,000	$25,000,000
Crippled children's services	20,000,000	25,000,000
Child welfare services	17,000,000	20,000,000

A provision is also included to facilitate research projects by providing that grants may be made to public or other nonprofit institutions of higher learning for special projects of regional or national significance and for research and demonstration projects in the field of child welfare.

UNEMPLOYMENT COMPENSATION PROVISIONS

Mr. Chairman, the bill now before us contains extensive provisions making improvements in the titles of the Social Security Act relating to the unemployment compensation program. These provisions may be very briefly summarized as follows:

Title V(1) raises the net Federal unemployment tax—the tax that may not be offset by a credit for taxes paid under a State program—from three-tenths to four-tenths of 1 percent on the first $3,000 of covered wages; second, provides that the proceeds of this higher Federal tax covering the administrative expenses of the employment security program will be available to build up a larger fund for advances to States whose reserves have been depleted; third, makes adidtional improvements in the arrangements for administrative financing; and fourth, improves the operation of the Federal unemployment account by tightening the conditions pertaining to eligibility for and repayment of advances.

Title V also extends the coverage of the unemployment compensation programs to several groups not presently covered. It is estimated that from 60,000 to 70,000 additional employees would be brought under the unemployment compensation system by this extension.

Title V, in addition, provides that Puerto Rico will be treated as a State for the purposes of the unemployment compensation program.

TRIBUTE TO AIME FORAND

Mr. Chairman, before going further with the final thought I had to express to the committee, I want to take this moment to call attention to the fact that one of those who has made a major contribution over the years in the Committee on Ways and Means looking to the improvements in the social security program, one who has always had in mind a desire to bring about such changes that would be a benefit to people, one who has always been one of the strong advocates of the actuarial soundness of this program, and of the necessity of maintaining it, some time ago announced that this would be his last session in the Congress. He is retiring—far too young, I think, to make such a decision—but he has decided that he will not be a candidate for reelection. I want my friend, the gentleman from Rhode Island, to know I will miss him far more in the future in the deliberations of the Committee on Ways and Means than he can possibly imagine. I know of no friendship that has been more beneficial to me, than that which I have enjoyed with the gentleman from Rhode Island. He now sits next to me on the Committee on Ways and Means where we have served together for a number of years. His suggestions and recommendation have always been most helpful. One of the really great disappointments that I have experienced since I have been a Member of the Congress was his decision to retire at this time from the Congress.

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

Mr. MILLS. I yield to the gentleman from Louisiana.

Mr. BOGGS. I want to reiterate what my distinguished chairman has said with reference to our friend and colleague, Mr. FORAND of Rhode Island. In my judgment, his leaving the House is a great loss not only to the State of Rhode Island but to our country.

Mr. MILLS. It is, indeed, a great loss to Rhode Island, but an even greater loss to the country.

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

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

Mr. MASON. I want to add my tribute and also my regret that our colleague has decided not to remain in the Congress. He served as chairman of a subcommittee that I have served upon. Personally, we disagreed on some things, but we got along wonderfully well. I, too, am deeply—well, shall I say sorry—and I regret that AIME FORAND is not going to be with us next year in our deliberations on the committee.

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

Mr. MILLS. I shall be glad to yield to the gentleman from New Jersey.

Mr. CANFIELD. Mr. Chairman, I want to associate myself with the remarks that have been made here on the floor today in a hearty salute to AIME FORAND. Yesteryear he was a great secretary to a great Congressman, and he has had a tremendous amount of on-the-job training. He has proven himself a great American legislator and most certainly a loyal friend. We shall miss him immeasurably.

STATUS OF OASI AND DI TRUST FUNDS

Mr. MILLS. Mr. Chairman, I alluded earlier in my expression of thoughts to the need, in my opinion, of keeping the social security program actuarily sound. Whatever we do we must ever keep firm in our minds the requirement that there must be revenue in the fund in time and over a period of years to pay for those benefits that we think our people are entitled to receive.

Mr. Chairman, I do not know whether all my colleagues realize it or not, but at the present time we are spending around $11 billion a year to pay benefits under the social security system. I wonder, however, if Members realize that if we should stop collecting taxes and thus stop receipts of the funds as of now, and if we should discontinue making any more people eligible for benefits and pay only those benefits which we feel ourselves committed to pay to those who are presently in retirement or drawing benefits, that we would lack around $65 billion of having enough money in the fund to take care of those needs. This will not occur but if it did this would be the result.

Mr. Chairman, we are not discussing small matters when we discuss amendment of the Social Security Act; we are discussing terrifically large matters because of their application to so many people, and because of the great number of important policies that are involved in carrying on this program. It is therefore essential, and those who are most interested in social security have always pointed out, that it is most important, absolutely essential, that we keep this system as actuarily sound as possible.

Mr. Chairman, we do not do certain things in connection with this bill that many want done because of the unwill-

ingness of the committee, as I take it, to impose upon those presently working, to impose upon those presently employed, additional taxes over and above the taxes which they are already going to have to pay by 1969. At that time, Mr. Chairman, the tax on a self-employed person under this program, as it stands today, will be 6¾ percent; the tax on an employed person will be 4½ percent, and the tax on the employer will be 4½ percent—a total of 9 percent.

Mr. Chairman, I do not know what the point is at which people will begin to have great resistance to increases in social security taxes, but I think when this scheduled tax is finally fully effective in 1969 we are going to find that there is unwillingness on the part of a great number of people to see this tax go higher. We may be wrong, but until this full tax does actually go into effect in my opinion we should not bring about, as a part of social security, very great increases in the scheduled rates of tax. It is all right for us to say we can enjoy this benefit today because we will raise the tax in 1972, but we must also take into consideration what the reaction to that tax is going to be in 1972. What I am trying to say is that we must not carry this program beyond the point of willingness of the American people to support it. That has happened with respect to some of our retirement systems that are now not sound. There are those on the floor who are quite well aware of that.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BYRNES of Wisconsin. It is not only the rate of tax with which we should be concerned but we should also recognize that this is a gross income tax, that we do not have the deductions and exemptions that are available to relieve undue hardships that exist in the income tax.

Mr. MILLS. The gentleman is correct.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

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

Mr. BASS of Tennessee. Mr. Chairman, I notice on page 13 of the report under paragraph 3 that there is recommended a change in the waiting period for benefits to those whose difficulties recur. I would like to ask the gentleman if anything was done about eliminating this waiting period in the initial case?

Mr. MILLS. No; we did not make that change.

Mr. BASS of Tennessee. I would like to say to the gentlemen of the Committee on Ways and Means and to Members of the Committee of the Whole that this is a provision of the social security law that I think should be given serious consideration.

Mr. MILLS. Perhaps so, but I hope my friend will admit with me, one of the ways you distinguish between a permanent disability and a temporary disability is the duration of the disability.

Mr. BASS of Tennessee. May I say to the gentleman I am not recommending the elimination of the 6-month waiting period in order to establish disability. What I am recommending is that after the fact of disability has been established the payment then should start at the initial date of disability.

Mr. MILLS. I remind the gentleman there are more tests with respect to eligibility for disability benefits than merely the doctor saying this person is totally disabled. One of the additional tests is the inability to rehabilitate, to engage in substantially gainful activity. Another test is that he be disabled, following the other two determinations, for a period of 6 months before his benefit can begin.

Mr. BASS of Tennessee. Once that disability has been established, the first 6 months of the disability are the most costly and burdensome on the insured. I am of the opinion it should be retroactive to the date of actual disability.

Mr. MILLS. There might be some such action taken in the future; I cannot of course give assurance at this time.

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

Mr. MILLS. I yield to the gentleman from New York.

Mr. FINO. Do I understand that the committee amendment recommends in this bill elimination of the so-called work clause?

Mr. MILLS. No. The reason we did not change that, I will say to the gentleman from New York, is that it would require an immediate increase in the payroll tax of 1 percent. The dollar cost of the elimination of the "work clause" is $3 billion.

Mr. FINO. And the elimination of the $1,200 work amount?

Mr. MILLS. Yes. At this point, if the gentleman will bear with me, I am constrained to make the following comments. Many of the changes which have been suggested in some of the bills before the committee and which have been pressed upon us from various other sources would have deeply and adversely affected the actuarial soundness of the trust funds unless substantial, and in some cases very substantial, increases in social security taxes were made to accompany the change. The committee has felt that changes which require increases in the social security tax rate should be approached with the utmost caution and constraint. We do not want this system to get out of hand and we do not want the system to become actuarially unsound. Let me give you a few examples of the cost of some of the changes which have been suggested.

First. There are those who urge across-the-board increases in benefits. Even a modest increase of 5 percent, with a $2.50 minimum, would cost about one-half of 1 percent of payroll and require that much increase in taxes; a benefit increase of 10 percent would cost nearly a full percentage point of payroll and therefore would require a one-half of 1 percent increase each on employer and employee. There are others who would urge even a larger benefit increase, perhaps as much as 25 percent. Members of this House should realize that such an increase would cost nearly 2½ percent of payroll and thus would require a drastic increase in social security taxes.

Second. There are those who have urged an increase in the exempt amount in the retirement test or an elimination of the retirement test. I doubt seriously if all Members of the House realize that to eliminate this retirement test would cost a full percentage point of payroll, as I indicated a moment ago, and therefore would require a substantial increase in taxes. Under this, the benefits would go to those who are past retirement age and who are still working and a heavy increased burden would be placed upon the younger workers to pay for this. Even to increase the $1,200 amount substantially would require an increase in social security taxes.

Third. Proposals have been made to reduce the retirement age. Some examples of costs of this are as follows: Full benefits at age 62 for all women—0.33 percent of payroll; full benefits at 62 for men and women—0.76 percent of payroll; full benefits at 60 for all women—0.84 percent.

Mr. Chairman, we cannot have it both ways; if we are to act responsibly and are to keep this system on a sound basis so that it may effectively serve its basic purposes, we must face our responsibilities and enact tax increases when we make substantial changes in the system.

Mr. Chairman, I will include at this point more detailed figures on changes in the OASDI program:

Estimated level-premium costs as percentage of payroll, according to intermediate-cost estimate, for various changes in OASDI system

CHANGE AND COST

	Percent
Uniform benefit increase:	
5 percent ($2.50 minimum)	0.47
10 percent ($5 minimum)	.93
15 percent ($7.50 minimum)	1.40
20 percent ($10 minimum)	1.86
25 percent ($12.50 minimum)	2.33
Increase of minimum primary benefit:	
From $33 to $40	.06
From $33 to $45	.17
From $33 to $50	.23
Increase in exempt amount in retirement test:	
From $1,200 to $1,500	.11
From $1,200 to $1,800	.24
From $1,200 to $2,400	.49
Elimination of retirement test	1.00
Reduction in minimum retirement ages:	
Full benefits at 62 for all women	.33
Full benefits at 62 for men and women	.76
Full benefits at 60 for all women	.84
Increase in maximum earnings base:	
From $4,800 to $5,400	[1]—.24
From $4,800 to $6,000	[1]—.38

[1] Reduction in cost.

(Prepared by Robert J. Myers, Chief Actuary, Social Security Administration, Department of Health, Education, and Welfare, June 20, 1960.)

This was one of the most important considerations in the minds of members of the committee, I am confident, when we approached consideration of the various proposals to include a health care program under the OASI system. As I have indicated, the majority of the committee felt that we should not include such benefits under this program, with the accompanying tax increase which would have been required.

Mr. Chairman, the bill now before us is a sound proposal; it is a meritorious proposal; and it is a beneficial proposal. It makes considerable improvements in practically all phases of the Social Security Act.

I hope we dispose of it today, and send it on to the other body so that it can give further consideration to the matter.

I trust the bill may enjoy your support, and I commend it to you.

Mr. MASON. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I am opposed to this bill, H.R. 12580. I am particularly opposed to the medical care section which is called title 16.

In my opinion, the whole program is unsound and for that reason I opposed the bill in the committee. You have listened to a clear and sound explanation of the principal items of this bill which involve 180 pages by the Chairman of the Committee on Ways and Means. He has given you a clear, sound explanation of the principal provisions of the bill. But there are many things in this bill that I do not understand, and many things in the bill that I believe are not sound. For that reason, when the time comes I shall offer a motion to recommit the bill. I am serving that notice now.

Mr. Chairman, I am opposed to the bill, H.R. 12580, which is known as the social security amendments of 1960.

I recognize that this legislation makes meritorious improvements in our social security structure. However, these improvements are to an underlying system which in my judgment is unsound actuarially and inequitable in the discriminatory and arbitrary way it makes benefits available.

The unsoundness of the program is briefly alluded to in the separate views filed by my colleague the gentleman from California [Mr. UTT] and the gentleman from Texas [Mr. ALGER] and myself, set forth on page 334 of the committee report. In these separate views we point out how, based on a maximum contribution of approximately $2,000, a benefit claim in excess of $30,000 results. We point out how a person who has paid as little as $36 into the Trust Fund may have a benefit claim in excess of $8,000.

Someone is going to have to pay taxes to make up these deficiencies between the tax contributions and benefit payments. It is no secret where this money will come from. It will inevitably come in large measure from the young people in their twenties and thirties who are relatively new additions to America's working force; it will come from the pay-roll taxes imposed on generations not yet born.

In our separate views we cite the fact that the existing unfunded obligations of the OASDI System are approximately $300 billion. We have a trust fund of $21 billion, and yet the present value of *future* benefit obligations owed to existing beneficiaries is $85 billion; notice that this $85 billion figure is attributable to the present beneficiaries and assumes the entrance of no new beneficiaries as they reach retirement age or achieve survivorship status. Assuming that we were to use the trust fund only to pay off the future benefit obligations owed to current beneficiaries, it would still be necessary for the present working population to pay additional payroll taxes in the neighborhood of $60 billion just to defray the benefit obligations owed to current beneficiaries and this payment of $60 billion would not be qualifying the payors for protection under the system.

Mr. Chairman, that is the essence of the unsoundness of the system. These are the facts that make it urgently necessary that the Congress immediately address itself to the undertaking of putting the OASDI program on a sound basis that justifies the expectations of our people that the Social Security System does in fact provide a semblance of real security and not just political security.

The discrimination and arbitrary features of the program arise from the fact that some of our citizens with only token payments into the trust fund qualify for benefit claims whereas others who have paid more into the trust fund are denied benefit eligibility. Some of our present beneficiaries achieved eligibility status by paying as little as $6 into the trust fund whereas others who have contributed considerably more are told they cannot receive benefits. I submit that the inflation of the last 30 years has struck all our citizens regardless of whether or not they worked or are working in an occupation covered by social security. This inflation has deprived the savings of all our citizens of purchasing power regardless of whether or not the savers were covered by social security. We have established in the social security program a sham and fiction which prescribe fallacious criteria to determine whether or not a person is to be privileged to receive social security benefits.

Mr. Chairman, these are the major shortcomings of the presently conceived OASDI program. It is actuarially unsound. It is discriminatory in providing benefits to our aged citizens. A program that is improperly conceived cannot be made stronger and cannot be made more adequate by more of the same. It is because I am opposed to the lack of actuarial soundness and because I reject the philosophy that some of our citizens are second class Americans who can be denied Social Security benefits while they are given to others, and I am opposed to this bill. I favor an adequately financed program that is soundly conceived and fairly available to our citizens.

My criticism of the OASDI program is not to say that there is no merit in some of the provisions of the bill that is before us today. Merit is found, for example, in the provision that would remove the age 50 eligibility requirement for disability benefits. It cannot be doubted the young man of 30 who becomes totally disabled needs the protection of the social security system at least as much as a man who has passed his 50th birthday when misfortune strikes him in the form of total disability. Therefore, the provision of the bill that removes this age 50 requirement is a desirable change. The bill also would extend benefit eligibility to survivors of workers who died prior to 1940; the bill would increase children's benefits—both of these are desirable changes in the law.

The unemployment compensation program of the Social Security Act would be strengthened by improving the administrative and financing features of this important protection against unavoidable periods of unemployment.

Mr. Chairman, H.R. 12580 would establish a new title 16 in the Social Security Act. The purpose of this title 16 is to institute statutory authority for the Federal Government to join with the States in the creation of a new program on a Federal-State matching basis to provide medical care for our aged citizens who may need governmental assistance in meeting their medical expenses. My beloved colleague and distinguished chairman, the gentleman from Arkansas [Mr. MILLS], has ably described the features of this new program. I will not take the time of the membership of the House to reiterate the details of the program. Instead, I would comment in this way—during the 3 months that the Committee on Ways and Means has devoted to the consideration of social security legislation in executive session we considered a wide range of legislative proposals dealing with the problem of providing medical care within the framework of the Social Security Act. The program that is contained in the committee bill is superior, in my judgment, to any of the other proposals presented to the committee. The program proposed in the bill would provide a broad scope of benefits so that the physician could prescribe the most efficient and economical medical treatment for his patient without being arbitrarily restricted to prescribing hospitalization, surgery, or nursing home care. This broad scope of benefits will enable our great medical profession to concentrate its endeavors to the prevention of serious illness rather than the cure of such illness once it has set in. The medical program contained in the bill will interfere less with existing methods and means of health care within the framework of free enterprise procedures than is true of any of the other proposals before our committee.

Another superior feature of the medical care proposal in the bill is found in the fact that the program will be State and locally administered and would as a result lessen the danger of further Federal bureaucratic encroachment. Mr. Chairman, I happen to believe in States' rights in fact as well as in words. I am convinced that our local community governing bodies and our State governments can more effectively meet the needs and desires of our citizens than can the Federal Government in regard to social legislation. For these reasons, briefly stated, I assert with sincerity and conviction that the medical care program contained in H.R. 12580 is better than the other proposals offered to the committee on the subject of medical care.

In somewhat commending this medical care program to my colleagues I must

in candor state that I did not in committee advocate its inclusion in this bill. My reasons for withholding approval are set forth in the separate views beginning on page 332 of the committee report. I will not restate those views at this time except to say that more adequate and more sufficient information should have been developed to determine the character and extent of need for a Government program before we undertook to recommend to the House the adoption of such a program. It is only in this way that a proper legislative remedy can be developed. We do not have that information before us at this time. As a consequence I fear that the decision to be reached will be a political decision rather than a decision as to what is best for the American people. A social program once undertaken tends never to be reversed. This program will cost in the neighborhood of $350 million annually of Federal and State revenues, but we must remember that when we talk about spending, we are not spending the dollars of Federal and States Governments. Instead, we are spending the dollars of our taxpayers. Government can give nothing to the people that it has not first taken from them, and we have in this legislative body a responsibility to spend only that which is well spent for a program that is urgently needed.

Mr. Chairman, in expressing these thoughts I realize that I expose myself to the charge by the demagogs that I am unmindful of the needs of our senior citizens. The truth of the matter is that I am genuinely interested in the problems of our aged, just as I am genuinely interested in the opportunities of our youth and in the needs and requirements of all our citizens. It is my view that the American people look to us for leadership in providing soundly conceived legislative programs dealing with the national issues confronting our polity. We can responsibly discharge this obligation to the American people only by courageous recognition of the facts and by a motivation that is not solely politically inspired. In this period of trial and challenge, we must disdain the expedient and cherish the principles that are basic to responsible government. I submit, Mr. Speaker, that if we ignore the need to strengthen our social security system we will not be fulfilling that obligation.

Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, before I begin discussing the bill I want to pay my personal respects and tribute to the gentleman from Rhode Island [Mr. FORAND]. He is a real student. He is a pleasant person to deal with. He and I have had many disagreements, but it has always been, I thought, on a high plane. I think the Congress will continue to need men like AIME FORAND, and I am very sorry to learn that he will not be with us, because he has been a real contributor in the cause of good legislation.

Mr. Chairman, I was disappointed in the committee report, because I do not believe that it has presented the work that the Committee on Ways and Means has done in this area in the full context that it should have been presented. And, one reason we have this out of balance is because so much emphasis, political emphasis, outside the Congress has been devoted to one aspect of the bill that is before us today on social security amendments of 1960.

One has to read the report quite carefully to understand that there was a subcommittee and is a subcommittee on social security of the Committee on Ways and Means, and that this subcommittee did quite extensive work last fall and presented a report to the full committee on March 9, 1960, which was a unanimous report based on the studies, and everything in this bill, with some exceptions, of course—some new things were developed, but essentially this bill, except for this very disputable item in regard to health care, were the recommendations, the unanimous recommendations, of the subcommittee on which I have the honor of being the ranking minority member. The tragedy is, in my judgment, the legislative situation is such that we are endangering a very fine piece of work on the part of the Committee on Ways and Means and its subcommittee by including in it this controversial—and an honest controversy—this controversial subject in regard to health care. But, I think the House should know that everything except the subject of health care has received the kind of study that I feel it should receive before we report a matter to the House for your consideration.

Mr. Chairman, I must take particular exception to the committee report on page 6 under III, "General Discussion of Medical Care Provisions." The statement is this:

> Your committee has given careful consideration to the subject of medical care for the aged. This has included not only public hearings on certain health care proposals which have been advanced, but also study and consideration in executive session of a great deal of information which has been brought to the attention of the committee.

I do not believe that it is a fair or accurate statement to say that this committee gave careful consideration to the subject of medical care for the aged. Indeed, our subcommittee was specifically—I would not say instructed, but it was the understanding, at any rate, that our subcommittee would not go into this subject of health care for the aged.

And the reason was a very clear one. This House passed—and I want to remind the House that it did pass almost unanimously—the Fogarty resolution which created the White House Conference on the Problems of the Aged. I want to refer if I may, for the sake of the RECORD and anyone interested in the Fogarty bill, H.R. 9822, to the debate that was held on July 29, 1958, and which will be found in the CONGRESSIONAL RECORD, volume 104, part 12, pages 15476–15481; and particularly to the statements of the gentleman from Rhode Island [Mr. FOGARTY], as to why this subject needed study and why we had to bring before us—I should not say "us"; not necessarily the Congress, because in this instance it was the executive department—but before the Federal Government the information that we needed. Mr. FOGARTY said:

> It is my thought that these recommendations from all of the States should be brought together in a national conference on aging and molded into a total program for the guidance of the Federal Government, State governments, local communities, and the hundreds of national and local voluntary associations and agencies which are involved in this matter of aging.

Then Mr. FOGARTY went on to make this very significant point, and a point that needs to be thought about and in my judgment has not been thought about properly. Do we have a health program in our society today? And, of course, the answer is yes. We have the greatest health program that any society has ever had in history, and the results show it. Mr. FOGARTY said:

> I do not wish to suggest, Mr. Speaker, that we have ignored the needs of our older citizens. We have created a system of social security and have extended its benefits to cover nearly 10 million of those who are now retired and to apply to 90 percent of those who are currently employed. We have provided steadily increasing sums for research on aging and on the chronic diseases which afflict the majority of our older citizens. We are supporting programs for the discovery and control of cancer, heart disease, tuberculosis, diabetes, and other diseases common to this age group. We are assisting the States and communities in building hospitals, health centers, and geriatric treatment and rehabilitation facilities. We have provided funds to enable the States to purchase medical care for those who are receiving public assistance. We are helping to provide special counseling for older workers in public employment offices and we have recently increased the amount of assistance to organizations and communities which are providing special housing for the elderly.

In just the last session of Congress in August, we took another big, affirmative step forward in implementing this program by extending the FHA-type of guarantee to private nursing homes, which is one of the great needs in this area. So the question is not, as so many people outside of the well of the House have been putting it, whether we are going to do nothing, or cast out the aged; indeed that is not the question. The question is, How can be improve what we are doing, how can we make it better? And indeed, Where can we move in and do things that we are not now doing?

But this approach through ignorance, this approach through lack of study, I suggest to you, and I think you will all agree, is the very thing that can damage what we have today.

I wish the debates on the Fogarty resolution that became law were read; and when we get back into the House, Mr. Chairman, I am going to ask permission to put in at this point of my remarks, a fact sheet prepared by the Department of Health, Education, and Welfare on the law, on the act of Congress that created the White House Conference on Aging, and reports the progress that has been made to date. Also, a special report of the White House Conference on Aging dated March 24, 1960, which gives further information on this subject.

FACT SHEET—WHITE HOUSE CONFERENCE ON AGING

THE LAW

By act of Congress, the first White House Conference on Aging was authorized, and President Eisenhower signed the measure into public law September 2, 1958. The act specifies that the Conference will be held in Washington, D.C., in January 1961.

DIRECTION

Under the direction of Health, Education, and Welfare Secretary Arthur S. Flemming, the HEW Special Staff on Aging is laying the foundation for the Conference in cooperation with the Federal Council on Aging, which is composed of Cabinet-level representatives of interested Federal departments and agencies, and local and State government agencies and private groups and organizations interested in the field of aging.

Secretary Flemming has announced the appointment of an Advisory Committee to the White House Conference on Aging. This Committee, which is representative of a wide variety of interested groups concerned with aging, will have overall direction of the planning, preparations and conduct of the White House Conference.

Former Congressman Robert W. Kean, of New Jersey, has accepted chairmanship of the National Advisory Committee.

The Advisory Committee has recommended that the White House Conference on Aging be held January 9 through 13 at Washington, D.C. The Committee also recommended that the number of delegates to the Conference be fixed at 2,800, with 2 out of ever 3 delegates selected being nonprofessionals in the field of aging to insure that the Conference will be a true national citizen's forum.

PLANNING

Congress has authorized and appropriated funds to provide grants from $5,000 to $15,000 to the States to help them finance the collection of facts about aging, conduct State and local conferences and develop recommendations and reports for discussion at the 1961 Conference. States will qualify for grants on submission of a plan for participation in the 1961 Conference.

The White House Conference will be preceded by a series of forums, meetings and conferences at local, State, and territorial levels. These State and local activities are expected to stimulate interest and considerable action and program development prior to the 1961 Conference in Washington, D.C.

RECOMMENDATIONS

The White House Conference on Aging will make recommendations for a course of positive action in dealing with the problem of aging. The congressional act requires the submission of a final report containing recommended action to the President no later than 90 days following the conclusion of the Conference.

OBJECTIVES

In authorizing the White House Conference on Aging, Congress declared "that the Federal Government shall work jointly with the States and their citizens to develop recommendations and plans for action which will serve the purposes of:

"1. Assuring middle-aged and older persons equal opportunity with others to engage in gainful employment which they are capable of performing, thereby gaining for our economy the benefits of their skills, experience and productive capacities; and

"2. Enabling retired persons to enjoy income sufficient for health and for participation in family and community life as self-respecting citizens; and

"3. Providing housing suited to the needs of older persons and at prices they can afford to pay; and

"4. Assisting middle-aged and older persons to make preparation, develop skills and interests, and find social contacts which will make the gift of added years of life a period of reward and satisfaction and avoid unnecessary social costs of premature deterioration and disability; and

"5. Stepping up research designed to relieve old age of its burden of sickness, mental breakdown and social ostracism."

NUMBERS INVOLVED

Between 1900 and 1950, the number of those aged 45 to 64 in the United States roughly tripled to 31 million and those aged 65 and over quadrupled to 12 million. Present estimates are that today there are 15 million Americans 65 years and older and that by 1975 this figure will climb to more than 20 million. Those aged 45 and older will be affected directly by the White House Conference since their employment, health, housing, and retirement problems will be given consideration. Also, the findings and recommendations of the Conference will have an impact on younger Americans since they inevitably share in the responsibility, directly or indirectly, of supporting the programs designed to add purpose and usefulness to the lives of senior citizens. They, too, eventually will grow older and benefit from programs recommended as the result of the White House Conference.

PREPARATION

A National Leadership Training Institute for the White House Conference on Aging, sponsored by the Special Staff on Aging of the Department of Health, Education, and Welfare, to help States, communities and national organizations in their planning for and in advance of the 1961 Conference, was held in June at the University of Michigan at Ann Arbor, Mich. At this institute, a guide for State surveys on aging and a preliminary handbook of national organizations were presented for use in the plans and preparations at community and State levels for the White House Conference on Aging.

(NOTE.—As plans for the White House Conference develop and progress, additional information will be made available by the White House Conference staff and the Special Staff on Aging of the Department of Health, Education, and Welfare. William C. Fitch is director of both staffs, room 4361, HEW Building, Washington, D.C.)

WHITE HOUSE CONFERENCE ON AGING, JANUARY 9–12, 1961—"AGING WITH A FUTURE—EVERY CITIZEN'S CONCERN"

STATE ACTIVITIES

Fifty-three States and territories are now actively participating in White House Conference on Aging preparations. Fifty-two have received Federal grants for Conference work.

Indiana has developed a statewide program for aging without requesting Federal funds. Guam has decided not to participate.

Governors have shown a great deal of personal interest, and all have appointed councils, committees, or commissions on aging. One official Governor's designee in each State is responsible for White House Conference on Aging action.

Many local and statewide surveys and factfinding projects are underway. Forty-four States have already held local forums. Periodic newsletters on aging have been developed and are being published in the States.

Fifty States and territories have scheduled dates for State conferences on aging. Most will be held during the summer.

State factfinding reports on aging (for submission to the White House Conference on Aging) are due in Washington June 30; State recommendations, following State conferences, are due October 5.

NATIONAL ADVISORY COMMITTEE

One hundred and fifty men and women from all of the United States have been appointed to a bipartisan advisory group, under Chairman Robert W. Kean. They met June 9–10, 1959, in Washington; next scheduled meeting is May 12–13.

National Advisory Committee is organized into 20 planning committees responsible for 20 different conference subject matter areas (see attached list).

Planning committee chairmen met July 30 in Washington; next scheduled meeting is April 13.

Technical directors, assigned to each planning committee, provide professional staff service.

Ninety consultants, selected from outstanding experts are providing special professional assistance to planning committees.

Each planning committee has prepared a background paper on its particular subject to provide helpful information for the State conferences. (Two papers have been combined, reducing total to 19.)

Summaries and outlines of background papers have been distributed through regional representatives for aging in the nine regional offices of the Department of Health, Education, and Welfare to all Governor's designees.

Individual National Advisory Committee members are actively participating in program planning.

NATIONAL VOLUNTARY ORGANIZATIONS

A "Handbook of National Organizations" has been compiled and published listing all national organizations having identification with this area of interest.

These organizations have been queried about Conference participation and their wish for delegate representation.

Monthly newsbulletin Aging has been made available to participating organizations. They have been asked to contribute news material for Aging's nationwide readers.

Several have held national or regional conferences devoted exclusively to aging. Through their local affiliates many are taking active part in State and community fact-finding projects.

Representatives of major national organizations serve as members of the National Advisory Committee.

Some have held special White House Conference on Aging forums with congressional and Department of Health, Education, and Welfare speakers. Many are using house organs and other media to outline to their membership White House Conference on Aging plans and preparations.

FEDERAL COUNCIL ON AGING

President Eisenhower, in establishing this interagency group at Cabinet level on March 7, 1959, directed members to "cooperate and assist the Secretary of Health, Education, and Welfare, as may be appropriate, in planning and coordinating the White House Conference on Aging."

Members are the Secretaries of Agriculture, Commerce, Labor, Treasury, and Administrators of the Housing and Home Finance Agency and of Veterans Affairs. Secretary of Health, Education, and Welfare, Arthur S. Flemming, is chairman.

Council has prepared and published a special report to the President, "Programs—Resources for Older People," reviewing and analyzing all Federal activities in the field of aging.

Liaison officials in 12 departments and agencies have been designated to work with the Special Staff on Aging.

Regional and field representatives of council members have been helping actively in State and local planning. They are available as resource people for further program planning.

DELEGATES AND CONFERENCE PROGRAM ARRANGEMENTS

Total is 2,800 delegates, of which 1,740 have been apportioned to States and territories.

Governors will name State delegates. State quota is determined according to number of congressional districts.

National organizations with well established programs in the field of aging will be represented by 660 delegates.

Additional 400 delegates will include National Advisory Committee consultants, and others.

After February 15 meeting of National Advisory Committee's Special Subcommittee, the tentative structure for the White House Conference on Aging was developed.

Three plenary sessions to be held at Constitution Hall, one with active participation by older people.

Conference headquarters at Statler-Hilton Hotel. Two thousand hotel rooms have been reserved throughout the city.

Each subject matter planning committee will plan individual group meetings. Section meetings are to be informative and specifically to provide for decisionmaking.

Workshop and exchange meetings are also planned, to discuss topics and proposals for recommendations and to consider matters of common interest to several planning committees.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, SPECIAL STAFF ON AGING

Mr. Robert H. Grant is the Director of the Special Staff on Aging.

Dr. James Watt, Director of the National Heart Institute, is Special Assistant to Secretary Flemming for Aging.

Regional representatives have been appointed in each of Department of Health, Education, and Welfare's regional offices (see attached list).

Publications available from or through regional offices include: Flyer on the White House Conference on Aging, Selected References on Aging, an Annotated Bibliography, White House Conference of Aging Act (Public Law 85-908), Motion Pictures—Recordings on Aging, Enriching the Added Years (16-page folder), Handbook of National Organizations, Guide for State Surveys on Aging, Aiding Older People, and Aging (monthly).

PLANNING COMMITTEES AND COMMITTEE CHAIRMEN

1. Population Trends and Social and Economic Implications—Mr. John B. Martin, Jr.
2. Income Maintenance (including medical care costs)—Dean Charles I. Schottland.
3. Impact of Inflation on Retired Citizens—Mr. G. Warfield Hobbs.
4. Employment Security and Retirement—Mr. Dwight S. Sargent.
5. Health and Medical Care (including institutional)—Dr. Leonard W. Larson.
6. Rehabilitation—Dr. Howard A. Rusk.
7. Social Services—Mr. Joseph P. Anderson.
8. Housing (including congregate living)—Mr. Walter C. Nelson.
9. Education—Dr. George E. Davis.
10. Roles and Training of Professional Personnel—Dr. Wilma Donahue.
11. Family Life, Family Relationships, and Friends—Mrs. Margaret A. Ireland.
12. Free Time Activities: Recreation, Voluntary Services, Citizen Participation—Mr. Joseph Prendergast.
13. Religion—Very Rev. Msgr. R. J. Gallagher, Rabbi Marc H. Tanenbaum, the Reverend William J. Villaume.
14. Research in Gerontology: Biological [1]—Dr. Hardin B. Jones.
15. Research in Gerontology: Medical [1]—Dr. Ewald W. Busse.
16. Research in Gerontology: Social Science and Psychological—Dr. John E. Anderson.
17. Local Community Organization—Mr. Robert H. MacRae.
18. State Organization—Mr. Bernard Crihfield.
19. National Voluntary Services and Service Organizations—Mrs. Charles Hymes.
20. Federal Organizations and Programs—Mr. Harry G. Haskell, Jr.

Regional representatives for aging, Department of Health, Education, and Welfare

Name	Region	States	Regional office
James C. Hunt	I	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.	120 Boylston St., Boston, Mass.; Hubbard 2-6550.
Stanley Fioresi	II	Delaware, New Jersey, New York, and Pennsylvania.	42 Broadway, New York, N.Y.; Whitehall 3-2424.
H. Burton Aycock	III	District of Columbia, Kentucky, Maryland, North Carolina, Virginia, West Virginia, Puerto Rico, and Virgin Islands.	700 East Jefferson St., Charlottesville, Va.; 3-5181.
Miss Virginia Smyth	IV	Alabama, Florida, Georgia, Mississippi, South Carolina, and Tennessee.	50 Seventh Street NE., Atlanta, Ga.; Trinity 6-3311.
Miss Verna Due	V	Illinois, Indiana, Michigan, Ohio, and Wisconsin.	433 West Van Buren St., Chicago, Ill.; Wabash 2-8550.
Miss Amelia Wahl	VI	Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.	911 Walnut St., Kansas City, Mo.; Baltimore 1-7000.
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GOVERNORS' DESIGNEES

Alabama, Montgomery: Mr. Alvin T. Prestwood, 64 North Union Street.

Alaska, Juneau: Mr. Paul L. Winsor, Commissioner of Health and Welfare.

Arizona, Tucson: Mrs. Donald E. Schell, Route 6, Box 317-W.

Arkansas, Little Rock: Mr. Gus Blass II, Office of the Governor.

California, Sacramento: Mr. Louis Kuplan, 722 Capitol Avenue.

Colorado, Denver: Hon. Robert L. Knous, Lieutenant Governor of Colorado.

Connecticut, Storrs: Dr. Donald P. Kent, University of Connecticut.

Delaware, Smyrna: Dr. C. J. Prickett, Care of State Welfare Home.

District of Columbia: Dr. Jack Kleh, Briggs Montgomery Building.

Florida, Tallahassee: Mr. B. R. Fuller, Jr., Florida Development Commission.

Georgia, Atlanta: Dr. John T. Mauldin, Georgia Baptist Professional Building.

Hawaii, Honolulu: Dr. Richard K. C. Lee, Box 3378.

Idaho, Boise: Mr. Bill Child, Department of Public Assistance.

Illinois, Chicago: Mr. Peter W. Cahill, 160 North La Salle Street.

Indiana, Lafayette: Dr. George E. Davis, 109 Memorial Center, Purdue.

[1] Background Papers No. 14 and No. 15 have been combined.

Iowa, Des Moines: Hon. Herschel C. Loveless, Governor of Iowa.

Kansas, Topeka: Mr. Harold Smith, Kansas Department of Labor.

Kentucky, Frankfort: Mr. Jo M. Ferguson, Department of Economic Security.

Louisiana, Baton Rouge: Mr. J. W. Bateman, Post Office Box 4282, Capitol Station.

Maine, Augusta: Mr. Robert C. Russ, Treasurer, State of Maine.

Maryland, Baltimore: Mr. Gerald Monsman, 408 State Office Building.

Massachusetts, Boston: Mr. George P. Davis, room 27, State House.

Michigan, Detroit: Mr. James E. Brophy, 850 National Bank Building.

Minnesota, St. Paul, Mr. Morris Hursh, 117 University Avenue.

Mississippi, Jackson: Mr. Travis McCharen, Box 1698.

Missouri, St. Louis: Mr. Emil E. Brill, Box 396, Main Post Office.

Montana, Helena: Mr. R. B. Richardson, Western Life Insurance Co.

Nebraska, Lincoln: Mr. Frank M. Woods, Box 161 State House Station.

Nevada, Reno: Mrs. Barbara C. Coughlin, Box 1331.

New Hampshire, Concord: Mrs. Dexter O. Arnold, 6 Dearborn Road.

New Jersey, Trenton: Mrs. Eone Harger, in care of Department of State.

New Mexico, Santa Fe: Mr. Murray A. Hintz, Box 1391.

New York, Albany: Mrs. Marcelle G. Levy, in care of State Department Social Welfare.

North Carolina, Raleigh: Dr. Ellen Winston, in care of State Board Public Welfare.

North Dakota, Bismarck: Mr. Carlyle D. Onsrud, North Dakota Public Welfare Board.

Ohio, Columbus: Mrs. Mary Gorman, 85 South Washington Avenue.

Oklahoma, Norman: Dr. George L. Cross, University of Oklahoma.

Oregon, Eugene: The Rev. W. G. Nicholson, Box 5197.

Pennsylvania, Harrisburg: Mrs. Ruth G. Horting, Secretary of Public Welfare.

Puerto Rico, San Juan: Dr. Guillermo Arbona, Secretary of Health.

Rhode Island, Providence: Mrs. Roberta B. Brown, Roger Williams Building, Room A.

South Carolina, Columbia: Mrs. Martha T. Fitzgerald, South Carolina Legislature Committee on Aging.

South Dakota, Pierre: Mr. Charles Feeney, State Director of OASI.

Tennessee, Nashville: Mr. Edward J. Boling, State Capitol.

Texas, Austin: Mr. Jesse M. Irwin, Sr., Governor's Office.

Utah, Salt Lake City: Mr. Delbert L. Stapley, Office of the Governor.

Vermont, Montpelier: Mr. John J. Wackerman, Commissioner of Social Welfare.

Virginia, Richmond: Mr. John E. Raine, 511 Virginia Building.

Virgin Islands, Charlotte Amalie: Mr. Macon Berryman, Department of Social Welfare.

Washington, Olympia: Mr. George C. Starlund, State Department of Public Assistance.

West Virginia, Charleston: Mr. F. Duane Hill, Department of Employment Security.

Wisconsin, Madison: Miss S. Janice Kee, 217 North, State Capitol.

Wyoming, Cheyenne: Dr. John W. Sampson, State Office Building.

Mr. CURTIS of Missouri. That Conference is going to meet in January. But already a great deal of work has been done. Our subcommittee did nothing in this area. We made no studies. The extent to what the full committee did was to hold rather limited, in fact, quite limited, hearings on one particular bill which was the bill the gentleman from Rhode Island [Mr. FORAND] introduced, popularly known as the Forand bill.

There were some limited public hearings held on that subject, but all the work that was done in the committee in the past 3 months when the rest of the House was reading the press reports and probably talking to some of us on the committee about "What are you doing in this area of health care?" there was no new information being brought in. Constantly I asked the committee time after time when we would reach a point where it was obvious that we did not have information on this subject, "For heaven's sake, let us get the people in here who know something about this." We did not call one State administrator before us in all these 3 months of talking to each other, and that is about what we were doing. Let me quote from the supplemental views of MASON, CURTIS, UTT, ALGER, and LAFORE appearing on page 332 of the report:

> We respectfully submit that in our judgment the House membership cannot act in an informed manner on the legislation because the Committee on Ways and Means has not developed sufficient information pertaining to the nature of the need for Government health care, the effectiveness of present day programs in meeting that need, and the ability of the proposed program to fulfill its intended purpose. This information cannot be available in the absence of comprehensive public hearings in which testimony from informed individuals would be received. The emphasis in such hearings should be directed to the development of information from State and local health and welfare administrators, religious and social welfare leaders, and authorities from the professions dealing with the sociomedical problems of the aged. We regret that such hearings have not been held and the legislation recommended by the majority cannot be evaluated as a result.

We were "examining" a minutiae of information you could say with some accuracy. As the committee report states on page 6, we were doing a lot of examining or considering in this sense, if that is consideration in executive session, but we were limited to the very limited information we had. We did not even gather together much of the information that was readily available, which I tried when I saw the way the course of events was going in the Committee on Ways and Means to bring to the attention of the House.

I made a series of speeches on the floor of the House to point out some of the problems in this area and some of the information that we did have but were not considering and where we needed further information. On March 22, 1960, I placed a speech that I made before the American Academy of General Practice Physicians in the RECORD on page 6320. On March 24, 1960, I took an hour to discuss the problem of medical and health care for the aged. That is on pages 6537–6541. On March 26, 1960, medical and health care for the aged, an insertion on this subject April 20, 1960, page 8454, medical and hospital care for the aged. Then on May 2, 1960, I took the floor again for an hour's speech on lobbying and reporting, because I felt that the reporting by the media of this country on this subject was really so bad that I just wondered that someone within the reporting profession itself has not done something to correct this situation. That is on pages 9144–9146. And on May 11, 1960, "Medical Care for the Aged," pages 10095–10096. On May 12, 1960, "Present Federal Old Age Medical Program," page 10219. On May 26, 1960, "The Voluntary Approach to Health Insurance," pages 11313–11322.

There are two particular documents that were available to our committee if we had wanted to get facts instead of just getting ourselves into a political position. I say that applying to people on both sides of the aisle, people who felt this was going to be a campaign issue this fall, and it probably will. These 3 months were almost a matter of jockeying back and forth, it seemed to me, as to which side, the Republicans or Democrats, might get some advantage from the voters on how they handled this problem.

The point I tried to make then and am trying to make now is that this is not a matter to be thrown into partisan politics at this point. It is entirely possible that the two political parties should take sides on an important issue like this if there is a fundamental disagreement, but let us get the information before us, at least before our committee, the committee of the House which is responsible to this membership, so that the debate will be on firm ground.

One of the documents, "Voluntary Health Insurance in the United States," prepared under the direction of the American Enterprise Association by Rita R. Campbell and W. Glenn Campbell, who had been, and I think it is Mrs. Campbell, a staff member of one of our first social security subcommittees back in 1953, is an excellent document and is a matter that, in my judgment, we well might have held hearings on simply to find out how accurate was the information in it. I think it is quite accurate, but no student no matter how sincere or objective can have all the answers. So this, in my judgment, was a subject for committee examination and discussion. This was not even before us. Incidentally, I placed this in the CONGRESSIONAL RECORD because I thought it was that important, for the benefit not only of Members of the House but of the other body and to people throughout the country who might be interested in this important subject.

Then a very fundamental document which was not even referred to in the 3 months that we were discussing or so-called considering this matter—"Source Book of Health Insurance Data of 1959." This gives the data of what is being done in this area.

The most significant document we have available to us just came out in the past 3 or 4 weeks but was still available to us while we were in executive session process is this background paper on health and medical care prepared by the White House Conference on Aging. The date is April 1960, but, as I say, it was not available until about 3 or 4 weeks ago. But this is a very fundamental document discussing the very problem that we are supposed to be discussing, on this subject of health care for the aged.

My position on this, I wish to advise the House, is that I do not think there should be anything in this bill—there should be no title 16 on this subject of health care for the aged because we are not in a position in the Committee on Ways and Means—the Committee on Ways and Means is not in a position to advise the House with any intelligence as to what would be really good in this area. I happen to think the proposal in this bill that is before us is ill-considered in the true sense of the phrase mainly because we do not have the information. It may be the right answer—I do not know. I do know this, though, that at least it does not do violence to the fundamental system we presently have. I, frankly, think it is inconsequential. I doubt very much that many States will avail themselves of it, and if there were any way of eliminating this from the bill, I would seek to do so. But, on balance, and this is what all of us are faced with from time to time—on balance it is my recommendation that this bill be voted up, and I am going to vote for it because I believe that. Although this one aspect of health care for the aged should not be in here, it essentially follows the format of our present OAA program, that is, the old-age assistance program and is beefing it up in that area. Actually, the real studies of this subject will show that that is the area we probably need the least help in. What we need the most help in in this problem of the aged is facilities, and then, secondly, we need techniques for those who are not indigent but who might become indigent if faced with catastrophic illness. And by techniques I am referring to forms of insurance. In that sense, the Forand bill is hitting the area where we need to do something. But, the Forand bill is unfortunately a backward step, if you follow this reasoning—and this is an argument, I think, the gentleman from Rhode Island has not perceived. When we switched to the OASI, the insurance program, from old age assistance, it was done largely on this philosophy and, in my judgment, a good philosophy that we do not want to have to budget the old people. We do not want to go in and tell them how much for rent and how much for recreation and how much for clothing and how many times a week they can go to the movies. We went on the theory of giving them cash and not getting into their budget problems. We wanted them to have the dignity of making up their own budgets. The Forand bill is a backward step. It reverses that process. It says, "We are going to give you cash for everything except to meet your health problems, and there we are going to budget you and we are going to see to it that this is what is spent here."

To do this, the Forand bill provides that the Federal Government will enter into contracts with doctors, hospitals, and other purveyors of health services to set fees and schedules. Herein lies the denial to the individual to select his own doctor and hospital, in spite of the language in the Forand bill which states the individual's choice shall be preserved, because if one's doctor or hospital does not reach an agreement with the Federal Government on fees and sched-

ules their services may not be retained. Furthermore, if the pressures upon the doctors and hospitals to reach agreements with the Federal Government are so strong that the individual's choice is preserved, then we have federally regimented health service professions.

The many other detailed objections to the Forand bill have been set out in my previous speeches on the floor of the House. Let me point up two major objections. The Forand bill leaves out all the older people not on OASDI, many of whom are those facing the greatest problems in the health care field. These are people who were born too soon to be employed in covered employment as the social security coverage developed, teachers, farmers, selfemployed and their widows, and so forth. Nor can a distinction be made between them and the people who would immediately receive benefits under the Forand bill on the grounds that those left out paid nothing for the benefits. Those receiving the new benefits would pay nothing for them. Indeed, if a distinction were to be pointed out it would be this, the present OASDI beneficiaries scheduled for more benefits have been receiving almost $100 for every $1 they as a group and their employers paid in social security taxes.

Second, many of the higher income bracket older people, and there are many in this category who are not faced with problems in this area, are OASDI beneficiaries and would be recipients of a pure windfall.

Furthermore, I would point out that the need expressed by a sizable percentage of the older people in the way of social security liberalization lies in the work clause limitation of $1,200 a year. These people say, we are able to work longer, yet we are forced out of the labor market because of this limitation. If we could earn more, they reason, they could make a go of things. Liberalizing the work limitation clause certainly is in accord with increased health care for the aged for many basic reasons. Yet, strangely, it is the Forand proponents, the COPE of the AFL–CIO, which for years has fought this socially progressive liberalization.

If the older people need the additional money in this area of health care, let us figure out what that cash increase should be and give it to them; not use their problems as an entering wedge to federally regulate the dynamic health professions or, worse still, remove the socially desirable privilege of personal choice of one's own physician or hospital. But I suggest it is not essentially that; that is not the problem of income as much as it is the lack of facilities, nursing homes, home care facilities, and such things which enable the health dollar to buy more health. The recent reports to which I referred and the techniques we are now developing may reveal something further that the Federal Government might be doing in this area. I am not sure just what it might be, but my mind is certainly receptive to any constructive suggestion.

The only thing that disturbs me is that apparently we are preparing to just pass this bill and send it over to the Senate which will not study it at all; there will be no hearings. Time in the session precludes this. They may add some amendments and then it will go to conference. That is the situation that concerns me.

Mr. Chairman, that is not in the interest of the aged people. This cannot help in the problem of the aged, and I am very much disturbed at the suggestion of some that the House be a party to such a deplorable process.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all Members desiring to do so, may extend their remarks on the pending legislation at that point in the consideration of the bill just before the Committee rises.

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

There was no objection.

Mr. MILLS. Mr. Chairman, I yield to the gentleman from Rhode Island [Mr. FORAND] 30 minutes.

Mr. FORAND. Mr. Chairman, first of all, let me express my sincere thanks to the chairman and other Members who have been so kind and have said so many nice things about me today. When I leave this Congress it will be with mixed emotions, but I do plan on having a little statement to make to you before the end of the session; so for the moment just simply accept my thanks.

Mr. Chairman, we are taking up today a bill that is a disappointment to many, many of our colleagues. It is a disappointment to many of them, in fact to the point where many have approached me and suggested that we should vote down the rule or should vote against the bill.

My answer then was and now is that we should support this bill because it contains some improvements in the existing social security law. In fact, while they are minor improvements they mean much to perhaps a good-sized number of people.

I agree with my colleague from Missouri that the medical section of the bill should not be in it. However, it will not do any harm, but it will not do any good. For that reason I say let us vote for the bill. Personally, I think it is a sham, I think it is a mirage that we are holding up to the old folks to look at and think they are going to get something. I say that because they have to depend upon 50 State governments to enact legislation to authorize them to handle the program that is listed there. I am sure all of you know enough about legislative bodies to realize that the list of items the States could provide under the plan just would never be realized.

If any of you have ever done any welfare work you will agree with me that this is a sham.

Mr. Chairman, for many years now the question of health care for the aged has been given a lot of study and a great many words have been spoken on the subject. I might say to the gentleman from Missouri who made a statement a few moments ago that no State administrator had come before the committee, that the State administrators have been on record for a long time in favor of placing health care under the social security law. The chairman read a telegram received during the course of our deliberations from administrators supporting the proposal I advanced in my bill.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. The point I was making is that a telegram means nothing in studying a very difficult subject of this nature. We needed to have those gentlemen before us so that we could interrogate them as to why they reached their conclusion, if some of them did not agree. There was considerable disagreement in this area.

Mr. FORAND. There is no question about that, but a majority of them have gone on record, and their organization is in support of the proposal I advanced.

Mr. CURTIS of Missouri. I believe that is true.

Mr. FORAND. In fact, I believe that the introduction of my bill in the 85th Congress really was the spark that lit the flames that have been burning now for quite some time. It seems to have awakened America to the great need that exists in reference to the real problem that is faced by the aged of this country. Up to the time the bill was introduced, as I said before, there was a lot of talk but very little action. Today, it seems all of us are agreed that the need exists, that some action must be taken, something must be done to relieve these aged people; yet, when we considered this subject in the committee a majority decided that either it was going too far or for some other reason they did not agree with it. In fact, the committee took practically the same position that some groups seem to be taking today. They realize the need is there, but they want to approach it by different methods to obtain the same goal. I venture to say, Mr. Chairman, that if the provisions of my bill are not enacted into law now, that next year or the year after you are bound to get it, because it is the only sound approach to this important problem.

Mr. Chairman, do not think for a moment that when I introduced that bill it was something I grabbed out of the air. Far from that. I had a group of experts working for at least 2 years trying to develop an approach to taking care of this need of the aged, and when I introduced the bill in August of 1957, from the well of this House, I made the statement that this was a base from which to work. It was introduced in the closing days of the session and, therefore, the bill was printed and made available at that time so that all interested Members, individuals, or groups would have an opportunity to study this proposal. I invited them to come in at the beginning of the next session either with alternatives or with constructive criticisms so that we could work out a decent bill and have it pass the House and become effective. Instead of that, the administration—and I say this deliberately—stalled and stalled and stalled when we asked them for assistance. It

was in 1958, about June or July, when we asked the Department of Health, Education, and Welfare to prepare a report for our committee, and we were told that it could be ready about the first of the following year when Congress was to reconvene. I kept prodding them every week or every other week, and finally in April of 1959 we got that report, and that report contains a wealth of information. If you have not read it, I beg you to read it, because you, too, will be convinced that we have got to take some action in this area.

Since that time it was possible to give some consideration to my proposal during the hearings on social security during 1958, and in July 1959 the committee granted me 5 days during which he had hearings on my health insurance bill, the Forand bill. The hearings were printed and they are available and contain, again, a wealth of information on my proposal known as the Forand bill.

Mr. Chairman, one thing I do not seem to be able to understand is how come so many Members of this Congress, and the administration from the President down, seem to prefer to take the suggestions or subject themselves to the pressure of the American Medical Association. The AMA seems to be in the saddle. The administration proposal that finally came to us after a lot of pressure was of no value; it afforded no benefits. Yet, what we have in this bill today as a medical care section is a watered-down version of a no-good bill that came from the White House. You will remember, I am sure, that the administration proposal was that people over 65 years of age could get into this new program by paying a $24 enrollment fee. Then, what benefits they would get would come only after they had paid the first $250 of their medical bills, and anything over $250 they still would have to pay 20 percent of. Then they suggested an insurance program where the Government would pay part of the premium. And, what did that amount to? The benefits were very meager. It meant practically a goose egg to the people that joined that system, but it was a bonanza for the insurance companies. The committee frowned on that. We disposed of it in very short order, although I regret to say what they have in this bill now is a watered-down version of that administration proposal.

Now, how come that some 150,000 or 200,000 members of the AMA could thwart the will of a population of 180 million or so? I just do not know. I cannot understand it, and I hope somebody can tell me how they do it. In the first place, the AMA is not representative of the medical profession as such, and I have some proof right here in this envelope. The AMA does not speak for the average doctor. I have a file of correspondence perhaps a foot high from individual doctors telling me that my bill is the proper approach; and although they are members of the AMA, the AMA is not speaking for them.

Let me cite one example of just what I mean when I say that the AMA is not representative of these doctors. The Suffolk District Medical Society of Massachusetts put out a letter to its 3,000 or so members urging them to come out to a meeting on the 9th of December last, a very important meeting, where they were to discuss the Forand bill and that a resolution was to be adopted at that time. I have that letter right here to show you how important they thought it was.

The notice was titled, "Subject: Discussion of Forand Bill—Date, December 9, 1959—Time, 4:30 p.m.—Place, 32 The Fenway, Massachusetts Medical Society Headquarters." It read:

> There will be a panel discussion of this very important legislation. The Massachusetts Medical Society has urged each district society to take action regarding this bill. It is essential that as many members as possible be present to discuss this question. At the conclusion of the meeting a resolution will be offered representing the views of the Suffolk District Medical Society. The meeting will start promptly at 4:30 p.m.
> (Signed.)

It was signed by the president and the secretary. Mr. Chairman, at that very important meeting there were exactly 28 persons present out of a membership of 3,000. There were three speakers, only one of whom had read the bill. There were two or three others in the audience who had read my bill. After their discussion the resolution was offered, to the effect that the Suffolk District Medical Society was going on record in opposition to the Forand bill. The vote was taken. It was 27 in favor and 1 against. The record shows that the AMA was notified that the Suffolk District Medical Society overwhelmingly was on record in opposition to the Forand bill. Twenty-eight members out of a membership of 3,000.

There are so many things that I would like to talk about here, but time is running so fast, I will have to skip along.

There was a great argument regarding whether or not any program for the aged should be on a voluntary or compulsory basis. Mr. Chairman, I admit that under my proposal it would be compulsory. Any tax is compulsory. But I deny that the administration plan was voluntary. The only voluntary part of it was that the individual involved was free either to take it or to leave it. But I question the constitutionality of any such proposal where I could say, "I am going to take advantage of this plan but you are going to pay the tax." That is just what it amounted to. That is how voluntary the administration proposal was.

Also, in trying to discredit my bill it was said that this would be a Government-paid bill. The newspapers, television and radio, referred to it as a Government-paid bill. I have tried to straighten them out on that a number of times. It would be administered by the Federal Government but it would be paid for by the workers and by the employers. And when I say by the employers you know that the payment is deductible as a business expense. Therefore, it would be the consumer who would be paying the bill and not the Federal Government; because not one penny under my plan would come out of the general funds of the Treasury. It would come out of the social security trust funds into which these social security taxes would go.

They talk about the cost of the plan. It was supposed to cost about $1.2 billion. I was told by the Department of HEW at the outset that that would be sufficient to meet the cost. But in later days I was told that the quarter of 1 percent tax on the employer and the employee would not be quite sufficient. I agreed that I would increase that tax to three-eighths instead of one-quarter percent because the people who will pay this tax are anxious and willing to do so, for two reasons: In the first place, they would be prepaying their own insurance so that when they reached retirement age they could get the benefit. They are willing to do that. They are willing to give up the price of a pack of cigarettes each week in order to provide for themselves at a later age. In the second place, many of those same people who would be paying this tax today have to take care of the expenses of their aged parents, who would be beneficiaries under this bill anyway.

They talked about some 4 million not being covered by my proposal. That is true. Out of 16 million my proposal would cover about 12,600,000. Of the other 4 million, I would say half of them at least are on public assistance. You could not charge them to the social security trust fund without disrupting the fund completely. You have all the military retirees and the veterans who are all getting medical attention in one form or another. Therefore, the number that would be left out is not 4 million but a few thousands.

Under this medical care plan in the bill we are considering today we are leaving it up to the States to enact legislation to take care of implementing the proposal, but I say to you that at one time in our committee when we were trying to find out how the States were handling the money we had authorized a couple of years ago as an increase in the public assistance funds for medical attention they told us there were 15 States that have not yet developed a program of medical assistance under the public assistance program. What will they do with this kind of bill?

The American Medical Association has led the fight against my bill. I want to pay tribute to the AMA for the great assistance they have given me in publicizing this bill of mine. They have done more than I ever could have done. They have spent thousands and thousands of dollars. In fact, you go to the Clerk's office today and you will find that for the first quarter of this year their lobbying expenses are higher than that of any other organization. So if they can afford to spend so much money lobbying trying to work against the welfare of the aged people in this fashion, I say to them, "Come on, loosen up, help us take care of this proposition." It was medical science that has made possible the addition of years of life for many of our aged. I say to the AMA, "Now, you have helped to give these people additional years, help us find a way to make these

years pleasant and agreeable to these old people. You have a responsibility to them."

They say my bill is socialized medicine. I wonder if they have considered just what socialized medicine is. I asked Dr. Larson, representing the AMA when they were before the committee, "Does the AMA have a definition of the term 'socialized medicine?'" After consulting with some of his colleagues he admitted they did not.

I asked him if the veterans' medical program was socialized medicine. He said it was. Was the workmen's compensation program? Yes; that is socialized also. Maybe I should have asked also, as I did one doctor that came down from New York, if he accepted fees from the Public Welfare Department. Is that socialized medicine? Is not that Federal and State funds? They accept fees not only from the welfare groups, but they also get fees from the Blue Cross and Blue Shield. The program I propose would be handled practically on the same basis. Was it socialized medicine when they accepted their schooling in the free public schools and free high schools? Is it socialized medicine when they use hospitals and the facilities of hospitals without having to pay for them? I say it is absurd.

Mr. Chairman, another thing that might be of interest is the cost of administration. When we were considering the administration proposal, we finally got down to the point of asking what would be the cost of administration of this program. Ladies and gentlemen, we were told that the administration program would cost $17 per capita per year to administer. After pressing and pressing for a comparative figure as to the cost of administering the Forand bill, I was told that the administrative costs would not be $17 per capita but $6 per capita.

One thing that is of great importance is the way that doctors have been raising money for the Republican Party. I have a letter here and on this one again I go to the State of Massachusetts, but I have several similar letters from other States, letters in the same vein. The letter is as follows:

(Curtis C. Tripp, M.D., New Bedford, Mass.; Charles C. Lund, M.D., Boston, Mass.; Archibald J. Douglas, M.D., Westfield, Mass.; David W. Wallwork, M.D., North Andover, Mass.; Lawrence R. Dame, M.D., Greenfield, Mass.; Spencer C. Flo, M.D., Greenfield, Mass.; Bancroft C. Wheeler, M.D., Worcester, Mass.)

NOVEMBER 6, 1959.

DEAR DOCTOR: The threat of socialization of medicine is more imminent today than in 1948 when Congress was considering the Wagner-Murray-Dingell bill. Congressional hearings on the Forand bill have been adjourned with no action taken; however, strong support for this legislation was indicated by many Democratic Congressmen. Labor's influence was so strong that there is every indication that medical and hospital benefits for all social security recipients will be a major issue in the 2d session of the 86th Congress and in the 1960 elections.

The Republican administration testified against this bill and all Republican members of the House Ways and Means Committee stood firm against it.

The 1960 congressional and presidential elections are crucial to medicine. We must do all in our power to see that the Democrats and the AFL–CIO do not dominate the 87th Congress. The political action arm of the AFL–CIO is well financed and is contributing millions of dollars in support of the Democratic candidates.

Doctors can and should help stem the tide toward socialism by supporting the Republican Party with dollars as well as their votes. An editorial in the July 27, 1959, AMA News stated: "One way the physician can and should support his party is through contributing to its financial support. Costs of political campaigning are far greater than even a few years ago, and the costs can no longer be met by a relatively few individuals * * * Support of the party of your choice is as much an obligation as support of the Community Fund, Red Cross or any other civic organization to which you regularly contribute."

The Massachusetts Republican Finance Committee is the official fund-raising arm of the party in this State. The income of the committee is derived solely from contributions. We urge you to support this fund.

Please fill in the contribution form enclosed, and return it immediately with your check to the Massachusetts Republican Finance Committee. An official receipt will be forwarded to you.

Sincerely,

BANCROFT C. WHEELER, M.D.

Another word regarding the cost of hospitalization. I have here an article that I cut out of the Boston Traveler where three doctors predict that by the year 1970 the cost of hospitalization will run between $65 and $70 a day. Now how can these people whom we are trying to help take care of these heavy medical expenses when it has been shown that the incomes of three-fifths of them amounts to less than $1,000 a year and it has been shown that the incomes of another one-fifth of them runs to about $2,000 a year.

Now they say that we should take care of only those who have catastrophic diseases and the question of the length of stay in hospitals has been a very prominent question. Here are the figures taken from the report of the Department of Health, Education, and Welfare. These figures show that 81.9 percent of people over 65 who are hospitalized stay in the hospital anywhere from 1 to 30 days—and no more than 30 days.

The figures show that 12.4 percent stay in hospitals from 30 to 60 days.

Three and two-tenths percent in the hospitals from 61 days to 90 days.

And only 2.5 percent remain in hospitals more than 90 days.

Those are the figures as to the number of days spent in hospitals by patients over age 65.

Another point I would like to make here is the fact that out of the 12 or 13 million aged people now receiving OASI benefits there are 1 million who receive the minimum payments of $33 a month.

Do you realize there are 700,000 OASI beneficiaries whose benefit is so low that it does not even meet their budgetary needs as figured out by the Welfare Department, and are given supplemental aid from the welfare departments of their respective communities? How can those people take care of medical expenses today?

Another thing I want to remind you of is this: It has been broadcast that the American Hospital Association is lined up with the AMA and that they are opposed to the Forand bill. I say to you that perhaps they are, because of the pressure being brought on them, but I have had any number of hospital administrators tell me: "Do not mention my name, but we want the Forand bill; we want something along that line to help us out of our dilemma."

The insurance companies have been fighting the bill. They fought the original social security law, too. And what do they sell you? Read the policies. The first part of it in large print gives you the world, but when you get down to the fine print you find there are so many exceptions that you get nothing. That is just what they are doing with the oldsters here. I have copies of policies issued by most of these companies, supposed to be decent policies to take care of these aged people. I wish I had the time to go into all the details, but I have already taken too long.

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

Mr. FORAND. I yield.

Mr. ROOSEVELT. I want to commend the gentleman from the bottom of my heart for the very courageous fight which he has made on behalf of the aged. I just wish he might be here next year to see final victory, for I am convinced final victory is coming.

Mr. FORAND. I thank the gentleman.

Mr. ROOSEVELT. Mr. Chairman, the House has been presented with a measure that would never be before us had it not been for the clamor of public opinion. There can be no question that Congress is moving in the area of health care for the aged because 16 million senior citizens of our Nation have become politically active and have demanded our help.

I do not say this in criticism. By acting, we are again proving that we are responsive to the needs of the people. This is all to the good.

Unfortunately, we are not moving in the right direction. The best that can be said is that at long last we are at least recognizing the problem. Unfortunately this is not the Forand bill.

Not once, in all the debate over the Forand bill and similar proposals, have I heard a truly valid argument against incorporating such a program into the social security system.

The opponents have cried "socialized medicine," they have insisted that health care for the aged is only a political demand of organized labor, they have argued that expenditures for health care would be inflationary. These are the same arguments that were raised against the Social Security Act in the 1930's; they were baseless then, and they are baseless today.

Providing health care for the elderly under our social-security system can—by no stretch of the imagination—be termed "socialized medicine." Nothing in this proposal would deprive any patient of the right to select the doctor of his choice. Nothing would limit or restrict the present rights of the medical

and associated professions. All that is involved is an equitable way to provide our senior citizens with the means by which they can afford the high cost of medical attention.

Nor can this issue be characterized as something sponsored only by organized labor. Leading newspapers, religious leaders, and other prominent public spokesmen have called for meaningful action in this field. The New York Times, the Washington Post and Times Herald, and numerous other nationally read newspapers have called for a health care plan based upon social security. Both the Times and the Post and Times Herald, in editorials, ridiculed charges that the Forand bill would bring compulsion and socialism. As the Post pointed out, financing the health care needs of the aged through social security "is no more likely to socialize the medical profession than Federal provision of polio vaccine for children."

The Group Health Association of America, an organization that understands health care problems, also has spoken out in favor of a program financed through the social security system. Referring to State—rather than National—programs, this association asserted that most States are in such financial difficulty that they could not make needed contributions and "most aged people would never receive any benefits."

Even an insurance company—Nationwide—has announced its support of a Federal program based upon the social security system. Some of the data released by Nationwide in support of its position merits close attention.

According to this prominent and well-respected company, at the beginning of 1960 more than half of all Americans who are 65 or older had no health insurance protection. In addition, Nationwide stated, even those with some form of coverage are inadequately protected. The company claimed that while slightly under half of the aged can pay premiums of $100 per year, that this amount "cannot cover more than a fraction of the aged medical care needs."

Other statistics revealed by the company showed: 9 percent of aged couples receiving social security benefits had medical expenses exceeding $800 annually in 1957 and 16 percent had medical expenses of more than $500; 86 percent of couples receiving social security in 1957 had none of their medical care costs met by insurance; and nearly half of the family spending units with the head of the household over 65 had total financial assets of less than $500.

These statistics indicate the immense problem faced by our senior citizens—those Americans who are supposedly enjoying their golden years.

The bill reported out by the Ways and Means Committee contains no answer to these awesome statistics. It merely shifts responsibility to the States, when Congress knows that the States are unable to provide a remedy.

The committee proposal offers no hope to America's older citizens. These citizens must now rely upon the other body if they are to get the meaningful assistance to which they are entitled. I can only hope, along with the Nation's elderly, that the other body will come forth with the necessary amendments that will provide a firm foundation for the solution of this national problem. If not, may the people this November demand that candidates for Congress make clear their intentions to support such legislation next year.

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

Mr. FORAND. I yield.

Mr. HOLTZMAN. The gentleman has propounded the question: How can such a small group in AMA control so many millions of people? I want to tell you that the fight against this plan was begun in the 82d Congress when HEW was created under a reorganization plan and a sop was offered at that time to the AMA by placing a doctor of wide nongovernmental experience between Mrs. Hobby and the Executive, in direct contravention to the Hoover Commission recommendation. We are reaping the results of that action today in connection with the gentleman's bill which I support and for which I commend the distinguished gentleman from Rhode Island.

Mr. FORAND. I thank the gentleman.

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

Mr. FORAND. I yield.

Mr. SANTANGELO. I want to commend the gentleman from Rhode Island for his courageous stand on this bill. I was one of the cosponsors with him of more liberal legislation. I share his disappointment in regard to the provisions on medical care and likewise his disappointment over certain other omissions in the bill, but I want to associate myself with the gentleman's remarks and shall support the bill.

Mr. FORAND. I thank the gentleman.

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

Mr. FORAND. I yield.

Mr. HALPERN. I wish to compliment the gentleman from Rhode Island on his perceptive, well-thought opinion and observations in regard to this legislation. I am pleased to associate myself with his views on the bill before us and with the health care legislation with which he is so laudably identified, and in which I joined as a sponsor.

I intend to vote for H.R. 12580, but I do deplore its shortcomings. It is at most a step forward, but unfortunately woefully inadequate in terms of the needs to be met.

I particularly regret its failure to realistically meet or provide means for alleviating serious problems facing our senior citizens. Its omissions are glaring.

Outside earnings ceilings have not been raised to allow older people to continue gainful employment without suffering loss of social security benefits which they have earned during a lifetime of labor.

Primary benefits have not been increased to a level proportionate to today's high cost of living.

Its extended coverage fails to include many categories and services that should reasonably be contained within the scope of the act.

Numerous other aspects of the program have been left unchanged despite their incongruity with the realities of today's living.

Of special significance is the absence of provisions in the bill establishing a broad program for health care for the aged under the social security system. A golden opportunity has been let slip by. The provisions of the bill establish a medical care program which, in my opinion, does not afford assistance compatible with the needs of the aged and does not reflect the human factors involved, the maintenance by our older people of their dignity and self-esteem.

The meagerness of the program suggested, its limited application to some 1 million of our aged at the outset, the "pauper's test," and the necessity for the establishment of State plans before the provisions of the bill can become operative, are factors which, in my opinion, seriously militate against its effectiveness.

As a cosponsor with the gentleman from Rhode Island of legislation to provide for the payment, through the social security system, of the costs of certain medical expenses for those eligible for social security benefits, I cannot emphasize enough how dismayed I am at the inadequacies of the suggested plan.

Mr. Chairman, only a program based on the social security system can provide broad coverage to 70 percent of our aged now, 90 percent later on, contain adequate standards commensurate with the need and with human dignity, and be financed by the working people of the country during their productive lives.

This is not to say that there are not many commendable features in the bill. The removal of the age 50 eligibility requirement for disability insurance, the liberalizing of the provisions for insured status, the extension of coverage to additional persons, and improved benefit protection for dependents and survivors of insured workers, that is, widows, wives, and children particularly, are concrete advances.

Unfortunately, the bill does not go far enough. And since we will not be able to amend H.R. 12580, I intend to accept its provisions only as a start. I shall continue to work for an adequate program that will provide realistic assistance to the greater proportion of our older citizens.

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

Mr. FORAND. I yield.

Mr. COHELAN. Mr. Chairman, I congratulate the gentleman from Rhode Island [Mr. FORAND] for his comprehensive statement on the problem of medical care for the aged, and for his long-enduring efforts to bring this issue to the floor of the Congress.

I rise in support of the omnibus bill before us today, not because it is satisfactory in its present form, but because it offers the only opportunity for starting legislative action which I hope can result in enactment of an adequate medical care measure this year, specifically by means of amendment in the other body. Were amendments possible under

the rule, I would support a program whereby health benefits would be provided for the aged through the old-age, survivors, and disability insurance system. Should the other body amend this measure to provide such a program, I will support the conference report.

As it now stands, this omnibus bill, H.R. 12580, does improve medical care available to recipients of old-age assistance, but does not assist the great majority of the aged to meet their medical bills. Furthermore, it establishes virtual poverty as a requirement for eligibility, which means it cannot allay the older citizen's haunting fear that an expensive illness will come along to consume a lifetime's savings. Indeed, this plan only offers an alternative anxiety: the humiliation of declared poverty.

Still again, workers under the social security program are not given the opportunity to participate in a self-help, contributory insurance program to give them paid-up medical-care protection in retirement years. Instead, what assistance that would be provided would be paid for by the general taxpayer.

The many, many constituents who have written to me to express their support for a program of medical care for the aged have made it quite clear that they have in mind a contributory social insurance program. They are fully aware that only that kind of program will be genuinely adequate to the needs of the country's older people.

I am in full agreement with the recent editorial in the Washington Post entitled "Adequate Health Care," which urges a medical-care program that is "a facet of social security and can best be financed, in our judgment, through an enlargement of the social security tax, and goes on to say:

> It ought to be available, like the retirement benefits of social security, to all persons of retirement age as a matter of earned right and not on the humiliating basis of a proof of indigency. If such a measure is adopted by the Senate and if the House is given a chance to vote on it, there can be little doubt that it will be be passed in preference to the piddling bill fashioned by the Ways and Means Committee.

There is another section of the omnibus measure before us today with which I am equally concerned; namely, title V having to do with unemployment insurance.

Here is another area that needs strengthening and it is my hope that the other body will act favorably on an additional amendment to establish new unemployment compensation standards. I have specific reference to the kind of program proposed in H.R. 3547 and H.R. 3548 by the gentleman from Missouri [Mr. KARSTEN] and the gentleman from Michigan [Mr. MACHROWICZ], and in my own companion bill, H.R. 4064.

Title V of this omnibus measure opens up the problem of unemployment compensation, but does not then proceed to take up the matter of standards nor the matter of extension of benefits, except in certain very limited areas.

Enactment of an adequate medical care program based on contributory social insurance would make the final bill a major accomplishment. Enactment of this amendment and an additional amendment to provide much-needed unemployment compensation standards would make it a landmark twice over.

Mr. MASON. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I should like to depart from the remarks I intend to make and shall come back to them. While I shall not endeavor to make a rebuttal, I would like to dwell very briefly on the remarks just presented to us by the gentleman from Rhode Island.

However, I, too, want to pay my respects to the gentleman from Rhode Island [Mr. FORAND]. As one of the newer members of this committee I wish I knew as much about this field as does the chairman. I try to do my homework but I am bewildered by the complexity of it. I trust I can stay away from those areas where ignorance could be the reason for my viewpoint.

I wish to bring up some things that to my knowledge cannot be rebutted. Before I do so I would like to point out with regard to the statement that was just made that I am among those on the committee who voted against the Forand bill. It failed by a substantial amount, 17 to 8. I am among those who do not believe that the administration has stalled. Far from it. This is a complicated field, and the very fact that the Fogarty resolution was passed to get the facts with which we can grapple with this big problem is an indication of the complexity of it. I point out that this is not stalling, this is searching for the truth, getting the facts and trying to determine which is the best. Nor shall I consider whose lobbying technique is the best, whether it be the AFL–CIO or the AMA. I think the AMA and businessmen have too long failed to lobby the Government. At best, the AMA is far behind the AFL–CIO in lobbying on legislation.

As far as socialized medicine and its definition is concerned, if no one has one, I will give mine: The Forand bill is something that would result in the registration of all medical services and people, the regulation of everybody, the control of everybody, setting fees, auditing books and providing criminal penalties for failure to live up to the law. The law once passed has to be followed. That is socialized medicine.

I recall, by the way, the head of the UAW, Mr. Reuther, and I had a go-around on this. It is in the record for anybody's perusal.

I have not begun to cover the Forand subject, of course, because I shall leave that to others. I would like to be the one to offer rebuttal to that particular solution or alleged solution to the so-called tremendous problem, if there is a problem. Rather, it seems we are going to make it a problem. We have not yet even analyzed the area of need, nor how our medical services are being provided and meeting the need. Many of you, I am sure, recognize that your own State, perhaps, does not take Federal money in some of the public assistance fields. In my own State we have fine medical aid for the needy, if you please, or free medical facilities, that are not reflected in any Federal figure at all. The HEW cannot give those figures. Why? Because they do not have them.

Yet, we, of the Ways and Means have come before you and say we want to give you a choice of voting on various solutions to the problem, while we cannot tell you what are the medical services that are provided in this country as a basis for the proper solution. As a matter of fact, the statement was made before our committee many times that no person in the United States is denied medical service on account of lack of money, and that has never been contradicted before our committee.

To get on with my subject: This is troublesome. I must divulge what I have learned. I am going to tell you what I think because my responsibility as a member of the Ways and Means Committee permits no less. I cannot pretend I do not know what I do know about the present social security program. These are not just my views. I am relaying to you what I learned from studies made by the advisory council, the trustees, and others, and I will try to present it to you on that basis.

I am opposed to the social security system as it is now constituted because it is actuarially unsound. Frankly, I am confounded by the clash of facts with our legislative action. If anyone will set me straight I will be glad to pause at the end of my statement for that purpose.

We have a moral obligation not only to today's citizens, of course, but to the folks who are going to foot the bill, the following generations. Who will foot the bill? What are the factors which make social security actuarially unsound? I hope you understand what I mean when I say that social security is unsound. The matter before us today should be as elemental as this, Can we secure the future of our people through social security? I cannot get to that one, but I can grapple with the actuarial unsoundness part of it.

What are the factors? I direct your attention to page 334 of the minority views. It is a three-page statement if you want to refer to it. Furthermore, I direct the attention of my colleagues, whether you agree or disagree, to some studies I put in the RECORD on this question, the field of actuarial soundness and what this means to the social security program.

I have the page numbers here to offer anybody that wants them. The statements were inserted in the RECORD on pages 11629–11630, 13502–13503, 13504, 13505–13506, and 13507.

Mr. Chairman, this program has been called actuarial anesthesia by some. We have set up a fiction, a fictitious actuarial basis, and then we have done our actuarial work within that framework, so we say it is actuarially sound. But, now, what are the facts? First of all, the entire program is computed on our highest earnings, into the infinite future; not on a bad or a moderate year but on the best year. The high cost, the low cost, and the intermediate cost estimates made by the actuary of HEW are computed only using high earnings, at a level of 1959. You do not allow for

any income cutback at all. We are all for high income. Fine. We want income always to be high.

But when we build a program where you have to have high income, and actuarial figures all thus figured what happens to its economic soundness if you do not have it? Further, this becomes an invitation to inflation, increased spending, and so on. Secondly, and this is the most damaging, more than just a matter of high income. Social security now is based on increasing population or new entrants into the program, because, as our chairman pointed out, we are not paying as we go. Let me quote him as best I can. Those people who are now beneficiaries will draw down without having paid in to the total of $65 billion. You and I and our children will have to dig this up. That is what the folks who are beneficiaries are owed by us until the time they die. But, how about the rest of us not yet beneficiaries, just contributors? It is estimated that this program is between $300 billion and $600 billion behind in not taking in enough money against the payout to present contributors when they become beneficiaries. But, I am ahead of myself. The point is, we make up this gap within this fictitious actuarial framework by saying we will have more tax contributions from future salaries. But, that is not the whole story. Our population is constantly getting older. We are growing older together. The average age is getting older, so more of us progressively will fall into the beneficiary class. Further, it seems that every 2 years we add new measures and more and more people are covered as beneficiaries. But, we have nothing to offset this by taxation. For the last 2 years we have run a deficit, and we are falling behind all the time rather than correcting it.

I want to read from the 20th annual report of the board of trustees. They say:

> The cost of benefits to aged persons, which constitute almost 90 percent of the total cost, will rise for several reasons. The U.S. population cannot continue to increase indefinitely; births cannot indefinitely exceed deaths. When a balance is reached or a reversal in the present trend occurs, the population as a whole will have become relatively much older.

That is what I have been trying to say:

> Another reason for the increasing cost is that the proportion of the aged population will increase.

That is the other point I was trying to make.

Then the Advisory Council in 1958 said, as any Member of this body could say, and I say now, because I am concerned, and I know you are concerned. The Council said this:

> The Council believes that the trusteeship is so large and the number of people involved so great that the defeat of beneficiaries' expectations through inflation would gravely imperil the stability of our social, political, and economic institutions.

Mr. Chairman, as our chairman has earlier said, this touches more of our citizens than any other program. It is not just the beneficiaries that will lose. It could rock the entire financial system in this country.

How about the tax burden and actuarial soundness? Mr. Chairman, I am trying to be as fair as I can. Let me cite a couple of examples—and you can criticize if you chose—actuarial examples showing the payin against the payout.

Case No. 1 is that of an employed individual who received maximum taxable earnings since the inception of the program in 1937 and he paid through 1959. He will have had a cumulative employer-employee maximum total tax contribution to the OASDI funds of $2,292. That is how much he would have paid in. Now, assuming this individual and his wife reached the age of 65, on January 1, 1960, the total amount of benefits that would be paid out, with respect to this benefit claim of $2,292, would be $31,200.

Case No. 2: Another individual who qualified for a minimum benefit entitlement on January 1, 1960, could have paid, with his employer, as little as a total of $36 into the trust funds. And, assuming that he and his wife reached the age of 65 on January 1 of the current year, the total amount of benefits that would be paid out with respect to his benefit claim is $8,600; there it is from $36 paid in to $8,600 paid out. Sure, these may be somewhat extreme cases; I do not know whether these are the most extreme. I cannot even tell you how many cases there are like these. But these are the kind of examples that ought to make all of us pause to think about this matter. We have paid in about $85 billion. We have on hand $21.8 billion. That makes a deficit of about $63 billion, which I mentioned earlier. And I mentioned the $300 billion cost that we are also behind. It is possibly even more than that. And all this deficit is in the interest of securing our future socially, if it can be done. This is the problem that needs to be faced. We are now going into a political campaign and this is a political legislative effort, every 2 years. What I am saying here probably is going to be forgotten. Probably I am not going to influence even one man here. But this is the way I see it. I am a member of the Committee on Ways and Means. I have to tell you what I think and I urge you to join me in exploring this matter.

What I am saying is that this is a little bit like Parkinson's laws, but working perhaps, in a little different direction. Bureaucracy increases and expenditures rise to meet income. It is a very interesting thing to think about. Politics is the motivating force.

Now, as to the cost of making the program sound, I cannot give you the answer. But if we are $63 billion behind in present beneficiaries and $300 billion to $600 billion behind in unfunded future benefits to be paid, our kids are going to have to pick up this cost. Of course they could vote to kill the program. If we agree that we should actually make the program pay-as-we-go, then I urge you to think about these costs. Could we pay the necessary taxes? I do not know, but we should face up to the problem.

Now, whether it is unconstitutional is something that has not been tested. I have put statements in the RECORD with regard to a number of questions, that I do not have the time to bring up today.

I am not talking about specific provisions of this bill—this would be skirting the issue. I had to oppose, in the committee, amendments that were offered which tended to increase the benefits and the coverage; not because I was against any one particular item, but rather because we were imposing these added costs on future generations, on our kids, and future taxpayers, who are not here to speak for themselves. Fortunately, they can vote to kill social security and if they do, where will our older citizens be?

It has also been said that this system is incompatible with free enterprise. It is something to think about.

It has also been pointed out that if an individual for 40 years put in $210 a year into a savings account, and left the interest in, he would have on hand $35,000 and the interest. Income from interest would be $2,000 on which to live. That is the way this country grew. That is the way this country can continue to grow. And if we do not do that, everybody is going to come to Uncle Sam with hands outstretched for support. There is not sufficient money to go around to do it that way. There's the plain truth, lack of morality of the whole thing notwithstanding.

Of course, I feel very strongly about this. I went back through all of the views that have been submitted on social security. Of course, I could not detail them all here, nor can I remember them all offhand. But I did my best to study them. Let me give you several quotations from earlier Congresses, from some of the men present on both sides and some of the men who have gone beyond.

This is from the 74th Congress:

> This bill is not to be considered a cure-all, nor a complete measure for economic security. * * * While humanely providing for those in distress, it does not proceed upon the destructive theory that the citizens should look to the Government for everything. On the contrary, it seeks to reduce dependency and to encourage thrift and self-support.

This was in the 74th Congress. I wonder if these views are true today. I think they are.

Further, the minority report went on to say they were opposed to title II providing for compulsory old-age annuities, and title VIII, providing the method by which the money was to be raised. The minority declared:

> Neither of these titles is constitutional. The Federal Government has no power to impose this system upon private industry.

By the way, I do not believe it has ever been tested.

The minority in the 81st Congress said this:

> We believe that such a form of compulsory social insurance, which unnecessarily takes from the individual funds which he would invest or otherwise use for building his own security, is incompatible with our free enterprise system. Accordingly, we do

not conceive it to be a proper function or responsibility of the Federal Government either to compensate individuals for all types of losses in earning capacity or to provide a scale of benefits which pay substantially higher amounts to those with higher income.

That reminds us we are getting into a graduated income tax on the present social security basis. I think you know about that. That brings me to the minority views in 1954 in which the gentleman from California [Mr. UTT] said:

It is my fearful belief that the social security tax is fast shaping up to become a secondary graduated income tax upon wages and salaries, a tax which, when its full impact is felt, will shake our social security system to its very foundation.

What do you think your constituents are going to say when they pay a higher social security tax, and know it, than they pay in income tax? And the amount on which the tax is payable is raised from $4800 to $6,000 or higher? The social security tax is based on first dollar earned. There are no deductions. It catches the fellow with the least income of all with the heaviest tax.

In 1955, which brings us up to the present, these were the minority views:

The tax on wages is a tax on gross wages without any allowance for personal exemptions, dependents, or other deductions. The tax on self-employment income only permits certain business deductions, such as depreciation. It is, in effect, a tax on adjusted gross income * * * the tax, as a percentage of net income, is substantially higher than the actual rates would indicate. In fact, the eventual 6½-percent rate on the self-employed would be the equivalent of a net income tax in the neighborhood of 20 percent and higher in many cases.

Then they give this example, and those of you from the farm areas ought to be particularly interested, because I know your farmers will be.

Let us take the example of a farmer with a net income from self-employment of $4,200 in 1975. Assuming that he has a wife and two children and uses the standard deduction, his Federal income tax, under present rates, will be $276.

By the way, the figure in 1975 is used because we will then have the maximum social security rate.

His social security tax, on the other hand, will be $283.50. The social security tax would be in excess of 20 percent on net taxable income. If the same individual had three children his income tax would be cut to $156 but his social security tax would still be $283.50, the equivalent of a net income tax of 36 percent.

That is the law, and that is the direction in which we are going.

In 1975, our payments out of the Social Security Fund, if we have the money to pay it, will be $20 billion, whereas, as the chairman pointed out, this year it is running at the rate of $11 billion. Where is the money coming from?

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. HARRISON].

Mr. HARRISON. Mr. Chairman, on yesterday when I asked the distinguished chairman of the Committee on Ways and Means how much time he could give me to discuss this measure he said he would give me enough time within which I could hang myself. I have been thinking that over. I realize that anyone who undertakes to cross swords with him is in serious danger of hanging himself.

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

Mr. HARRISON. I yield to the gentleman from Arkansas.

Mr. MILLS. I think for the sake of posterity the RECORD should reflect that the gentleman is being facetious in that last remark.

Mr. HARRISON. No, I am being very serious. At the risk of hanging myself I have to go ahead and say that I do not like the medical provisions of this bill. In my judgment, they are completely unworkable.

If I may be allowed to comment on that a little, the distinguished gentleman from Rhode Island has said that this bill holds out a mirage to the older people of this country under which they will believe that they are going to get something, which they will not get. I certainly do agree with that statement. It seems to me, the bill undertakes in a number of ways to blow the horn through the wrong end. It starts out and gives—or, apparently, gives hospital services not exceeding 120 days, and skilled nursing home services without any limitation. We would gather from reading this bill that these hospital beds and these nursing home beds are right there ready with nice clean white sheets and that the old people do not have to do anything but to crawl into them. But, Mr. Chairman, according to the Department of Health, Education, and Welfare in the year 1959, there were 653,000 hospital beds available, of which only 587,000 were acceptable. The number of beds needed to meet the existing demands is 761,600 hospital beds. I ask the question, Should we say to people that we are going to give them hospital beds without making any provision as to where those beds may be found?

With reference to the nursing home beds, the same statistics show the existence of 245,000 beds, of which 133,000 or about half are acceptable while the need exists for 385,000 beds.

This year the distinguished gentleman from Rhode Island [Mr. FOGARTY], in connection with the report on the Hill-Burton appropriations from his committee on the appropriation bill for the Department of Health, Education, and Welfare, says:

The bill includes $150 million, an increase of $23,800,000 above the request, and a decrease of $36,200,000 below the amount appropriated for 1960. Any doubts concerning the complete inadequacy of the budget can easily be resolved by a simple review of the statistics regarding this program.

As of January 1, 1960, plans submitted by the State agencies show need for 845,402 additional hospital beds and 257,030 additional nursing home beds or a total of 1,102,432. The funds requested in the budget, when combined with funds used for hospital and nursing home bed construction outside the program will produce an estimated 43,628 beds, or less than 4 percent of the additional beds which States indicate are needed.

State agencies report that if there were no limitation on Federal funds they would have, during 1961, sufficient State and local matching funds to start work on 1,020 projects costing a total of $1.2 billion which would require Federal matching funds in the amount of $489 million.

While the amount recommended by the committee is not aimed at filling all the existing needs it will certainly do a better job than the woefully inadequate budget presented to Congress.

There is a promise in this bill of physicians services without limitation. Everybody knows there are not enough physicians. Also, we promise nurses without limitation. But, according to the American Nursing Association, there is a shortage of 56,000 nurses to meet the existing needs.

There is a promise in this bill for dental treatment which any dentist says "has seriously affected, or may seriously affect" general health. If this promise is kept, no one will get in a dentist's office within 6 months, toothache or no toothache.

There is a very interesting table in connection with this measure on page 11 of the report, in which it is estimated that the total cost of this bill will be $325 million of which $165,500,000 will be from Federal contributions. I submit that no one knows what this bill is going to cost. I submit no one knows how many States will go under this bill. The report says 10 million people could be taken care of under this bill. These figures are not based on that figure and no one seems to know what the figures are based on. But, if we assume that the table in the report is right, we come up with some remarkable results.

Four States will get over half of the money. Six States will get 68.36 percent of the money. The State of New York gets more than 30 percent and 9 times as much as 28 other States and the District of Columbia combined. But you need not worry about that because the Governor of the State of New York says the $50 million required in State contribution by New York is not available and that the State of New York will not be under this program.

The needs test in this bill is that if the income and resources taking into account other living requirements, is determined by the State to be insufficient to meet the cost of medical service, the person is eligible. Under this provision, even if a man's income were $25,000 a year and the State said he met the above requirements he would be qualified and I assume would have to be provided for. If you want to get under this program you place yourself under a doctor's care whom you select. If he certifies you are to be kept at home with three nurses a day and he comes to see you every day there can be no question by any governmental agency, State, Federal, or local.

Finally, this program has seeds in it of very dangerous expansion. All that any succeeding Congress would have to do to expand it would be to lower the State contribution, lower the age, and it would be completely financed out of the Federal Treasury without any contribution by any beneficiary.

Mr. Chairman, I submit that any plan for Federal participation in medical programs must meet the problem and meet it foursquare. Any such plan must provide for adequate beds and adequate

personnel to administer it. That is not done in this bill; it is not done in the Forand bill. It should provide for catastrophic illness only. The Forand bill does not do this at all; and this bill includes items that the person can and should pay for himself.

In addition it should have sufficient standards and machinery to protect the system from fraud and imposition. This is not done.

Also if gone into, it should be financed by contributions from the beneficiaries and those able to make contributions.

Frankly, I think we need not worry that this program will ever be in operation. The bill provides it shall not go into operation until July of next year. By that time the Congress will have opportunity to give proper consideration to a workable plan. Before we went into the social security program initiated by the late great President, Franklin D. Roosevelt, there were 2 years of study by a committee of experts from every avenue of life. It was considered by the executive departments for over another year, and it was studied by the Congress for over a year before the legislation was put into operation. Here, however, we are going into a program much more technical in nature and in an equally revolutionary field with a study by a committee of only 3 months, and the only specialist we have heard on the subject is that great specialist and expert on cranberries, Dr. Arthur Flemming.

Mr. Chairman, there is a great deal in this bill besides title XVI, the medical aid provision, which I have been discussing. There are many liberalizing provisions of the Social Security Act which can be financed without any tax increase and which will keep the system actuarily sound.

Let me discuss some of these changes.

The Subcommittee on Social Security, of which I have the honor to be chairman, has conducted a very thorough study of the operation of the disability insurance program. Over a period of months, our staff prepared and published a very excellent fact book. This was done under the direction of the subcommittee counsel, Mr. Fred Arner, and his work has met the approval of experts in government, medicine, labor, and industry. The subcommittee conducted 2 weeks of public hearings and took the testimony of experts from all walks of life. We received answers to an elaborate questionnaire from the administrators of all the States. We were greatly aided in our studies by the assistance of the General Accounting Office and we submitted a preliminary report in which the administration of the disability program was thoroughly analyzed.

As a result of these studies, I introduced a number of bills which have been included as a part of the measure now before the House.

I do not think the people of the country, or the Congress either, realize what a vast program the disability program is. Its beneficiaries as of today number some 750,000 people and the Social Security Administration is deciding 30,000 new applications per month.

We found when a person under the age of 50 became totally and permanently disabled, he was just as totally and permanently disabled as he would be if he were 50 years old. But very often in the case of a younger man the disability struck at a time when he had young children to support and the denial of the benefit to him because of age impressed us as a very arbitrary and indefensible standard. Therefore, finding that there is surplus in the disability fund, we have been enabled to wipe out that age distinction.

In addition, the bill before us includes a bill introduced by me to extend the 12-month trial work period to all beneficiaries who seek to rehabilitate themselves. Under present law, a disabled person is permitted to engage in substantial gainful activity for a 12-month period without termination of his benefits by reason of such work, provided his work is under a State-approved rehabilitation plan. In operation, this provision has worked a hardship upon many, particularly in rural areas, who are endeavoring to rehabilitate themselves. This proposal has the endorsement of the Comptroller General, the Commissioner of Social Security, the Director of the Office of Vocational Rehabilitation, and many others.

The measure before us also provides for the elimination of the 6-month waiting period for disability insurance beneficiaries who had a prior period of disability. We have found that the present provision requiring a second 6-month period is discouraging to a disabled person who has made a sincere effort to rehabilitate himself but finds that he has not sufficiently recovered to do so.

There are a number of other very significant provisions in this measure. One of them introduced by me extends for an additional 2 years the period in which ministers may elect to be covered. This will enable 60,000 ministers who, because of misunderstandings of provisions of the law, have failed to avail themselves of it.

Another bill introduced by me and included in this measure will extend coverage to widows whose husbands died prior to 1940. Under the 1939 amendments, survivors' benefits were payable only to the survivors of workers who died after 1939. This provision of the bill before us will enable about 25,000 widows, mostly over the age of 75, to become eligible for benefits.

There are many other salutary changes in the social security law covered in this measure. One of these is to increase the benefits to a child of a deceased worker to three-fourths of the worker's benefits. Another is to provide benefits for the widow and children of a marriage entered into in good faith though invalid in law. Another important change is to correct the existing injustice to parents employed in the business of their sons or daughters who henceforth will be permitted to contribute to the social security system and draw benefits therefrom, when eligible.

Not the least of the salutary changes made under the existing bill is the one that provides an improvement in the rate of return on trust fund investments so that the social security trust fund should receive interest more nearly equivalent to that paid by the Treasury and long-term money it borrows from other investors.

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

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

Mr. LENNON. The State of North Carolina has a Medical Care Commission. I assume that most of the other States of the Union have organizations comparable to the Medical Care Commission in North Carolina. The question I would like to ask the gentleman, who is a distinguished member of the Committee on Ways and Means, is this: How many States having Medical Care Commissions or comparable organizations such as that put statements in the hearing record favoring this medical care to the aged?

Mr. HARRISON. I do not know. Can the chairman of the Committee on Ways and Means answer the question?

Mr. MILLS. The only thing that we can refer to as representing the position of State administrators or any commission that may be working with them is the fact that in the course of a hearing we had on Mr. FORAND's bill it was stated that these people favored Mr. FORAND's approach to taking care of the medical problems of the aged. The organization as such had been on record for some time in support of his views.

Mr. LENNON. Then the chairman of the committee cannot say that at least a majority of the States through their representatives came to Washington and appeared before the Committee on Ways and Means asking to participate in such a program as this?

Mr. HARRISON. The committee had no public hearings on this.

Mr. LENNON. The committe held no public hearings.

I note on page 154 of the bill that the States must submit plans to the Secretary of HEW in order to have such a plan approved in the respective States. There are, I believe, 17 different categories or plans that the State must submit to have it approved by the Secretary of HEW.

Mr. HARRISON. Seventeen different categories?

Mr. LENNON. Seventeen different categories that the State must list or set out in its application to the HEW for approval of the plan.

Mr. HARRISON. Is the gentleman talking about title 1 or title 16?

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

Mr. MILLS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. LENNON. Does the gentleman have a copy of the bill?

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

Mr. HARRISON. I yield to the gentleman from Arkansas.

Mr. MILLS. There are 17 different paragraphs referring to things that would be contained in the plan submitted by the States, but I would call the gentleman's attention to the fact

that practically every one of them, not all of them, is already in the law with respect to plans submitted under title 1, under title 10, under title 14, and under title 15.

Mr. LENNON. Mr. Chairman, if the gentleman will yield further, on page 158, section 15, the State shall submit a plan "include methods for determining," and then in subsection (B), "schedules of fees or rates of payment for other medical services."

Now, does that mean that the States must make the determination as to what the maximum fees are that may be charged for medical services?

Mr. HARRISON. Yes.

Mr. MILLS. It does not mean that.

Mr. HARRISON. That is what it says.

Mr. MILLS. Well, it does not mean that.

Mr. HARRISON. It says that whether it means it or not. I think there is a lot in here that does not mean what it says.

Mr. LENNON. Would the chairman of the committee then be kind enough to tell me what that does mean?

Mr. MILLS. It means simply this, that the States have to show, in accordance with the plan, how they arrive at the payment of these things; not that they are going to fix any unreasonable limits. I call the gentleman's attention to the fact that this provision is very similar to the provision that applies at the moment with respect to the medical care programs under title I. If the gentleman will turn to page 158 of the bill, line 9, it reads "include methods for determining." That is all we are talking about. It is the method. We want some degree of understanding as to how these things are determined.

Mr. HARRISON. I understand the chairman contends that the State plans will not fix the rate of fees to be charged by doctors. Do they have to pay whatever the doctor says?

Mr. MILLS. Oh, no.

Mr. HARRISON. Then, what is the situation?

Mr. MILLS. I think the gentleman knows that the State would not be required to fix the rate of pay under this at all. What they have to do is to show the method that they arrive at in making these payments.

Mr. HARRISON. Well, but they have to file a schedule.

Mr. MILLS. I think the gentleman fails to understand this provision.

Mr. HARRISON. Either they fix a schedule or the doctor can charge whatever he wants.

Mr. MILLS. I suggest the gentleman read page 130 of the report, the technical analysis of this thing.

Mr. HARRISON. Page 130 of the report says that the State plan must "include methods for determining rates of payment for institutional services, and schedules of fees or rates of payment for other medical services, for which expenditures are made under the plan."

Mr. MASON. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Chairman, I sincerely believe in the social security system. In my second term as a Member of this body I became a member of the Committee on Ways and Means. I was fortunate enough to become a member of the Subcommittee on Social Security. We held extensive hearings. Many revisions were suggested, but none were put into effect in that particular time. Since that time I have carefully studied the social security system and, I repeat, I believe in it.

Now, down to the bill. There are 184 pages of it. It is the result of weeks and weeks and weeks of study on the part of this committee of which I am proud to be a member. It is a great improvement over existing law. It will be of benefit to millions of people.

Mr. Chairman, I do not claim it is perfect. No law is perfect. As time goes on, we will study and continue to study what is best for those people in the twilight zone of their lives that each and every one of us will soon approach.

Now, the controversial feature is title XVI. It is said that it is socialism to grant from public funds medical care for the aged. I say it is not. We have granted money for food, clothing, and lodging, a pittance, yes, for these old citizens. Is it any more socialism to grant medical care, something for the body and the brain and peace of mind for these elderly citizens than it is to grant the substance from which to obtain food and clothing from the public Treasury or from the taxpaying section—and I say that advisedly—for the medical care of these aged people?

Mr. Chairman, I support the bill in its entirety. There are many different ways to approach medical care for the aged. I do not have a closed mind. We must further study this complex problem. The committee will do so. The Forand bill is not socialism, and I care not who hears me say that, even though I voted against it in the committee.

The gentleman from Rhode Island is a fine loyal American who believes in the free enterprise system. We all regret his retirement.

This entire problem needs to be further looked into. We are making a step in the right direction. Replying to my beloved friend from Virginia, when he referred to Secretary Flemming as the "Cranberry King," I know that Mr. Flemming has worked sincerely and wholeheartedly and efficiently to solve this important problem. We have made a great, big step in the right direction, in my judgment. I support the bill in its present form in its entirety.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. IKARD].

Mr. IKARD. Mr. Chairman, I should like to clarify one particular section of the bill.

Section 531 of the bill—pages 143–146 of H.R. 12580—extends coverage under the unemployment compensation program to employees of certain Federal instrumentalities. The extension will make subject to the Federal unemployment tax any Federal instrumentality which is neither wholly nor partially owned by the United States unless it is exempt from the tax by a specific provision of law. The same section authorizes the legislature of any State to subject employment by such Federal instrumentalities to the State's approved unemployment compensation tax laws. Examples of the Federal instrumentalities thus to be covered are given on page 55 of the committee report on the bill—House Report No. 1799.

My purpose is to make it clear that there is no intention to extend coverage to an organization which is now exempt as a charitable corporation but which also is a Federal instrumentality neither wholly nor partially owned by the United States. The American National Red Cross has for many purposes been regarded as an instrumentality of the Federal Government. However, its exemption from Federal unemployment taxes is presently based on that provision of the statute which specifically exempts service performed in the employ of certain charitable corporations from such taxes. H.R. 12580 continues the exemption from unemployment taxes for such charitable corporations; hence the bill is not intended to remove the Red Cross' current exemption. Similarly, it is not the intention of the bill to remove the present exemption of Red Cross employment from State unemployment taxation.

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

Mr. IKARD. I yield to the gentleman.

Mr. MILLS. The gentleman has very clearly stated, may I say, the understanding that I have of the bill in this respect. Certainly his statement is a very clear reflection of what was intended as far as I am concerned.

Mr. IKARD. I thank the Chairman very much.

Mr. MILLS. Mr. Chairman, I yield 6 minutes to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Chairman, at the outset I should like to pay tribute to the distinguished gentleman from Rhode Island [Mr. FORAND], who has devoted many years to a diligent study of the social security system. This is not a new subject with him. He has worked at it all his life. The fact that we are not voting on his bill today is perhaps a disappointment, but I think he has rendered the country and the Congress a great service in introducing the Forand bill, H.R. 4700, and bringing to public attention, the important matter of health care.

All of us regret he has decided to return to private life. Whatever may be his future plans I would not want to let this opportunity pass without wishing him success in his new endeavors.

I am going to support the pending social security bill, which contains within its framework, a very limited beginning in the field of health legislation. Admittedly, this is a difficult area in which to legislate. In the 5 years I have been a member of the Committee on Ways and Means I know of no problem that has been more difficult than this one.

The first decision, of course, is whether we shall enter the area of health legislation at all. The Committee on Ways and Means, in reporting this bill, has made the decision that legislation is not only desirable but necessary. After

reaching that conclusion, the next decision is how shall we proceed. It was at this point the committee encountered wide differences of opinion amongst ourselves, the administration, the medical and allied professions, and other quarters.

During the public hearings last year and the executive sessions this year, which extended over a period of 3 months, we considered a variety of plans and proposals which included the Forand bill, the administration program and many variations of both. These various proposals differing in details, benefits, costs, and financing, divided themselves into two general approaches to the problem of health legislation.

The medicare plan, proposed by the Department of Health, Education, and Welfare, represented one approach. The distinguishing feature of this proposal was the payment of outright grants to the States from the General Revenue of the Federal Government. States desiring to participate would be required to match the Federal grants and limit the benefits to those whose incomes did not exceed $2,500 for a single person and $3,800 for a married couple. In addition, it provided for the payment of a nominal fee by the individual upon enrolling in the program. Before the schedule of benefits would become available to the individual, however, he would be obliged, in the case of a single person, to pay the first $250 of his annual medical expenses. In the case of a married couple the deductible amount would have amounted to $400.

While the medicare approach may have some desirable provisions, it has two principal objections: First, it calls for the taking of money from the Treasury without providing taxes to finance its cost; second, it embodies a needs test—highly refined—but nevertheless a needs test in every sense of the word. Rather than getting the Federal Government out of the relief business, the medicare plan would set up firmly in the Federal Government a large medical relief program.

There are many other features of the medicare plan about which serious questions could be raised but because of these two fundamental objections I opposed the plan in the committee. The medicare proposal was defeated by a vote of 15 to 10.

The other broad approach might be described simply as the Forand bill. This provides a system of health benefits, financed in a manner similar to the social security program. Under this approach, the employee and employer would pay about one-half of 1 percent additional social security tax and the program would be financed as it went along. It calls for no grants from the Treasury, or State matching funds, and would include all of those under the Social Security system. A prepaid insurance program of this type, of course, eliminates the undesirable needs test, or the "income" test if you prefer that term, and enables the individual to receive benefits on the basis of his contributions. The committee's efforts to include a social security health program in the pending bill were not successful and this approach was defeated by a vote of 17 to 8.

Thus, there was not a majority of the members of the committee in favor of either approach, the social security health program or the medicare proposal. The committee, therefore, was obliged to depart from both theories in order to bring the pending legislation to the House.

About all that can be said in favor of the medical provisions of this bill is that they are needed now for those in the extremely low-income brackets who would not benefit under either a social security health bill or the medicare proposal.

For myself, I confess, I am disappointed in the committee bill and I know many Members of the House share this disappointment. Under our legislative and parliamentary system, however, this bill is not in final form. Rather, it is in the nature of an incomplete document which is going to another body when it leaves the House of Representatives.

While, of course, no one can predict what will be done in the other body, one thing is certain. It would be impossible to further weaken the medical provisions of the bill without destroying them entirely. In my opinion, the course for the House to take is to pass this measure in the hope that when it reaches the other body, amendments will be added to provide a social security health program adequate to meet the needs of the people and the times.

Mr. MILLS. Mr. Chairman, I yield such time as he may require to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I want to announce for the information of the Members that the next order of business today will be the continuation of the consideration of the farm bill. If we are going to adjourn sine die, and it is a remote possibility still, we can do so if we do the things we are capable of doing and have to do. We will have to meet earlier, and we will have to run later in the evenings. When we are in the House, I am going to ask that the House meet at 10 o'clock tomorrow morning. I wanted to make this announcement so the Members would know what the next order of business is. I know the membership will cooperate most effectively so that we may dispose of our business so that we may adjourn sine die. I still say it is a remote possibility, but it is a goal worth striving for.

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

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

Mr. HALLECK. As far as I am concerned, it is perfectly all right to come in at 10 o'clock tomorrow morning.

Mr. McCORMACK. I am going to ask for that when we are in the House.

Mr. HALLECK. I understand. But as to the legislative program for tomorrow, if the supplemental appropriation bill is ready; is it expected that that will come ahead of the continuation of the farm bill, if we do not complete the consideration of the farm bill tonight?

Mr. McCORMACK. I think we ought to continue with the consideration of the farm bill until it is disposed of. Then the supplemental appropriation bill will be the next order of business.

Mr. HALLECK. I thank the gentleman.

Mr. MASON. Mr. Chairman, I yield myself such time as I may require, and I do this because I want to ask the chairman of the committee some questions.

The first question is: Is this a medical care plan for the needy aged within the framework of our free and competitive system of private enterprise, and will it interfere with our free enterprise system?

Mr. MILLS. I would have to answer the gentleman's first question in the affirmative. I would have to answer the gentleman's second question in the negative.

Mr. MASON. Then the second question I want to ask is this: Does the "plan" preserve the beneficiary's freedom in choosing a physician or hospital and in the purchase of prescription drugs and medicine?

Mr. MILLS. It certainly does.

Mr. MASON. Under the proposed legislation, would the individual States be empowered to limit "plan" beneficiaries to the purchase of their prescriptions from certain relatively few retail drug stores, and, thus, exclude all other drug retailers from participating in the business?

Mr. MILLS. That is certainly not intended and I do not believe it is included within the purpose of this program. There would be wide discretion in the selection of dispensaries of drugs.

Mr. MASON. Would it be fair to say that the author and sponsors of the bill do not intend to sanction in any way the establishment of either Federal or State Government drug dispensaries to be operated in competition with the Nation's independent retail pharmacists?

Mr. MILLS. There is nothing in the world in this program that is intended to lead to such a development. In fact, just the contrary is intended.

Mr. MASON. My last question is as follows: On the matter of prescription drug prices, physicians' fees, and hospital charges, the Federal law will permit each State to work out its own drug pricing schedule just as it will do for physicians' fees and hospital charges. Is that correct?

Mr. MILLS. That is entirely up to the States—yes.

Mr. MASON. I thank the gentleman.

Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I rise in support of H.R. 12580. It does not, however, in my opinion, have the broad coverage that should have been given consideration by the Congress. It is my belief, nevertheless, that it is a step in the right direction to help those who are financially unable to help themselves.

In the deliberations of the Committee on Ways and Means we had three distinct proposals offered to assist our elder citizens in the field of medical care. One was the bill introduced by my distinguished colleague Mr. FORAND, which

would have provided hospitalization and surgical care to all those eligible to receive social security benefits. The program was to be financed by a 1 percentage increase in the social security tax. However, this legislation discriminated against approximately 4 million aged citizens who have been denied the right to participate under the Social Security Act because of the fact that Congress never provided for their coverage. I believe the large majority of these 4 million citizens are in greater need of assistance in the field of hospitalization and medical and surgical care because they are not eligible to receive social security benefits, and it is doubtful as to any other income they may have outside of what little work they do in their particular field of endeavor in the remaining days of their sunset life. This proposal was defeated by the committee.

The second proposal was the plan recommended by the Secretary of Health, Education, and Welfare. This proposal offered a potential solution to the health need problems of our senior citizens within the framework of a voluntary approach. It offered comprehensive health and medical services protection while at the same time encouraging individual self-initiative to guard against the heavy economic burden of long-term illness. It would have limited Federal administrative intervention and vest principal administrative responsibility to the States with the costs being shared by the individual and the Federal and State governments. Every aged person who needed Government help to secure himself against medical costs would have been eligible for this protection and it was designed to concentrate the use of Government funds on those elderly persons who have the greatest need for protection. This proposal was also defeated by the committee.

The final proposal is the one that is before us today, which I believe is a step in the right direction, and I support its passage.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MACHROWICZ].

Mr. MACHROWICZ. Mr. Chairman, I would like to join with the other members of my committee who paid tribute to the gentleman from Rhode Island, who has decided not to be with us this next session of Congress, and I want to say honestly this: That if this Nation today is aware and cognizant of the tremendous importance of the problem of adequate medical care for the aged, if the administration has finally shown some interest in this program, and if we are considering it today, it is due in great measure to the very, very hard work the gentleman from Rhode Island and his subcommittee have done. There will be a Forand-type bill passed by Congress, if not at this, then at some other session; and when it is passed I think the credit for the bill should go to him, because he was the originator, the sparkplug, responsible for the initiation of the program.

I want to pay tribute also to our chairman, who has been most fair and considerate throughout the hearings.

Mr. Chairman, this bill that is before us today must be judged, in my opinion, by its omissions as well as by its contents. I voted to report the bill out, and I intend to vote for the bill and support it today, but I also signed the concurrent views deploring the bill's inadequacy insofar as medical care for the aged is concerned.

Mr. Chairman, 1960 is the 25th anniversary of the enactment of the Social Security Act. It was in 1935 that the Congress under the leadership of the House Ways and Means Committee wrote into law the recommendations of Franklin Delano Roosevelt, a great Democratic President who declared:

> It is my hope that soon the United States will have a national system under which no man or woman within our borders will lack a minimum old-age pension that will provide adequate food, adequate clothing, and adequate lodging, to the end of the road, and without having to go to the poorhouse to get it.

The Ways and Means Committee and the Congress were not impressed then by the charges of bureaucracy, regimentation, compulsion, and socialism that were used to oppose the provisions for a contributory social insurance system that would entitle Americans to benefits as a matter of right instead of charity. The purpose of these provisions was summed up by Justice Cardozo in the decision he wrote upholding the act's constitutionality.

> The hope behind this statute—

He said—

> is to save men and women from the rigors of the poorhouse as well as from the haunting fear that such a lot awaits them when journey's end is near.

It is unfortunate, in my opinion, that the majority of the Ways and Means Committee has rejected any program that would build upon the existing social security system and would make available to people health benefits on the basis of an earned entitlement rather than as public charity based on a needs test. It is particularly unfortunate that this body does not, today, have the opportunity to stand up and be counted on this basic issue. Nevertheless, I urge passage of this bill, because I hope that the passage of the H.R. 12580, inadequate as it is to do the job, will furnish to the other body the vehicle for the enactment of a program which will use the social insurance mechanism to provide medical care for our aged. I hope that such action will be taken and that this House will then have the opportunity to demonstrate its belief in our social security system.

On this crucial issue the American people are waiting for a decision. I know they will not be disappointed.

There are at least three major respects in which this bill falls far short of an adequate package to be offered the people of the United States on the 25th anniversary of the enactment of the Social Security Act.

It fails utterly to meet the problems of the great majority of the aged in paying for health care. It does nothing to improve benefit provisions of unemployment insurance through either minimum Federal standards or reinsurance grants to States. And, while leaving a heavy burden to public assistance, it does pathetically little to assure decent levels of living and health care.

The most grievous omission is that of health benefits for the aged through social insurance. The tremendous growth of public demand for such benefits reveals the crying need for their enactment. Letter after letter tells the tragic details of older people who had maintained their independence and managed to save for their retirement, but whose hopes as well as health have now been shattered by expensive illnesses.

I regret that only nine members of the committee have placed themselves on record as supporting the use of the social insurance system for helping the aged pay for health care. But I am proud that all nine are members of the Democratic Party.

In contrast, the Republican members of the committee voted to postpone any action on any kind of health care this year, 5 of the 10 advocated postponement in a minority report, and 3 of these have indicated their opposition to enactment of even this feeble bill because, according to them, it "compounds the weakness and actuarial unsoundness of the existing program."

It is shocking that after a quarter century of successful operation of our old-age insurance system there are those who still question its basic soundness and would still have us rely on relief and assistance, with a means test, as the only governmental approach to meeting the major economic hazards of heavy medical costs which threatens our 16 million aged citizens.

Eight members of the Ways and Means Committee, including myself, joined in "Supplemental Views on Health Benefits for the Aged" which explain the basic advantages of adding payments for health care to the OASDI system.

To quote the report:

> We believe that the 70 million workers covered under social security should be given the opportunity to contribute now, while working, toward paid-up medical-care protection in old age for themselves, their wives, and widows, so that the greatest threat to the economic security of the retired aged would be met on a planned and orderly basis—without cost to the general revenues of Federal, State, and local governments and in a way that supports the rights and dignity of the individual citizen * * *.
>
> The problem of insecurity arising from the high cost of medical care during the years of retirement is not primarily the problem of the very poor. The objective should be to remove for all the aged the haunting fear that an expensive illness will wipe out a lifetime accumulation of savings, threaten the ownership of a home, force dependence on children, or make one, after a lifetime of independence, submit to the humiliation of a test of need.
>
> Our goal is, so far as possible, to prevent dependency rather than to deal with it at the expense of the general taxpayer after it has occurred. By contributing additional small amounts from their earnings to the nearly universal social security system, workers could gain insurance protection

against medical care costs in retirement and their possible future dependency could be prevented.

Since eventually about 95 percent of the American labor force, including farmers and self-employed, will get retirement benefits under the self-financed contributory social security program, and since the wives and widows of workers are also covered, the addition of this type of protection to social security would mean that in the future almost all elderly people would be protected.

Persons already retired would receive the new health benefits, following the past pattern that when the Congress has added to cash benefits, it has made increases available to current beneficiaries.

Contributory social insurance has been applied with great success to the need for income maintenance in retirement, for survivors after the death of the chief breadwinner in the family, and for the family after the disability of the worker. The general taxpayer has been saved billions of dollars a year, and the self-respect and independence of American workers have been greatly strengthened by this approach to the problem of security planning.

There is every reason to take the same approach with regard to the expenses of medical care after retirement. The cash benefit alone is not enough to provide security. The monthly amounts paid under social security are quite modest—the average worker's benefit is now $73 a month—and most retired people have barely enough to meet everyday living expenses. The cash benefit, which in many cases scarcely serves its purpose of meeting everyday living expenses, needs to be coupled with protection against the unforeseeable costs of illness. The retirement plan cannot give security if retired persons have no protection against the cost of medical care and have to face the costs currently at a time when their incomes are greatly reduced and the incidence and cost of illness greatly increased.

The Forand bill, H.R. 4700, would give protection to young widows with surviving children as well as to the aged. It would meet substantial hospital, skilled nursing home and surgical costs, as a matter of right, and on a practical basis, with optional use by the Secretary of voluntary nonprofit plans, such as Blue Cross, in its administration.

The committee also considered other proposals for adding health benefits through the old-age, survivors, and disability insurance program. Alternatives explored included: a broad range of benefits with a large deductible; hospital benefits accompanied by skilled nursing home care and home nursing care provided through community agencies, such as visiting nurse services; the option of a supplemental cash benefit that could be chosen instead of the proposed health benefits; and limitation of eligibility to persons 68 years of age and older.

Cost estimates submitted by the agency indicated that H.R. 4700 would cost about one-half of 1 percent of payrolls in early years, with a level premium cost of about eight-tenths of 1 percent of payrolls. More modest proposals would have provided substantial protection at a level premium cost of about one-half of 1 percent of payrolls. A broad spectrum of benefits—with a large cash deductible—identical to those in the administration proposal, was estimated to cost 1.09 percent of payrolls if provided through social insurance.

It is clear, therefore, that a modest increase in the contribution rate, ranging from a few tenths of 1 percent each up to one-half of 1 percent each by employers and employees, would finance a significant amount of protection for the present aged beneficiaries as well as for almost all the aged in the years ahead.

Whatever the scope of benefits, the social insurance approach would assure that they would definitely be available, that the individual could count on eligibility for them, and that they would be supported by adequate, advance financing.

Insofar as individuals have the resources to purchase private insurance, they would then be able to build such individual protection around the basic social insurance program. Contrary to fears that have been expressed, the development of social insurance has not interfered with the growth of commercial insurance. On the contrary, a tremendous growth of private protection has accompanied the development of the old-age, survivors, and disability insurance system.

The social insurance approach can thus permit substantial flexibility in the protection obtained. It can be voluntary as to benefits if the choice of a cash equivalent is included. The tax would be compulsory, but no more than other taxes, such as those that will be required to finance title XVI or any other program paid for from general revenues. Individuals would continue to exercise whatever choice they now have in regard to the persons or institutions from whom they obtain care.

Physicians would have freedom to practice as they choose. They would still have responsibility for recommending and certifying that a given type of care is necessary, whether in a hospital, a skilled nursing home, or the patient's own home. On both physicians and hospitals would continue to rest responsibility for developing improved methods of caring for aged persons, utilizing less expensive forms of care when they would prove constructive, and speeding rehabilitation so as to avoid permanent invalidism. The alleged danger that patients would be "herded into institutions" is not valid under social insurance any more than it is under private insurance policies.

We have again heard the bogey cry of "socialized medicine." This echoes the charge of socialism which Republicans made against the original social security system, against the TVA, and other essential programs for the welfare of the people. It is the same charge which the American Medical Association has made in the past against workmen's compensation, against the voluntary health insurance plans when they were first inaugurated, against veterans' hospitals, and against other programs which are accepted as essential by the great majority of Americans.

These bogeys have been exposed recently by statements from conservative sources which support addition of health benefits for the aged through social insurance. These sources include the Washington Post, Business Week magazine, Life, the New York Times, and, most recently, Walter Lippmann, the well-known columnist. It is worth quoting three paragraphs from Mr. Lippmann:

> Among the opponents of medical insurance there seems to be a vague and uncomfortable feeling that it is a new-fangled theory, alien to the American way of life and imported, presumably, from Soviet Russia.
>
> The Founding Fathers were not subject to such theoretical hobgoblins. In 1798 Congress set up the first medical insurance scheme under the U.S. Marine Hospital Service. The scheme was financed by deducting from seamen's wages contributions to pay for their hospital expenses.
>
> If that was socialized medicine, the generation of the Founding Fathers was blandly unaware of it.

The Eisenhower administration still opposes the addition of health benefits for the aged through the old-age, survivors and disability insurance program. This opposition has been expressed by President Eisenhower, by Vice President Nixon, by Secretary Flemming, and by congressional leaders of the Republican Party.

This opposition was translated into long-continued delays in presenting an alternative plan to the Ways and Means Committee.

In 1958 the committee requested the Secretary of Health, Education, and Welfare to report on methods of providing insurance against the cost of hospital and nursing home care for old-age, survivors, and disability insurance beneficiaries. A substantial report on the matter was submitted to the committee on April 3, 1959. Testimony from a wide variety of witnesses was heard in 1958 and in July 1959. On July 13, the Secretary of Health, Education, and Welfare assured us that he would continue studying possible approaches and would report the results of his studies as soon as possible. No recommendations were received from him, however, until May 4, 1960. The committee had by then been considering health problems of the aged and other social security amendments for more than a month.

The proposals of the administration were discussed by the committee at some length but did not win its support, nor were they ever embodied in legislative language. Indeed, after the administration proposals of May 4 were given to the committee, it became clear that important aspects of their administration had not been solved. Much time was spent, for example, in considering the practicality of the income test, but it was never clear that the Bureau of Internal Revenue could effectively supply essential information on gross income that would make the approach of an income test either equitable or enforceable,

even if one were willing to accept it as a substitute for benefits as a matter of right.

Major defects in Secretary Flemming's plan of May 4 are set forth in our supplemental views. I shall not attempt to repeat them here.

What has emerged from the committee in regard to health care of the aged is not the proposal of the Eisenhower administration but a form of public assistance, called title XVI. No fine words can change this product from its essential character of welfare based on a means test with all its drastic limitations and its potential for undermining the dignity, self-respect, and self-reliance of the American people.

Public assistance is a form of social security but the least desirable form. It should be the last resort, available to those who cannot be reached by social insurance or private aid, but held to a minimum in terms of the number of people who must seek it when all else has failed.

As commonly used by Americans today, the term social security does not mean public assistance but old-age, survivors and disability insurance, the basic program on which the great majority of Americans have come to rely.

The new program added by title VI of the bill to be called title XVI of the Social Security Act, has the following in common with the older form of public assistance for the aged embodied in title I of the act:

First. It is based on Federal matching grants to the States, which will decide for themselves whether to enact the program at all, how much money to appropriate, and how strict and onerous the eligibility requirements should be. The general requirements for State plans are much like those under public assistance except that (a) no lien may be imposed against the property of any individual before his death and that of his surviving spouse, and (b) no resident of the State may be excluded. These exceptions, included as Federal standards for the State plans, are desirable but they certainly do not alter the basic welfare nature of the program.

Second. A means test must be applied and its strictness is determined by the State. The bill says that an eligible individual is one who is 65 years of age or over and "whose income and resources, taking into account his other living requirements as determined by the State, are insufficient to meet the cost of his medical services." Such a clause cannot be applied except through a series of questions and continuing investigation, presumably by the staff of the same welfare offices that administer the title I program.

Americans want the kind of security that is based on contributions during working years and avoids the necessity of applying to a welfare agency. From the point of view of the community, it is far better to have health benefits protect the savings and health of the aged so that they are not reduced to the low levels of income which mean dependency and resort to aid from general revenues.

Third. The services paid for need not include all forms or even basic forms of health care. They can be as few and meager as the State decides, with the single exception that some noninstitutional care must be included.

A broad potential scope of services is listed, with Federal matching available for them, but this is nothing new. Indeed one of the provisions specifies that a program under title XVI cannot be more liberal than the medical program under old-age assistance matched under title I, and that there can be no reduction in any of the public assistance programs to finance title XVI. These safeguarding provisions are only fair to the low-income people now dependent on assistance, but they will greatly limit the number of States, the number of people, and the kind of services which will be covered under title XVI.

It is desirable for the Congress to improve and expand public assistance, and title XVI will probably do some good in some places. But let us not deceive ourselves into thinking that it will result in generous State programs, except perhaps in a few instances.

Inherent disadvantages of the public assistance approach will be aggravated by the present fiscal problems of the States. If a progressive State is considering establishing an adequate program under title XVI, the usual arguments will be made that higher taxes will drive business elsewhere and that high payments will attract dependent people. Many States, like my own, have encountered these arguments, which have proved influential with State legislatures regardless of their conformity with the facts. The same barriers to adequacy under a State-by-State approach will be encountered as in other social welfare programs.

Many States have had to expand their services substantially and are having great difficulty raising sufficient revenues. The same is true of many local governments. State and local debts for schools and other functions have increased tremendously and so have State and local outlays and taxes.

According to estimates in the committee report, States and localities would have to provide almost $160 million a year in order to receive $165 million of Federal funds under title XVI. If they do not find such funds, then even fewer persons would be helped than the one-half million to 1 million aged estimated by the Department of Health, Education, and Welfare.

The Department's estimates as to how many persons will be aided and what Federal funds States will receive naturally involve many judgments on political, fiscal, and social factors. But it may well be true, as the Department's table on page 11 of the committee report shows, that 3 States would get 51 percent of the total Federal funds and that 16 States—including the 3—would get 95 percent. The remaining 5 percent would be split among 34 States, many of which in practice would receive little if anything.

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

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

Mr. McCORMACK. I congratulate the gentleman on the effective speech he is making. I have listened with particular interest to his reference to the original Social Security Act. It happens that I was one of those who drafted the original Social Security Act, because I was a member of the Committee on Ways and Means at the time. I served on that committee for 10 years, at least. I remember well the cry of "socialism" that was made, and the gentleman is stating history correctly. I also remember that the insurance companies were saying that the passage of the bill would destroy the insurance business in this country. We all know now that it has been an impetus in strengthening the insurance companies by making the people of our country insurance minded. That argument "socialism" against the Forand bill is just as fallacious as it can be. There is nothing socialistic about that bill. It simply uses its provisions as an avenue for the employer and the employee to pay the expenses. They can select their own doctors; they can select their own hospitals. There is absolutely nothing socialistic about it. When the gentleman recalls the cry of "socialism" against the original Social Security Act, which included unemployment compensation and other important provisions, the gentleman is absolutely correct. It is one of the soundest bills that ever passed any Congress, and legislation now along the line of the Forand bill should be enacted into law. And, I hope that the constructive vision of the House conferees, under the chairmanship of our friend, the gentleman from Arkansas [Mr. MILLS], will prevail and that when the bill comes out of conference, the Senate improving it considerably, we will have a real, effective bill.

Mr. MACHROWICZ. I thank the distinguished majority leader. I want to say that his contribution to the establishment of the social security system and its development are well known to this Congress and the entire Nation.

Mr. Chairman, the proposed improvements in title I, the present old-age assistance program, are desirable but all too limited. They make additional Federal funds available if States expand their own appropriations. The 27 States that now pay an average of at least $65 a month to old-age assistance recipients will be able to get 25 cents more per person per month for medical care; other States may get up to $3.50 a month more Federal matching funds looking to a total extra expenditure of $5 a month. Since many recipients are very old and ill, these sums will not remedy the grave inadequacy of medical care under many State programs today.

Congress has already made substantial Federal matching grants available to the States for public assistance, and much money is spent each year from general revenues to help dependent people. But 24 States do not now take advantage of all the Federal matching funds available to them.

The Advisory Council on Public Assistance, created by the social security amendments of 1958, reported to us at

length on "the serious gaps and inadequacies that still remain in coverage, inadequacy of public financial assistance, and in availability of high-quality services." I recommend that report to those who think that a new public assistance title, such as is proposed, plus other changes in public assistance will meet the great health needs of the aged in a satisfactory manner. The report points out, for example, that "not many States provide assistance for comprehensive medical care. Some pay only for a single item."

If the great majority of the aged, including the 12 million who have old-age, survivors, and disability insurance protection, can receive health benefits through the social insurance system, then the load on public assistance will be smaller and States and localities will be able to do a better job for persons dependent on this program of last resort.

A two-pronged approach is necessary, and this bill deals with only one: public assistance, based on a means test.

Surely our Nation with a gross national product of more than $500 billion can do better by our aged citizens.

I hope this bill will pass, because otherwise the other body will have no vehicle through which to exercise its will on this issue, but I hope also that there will be in that body a sufficiently adequate improvement of the bill to meet the urgent needs of the people of our country.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, I should like to propound a question to the chairman of the Committee on Ways and Means.

The State of Colorado has an old-age assistance program which also provides for medical care to those who are eligible to receive old-age assistance. My question is, will this bill, when enacted into law, permit the State of Colorado to set up a separate plan to provide for the aged and those whose income may be such that they are not eligible under the old-age assistance program? Could the State of Colorado set up such a plan?

Mr. MILLS. The gentleman has described the purpose of title XVI, to enable his State and all other States desiring to do so to set up such a plan.

Mr. ROGERS of Colorado. What could be the extent of the plan by the State? For example, as to anyone who is past the age of 65 and whose income is less than $200 a month, could the State say that he would be entitled to participate in the State program and then the Federal Government would match it?

Mr. MILLS. Yes, sir; it is entirely up to the State. The State is given the greatest latitude here in determining who is eligible when it comes to medical needs just as it is under the other public assistance titles. The program is designed to meet these needs of low income aged who are otherwise self-sufficient.

Mr. ROGERS of Colorado. Am I to understand, also, that the State could not give more under the plan provided in this legislation than is provided in the old-age assistance medical plan that is now in operation?

Mr. MILLS. The gentleman is correct.

Mr. ROGERS of Colorado. And if the State of Colorado, for example, wants to increase the benefits for medical care to those on old-age assistance, it may do so?

Mr. MILLS. It may do so.

Mr. ROGERS of Colorado. But this plan would not permit the State to pay more than they give to those who now receive old-age assistance or will receive old-age assistance in the future?

Mr. MILLS. The gentleman is correct.

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, the social security amendments of 1960, as reported by the Ways and Means Committee, in addition to other changes, make two very important forward steps by, first, removing the requirement that applicants for disability benefits must be age 50 or over; and, second, recognizing that the States will require more Federal help if they are to meet more adequately the heavy and unpredictable costs of providing health care for those of our older men and women, otherwise self-sufficient, who are in need when they become ill.

All of us are agreed, I am sure, that the vast improvements in medical care which have occurred even within the last decade, must be made more widely available to all of our people. The resulting change in life expectancy—which has made the astonishing increase from only 47 years in 1900 to nearly 70 years today—is but one of the reasons why we must make better provision for the health needs of our older men and women.

Complicating the problem is the fact that the cost of this improved medical care has greatly increased. In a very graphic way this is illustrated by a recent article in the U.S. News & World Report which shows that, while the cost of living across the board in the United States has increased 24.8 percent in the last 10 years, by comparison medical costs have skyrocketed. For example, medical costs in general have increased by almost twice this amount to 47.5 percent, a semiprivate hospital room is up 88.3 percent, and the cost of hospital insurance premiums has spiraled to 108.1 percent. Now are there any indications that these costs will not continue to rise.

Another change in our pattern of medical care which we have not fully recognized as a nation is the paradox that our successes in modern medicine tend to bring about a demand for more medical services since, obviously, there is more reason for buying services if they can do some good. Doctors' visits now average about five a year per person whereas, as recently as the 1920's, they averaged a little over two per person. Hospital admissions have also climbed. In the 1920's, 1 out of 17 persons in the population went to a hospital during a year whereas today 1 out of 8 enters a hospital during a year.

The appalling tragedy which faces us is that older persons in our country still generally have incomes so low that they cannot afford to meet the staggering costs which can arise from a prolonged illness. In spite of the fact that aged persons drawing benefits from social security and related public programs has increased from 20.2 percent in 1948 to around 70 percent today and despite the vast increase in the amount of benefits now being paid there were still 8.8 million aged persons in 1957 with cash incomes of less than $1,000. This, we can be sure, is one reason why the 1957 survey of social security beneficiaries showed that only 14.4 percent of married couples and 9.2 percent of unmarried beneficiaries had some of their medical costs met by insurance. The simple truth, which we must recognize, is that too many of our senior citizens simply do not have the money to buy the kind of comprehensive insurance coverage which they need. The minimum payments under social security should be raised from the present $33 so that they will be no less than $50 per month. This can be done without increasing the social security tax and it certainly cannot be considered inflationary.

A very important point appearing in the "Summary of Findings and Recommendations of the Kentucky Commission on Medical Care for Indigent Persons in Kentucky" is that, while free services are provided for many of these people, by certain hospitals and physicians, this does not always meet the need. In the words of the report:

> Physicians and other persons frequently are willing to give of their time and professional skills to the indigent without compensation. However, this burden falls heavily on some and lightly on others.
>
> In order to avoid deficits which free services to the indigent would create, hospitals must pass the costs of such services on to hospital patients who are able to pay. It is not fair for the patients who are able to pay their hospital bills to carry the burden of financing the care of indigent persons. It adds to the paying patient's burden at a time when he is already facing heavy medical care costs.
>
> Although physicians and other professional people and general hospitals provide a considerable amount of free service for the indigent, other groups of suppliers, including operators of proprietary nursing homes, registered nurses, druggists, and some physicians and dentists are unable to provide free service.
>
> Thus it is clear that the present arrangements are not equitable; they place an unjust burden on some suppliers of medical care and on the nonindigent sick in the hospitals.
>
> Furthermore, under this system many thousands go without needed medical care because through pride or ignorance they fail to ask for free services.

I am proud to say that Kentucky will inaugurate a new and better medical care program beginning with the calendar year 1961. The Kentucky Medical Assistance Act, which was passed this year, provides for vendor payments for medical care not only for people on public assistance but also to include care for those people who are not receiving payments for subsistence but who need help in meeting their medical care costs. The

new legislation is, indeed, roughly comparable to the new title XVI which is established by the bill before the House today in that it specifies that the kind of medical care to be provided shall include but not necessarily be limited to, first, hospital care, including drugs and medical supplies and services during any period of actual hospitalization; second, nursing home care, including medical supplies and services and drugs during confinement therein on prescription of a physician or dentist; and third, drugs, nursing care, and medical supplies and services during the time when a recipient is not in a hospital but is under treatment and on the prescription of a physician or dentist.

The scope of medical benefits, as determined by the States, in the committee bill would permit the Federal Government to participate, through an equalization formula favorable to low-income States, in any or all of the following services—where limits are applicable they are specified—provided both institutional and noninstitutional services are available: (a) Inpatient hospital services up to 120 days per year, (b) skilled nursing-home services, (c) physicians' services, (d) outpatient hospital services, (e) organized home care services, (f) private duty nursing services, (g) therapeutic services, (h) major dental treatment, (i) laboratory and X-ray services up to $200 per year, and (j) prescribed drugs up to $200 per year.

It is important to note, too, that the bill gives incentives, particularly to the low-income States, to improve their medical programs for people on old-age assistance.

Kentucky cannot easily pay for the cost of its new program already scheduled to go into effect next year. We have hard times in our State as I have frequently pointed out. But I believe our experience shows that, when the true dimensions of the medical problems facing older people are studied thoroughly and understood—as has happened in Kentucky—most States will be willing to follow the same course. The legislation before us today will encourage such a development and I can assure you that the increased assistance in Federal money provided by the bill will be a source of further encouragement to my State.

I want also to congratulate the Committee on Ways and Means for expanding the scope of what I have always believed to be one of the most important segments of our social security plan—our disability insurance system. Although I would make other changes in the plan in the direction of liberalizing the very strict definition of disability in existing law, I want the record to show that I am in complete agreement with the provision in the committee bill which removes the present requirement that people must be at least 50 years of age before they are entitled to these benefits.

You will recall that the original disability benefits program established in the 1956 amendments was described as a "conservative" program because of the limited experience under the disability freeze, or waiver of premium, provision adopted in 1954 and also because of the lack of definitive information on the costs of paying disability benefits. All evidence now seems to indicate that we have now had ample experience with the program to make it possible for us to extend it to the younger workers. This was amply demonstrated during the course of hearings conducted last fall by the Harrison Subcommittee on the Administration of the Social Security Laws with respect to the disability insurance plan. According to the report issued by this subcommittee, the evidence before it is:

First. There is no administrative or other justification for continuation of this purely arbitrary distinction.

Second. The distinction can be eliminated without an increase of the tax or impairment of the soundness of the trust fund, according to the Department of Health, Education, and Welfare.

It is good to know that an estimated 125,000 disabled workers and an equal number of their dependents would qualify for benefits immediately upon the removal of the age 50 restriction, effective for the second month after the enactment of the law. For, as the Committee on Ways and Means report points out:

> The need of younger disabled workers and their families for disability protection is, in some respects, greater than that of older workers. They are more likely to have families dependent upon them than is the case with respect to workers aged 50 and over. Many who would be eligible for disability benefits except for the age limitation are now receiving payments under the public assistance programs. With insurance benefits available to them and their dependents, some of these individuals would no longer need assistance payments. As a result, the first-year saving in public assistance funds is estimated at $28 million and it is expected that more would be saved in later years.

I also applaud the change in the disability plan, which stresses the rehabilitation aspects of the program by continuing benefits for 12 months to all disabled workers who seek to rehabilitate themselves or be rehabilitated through private or other governmental agencies. This provision should not be limited, as under existing law, only to those who are seeking rehabilitation through a State-approved vocational rehabilitation plan.

I am aware that there are a number of problems in the disability program. Some very distinguished members of the Kentucky bar have written to me as to the necessity of providing proper representation for the average applicant who is sick and often destitute. They also emphasize the problem facing lawyers and claimants in understanding the standards which govern the determination of disability under the act. I am aware of the fine work which the Subcommittee on the Administration of the Social Security Laws has done in this area. Their recommendation that the Department expand their regulations so as to spell out in some detail the criteria—hitherto unavailable to claimants or their representatives—which govern determinations of disability and give increased attention to protecting claimant's rights at all stages of the disability determination and appeal process, is an important forward step. Failure of the Department to act in this regard will leave the Congress no alternative but to lay down more explicit legislative guidelines.

In conclusion let me say that I am glad to see that the concern which all of us have for providing adequate protection under the social security plan for our widows and children is also reflected by two changes contained in the bill. The first would increase benefits for about 400,000 orphaned children of workers who have died, or for the dependent children of retired workers, to 75 percent of the primary benefit, subject to the family maximum of $254 a month. The second would give new protection to some 25,000 people, most of them widows aged 75 or over, who are the survivors of workers who died before 1940 but had at least 6 quarters of coverage. The bill would make them eligible for benefits for the first time.

I am convinced that the bill before us represents a good base of operations upon which we can build the program of the future. Moreover I believe it will enable us to obtain more and better information with regard to the amount and kind of medical care now available in this country for our older men and women. I am sure that when we have these facts, as we found them in Kentucky, ways will be found to provide our senior citizens with their proper share of medical care. Even though it does not accomplish all of the improvements I had hoped for, therefore, I am happy to support the committee bill and urge its immediate passage.

I would like to ask a question concerning the minimum benefits that are paid to social security retirees in this country today where the vast majority have no income other than their social security benefits. I wonder if the committee took into consideration raising the minimum benefits from $33 up to some realistic figure, such as approximately $50, which could have been done, in my judgment, without jeopardizing the fund in any way; and certainly it would not have been inflationary.

Mr. MILLS. The committee did give consideration to the gentleman's suggestion and discussed it for several hours at different times. The fact is all of us would have liked to have done this but it would require an increase in the payroll tax of .23 percent.

Mr. PERKINS. For increasing the minimum benefits only?

Mr. MILLS. Yes, sir; to $50.

Mr. PERKINS. I should like to ask the gentleman another question in connection with the administration of the disability provision that was enacted in 1956. At that time it was estimated by the Social Security authorities that there were more than 400,000 disabled people who would become eligible when that law was enacted and would be eligible by July 1, 1957. As the gentleman well knows much evidence has been brought before his committee to the effect that many disabled people have not been able to get benefits, and then maybe on the second and third try on reconsideration, some have been granted

benefits. I am asking whether or not the committee considered any guidelines for the Administration to follow in considering these applications such as redefining or attempting to liberalize the definition of disability?

Mr. MILLS. Let me point out to the gentleman that we did not make changes with respect to eligibility except the elimination of the 50-year age limitation. We did include a slight amendment, but it had a very limited application. However, I want the gentleman to recognize that in spite of what we said in 1956 there are 750,000 now drawing disability benefits.

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

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I rise in support of the legislation. I think it is unfortunate in that the legislation is grossly inadequate to meet the desperate need that it seeks and purports to meet.

Mr. Chairman, I rise to address myself to one phase of this legislation, one which in my opinion has high priority among the people of this country, and which is not adequately treated in the bill before us.

I refer to the health needs of our senior citizens—those who are 65 or older.

I hope there is no one in this House who denies the existence of this problem. For that matter, I do not know of anyone who denies it. Even the American Medical Association does not deny it.

But the AMA says to us, "Don't do anything about it. If you just let us alone, we will work it out."

I am sorry to see the attitude of the AMA reflected in the legislation adopted by the Ways and Means Committee.

If the Congress had taken the advice of the AMA over the last 25 years, we would not have much to show in the way of social welfare legislation.

Frankly, Mr. Chairman, I sometimes get impatient on this question. We know that our old folks, the men and women who have earned the right to honorable retirement, cannot afford to be sick—cannot afford to be hospitalized—in view of today's medical costs.

In my own district and my own State, there are pensioners who not only receive social security benefits, but are also protected by supplementary pension programs negotiated by their unions. They might be called the aristocrats among the retired workers. Their income does not approach that of the retired executives, but it is far higher than they would get from social security alone.

I know these people. I go to their meetings. I talk with them about their problems. And I can assure you, one serious, prolonged illness would wipe them out. They would lose everything they own—everything they have worked for—their homes, their cars, their TV sets, all the hard-won possessions they have slowly accumulated through years of toil and years of thrift.

Is this what we mean by "social security"? I do not think so.

I submit, Mr. Chairman, that this issue is a very simple one in basic concept. We as a nation are committed to the principle of social security; if, as in this case, a problem is standing in the way of achieving this principle, we need to find a solution. It is obvious to me that the solution must arise through the social security system itself.

That is why I gladly introduced in the House a bill identical to that of my distinguished colleague the gentleman from Rhode Island [Mr. FORAND] and supplemented this with other proposals of my own.

There are those who have said, on this floor and elsewhere, that the Forand bill goes too far. I do not claim the Forand bill is perfect, but I have a different kind of complaint—it does not go far enough.

Very frankly, Mr. Chairman, I am not terrified by those who raise the cry of "socialized medicine." I am interested in preserving and improving the health of the American people, old and young alike. If, in order to do this, we must resort to measures that AMA calls "socialized medicine"—or, to use the latest slogan, "political medicine"—then I say, so be it. And I predict that these measures would not only be good medicine for the country, but good political medicine for those of us who support them.

Let me turn to the so-called health program for the old folks that is contained in the bill before us.

What does it amount to?

First of all, it rejects the social security approach. It rejects the proposal that this should be truly a national and universal program. It rejects the conception of health care for the aged as an insurance program, paid for over the working life of the beneficiaries.

Instead, it proposes to set up an enlargement of the public assistance program. It proposes to spend $325 million a year out of the Public Treasury; out of the budget, if you will.

And for what purpose? What is the great good that will be accomplished?

The whole achievement of this program will be to give a certain amount of help to perhaps a million old folks—or perhaps only half that many—concentrated in a few States, provided they are willing to meet a means test. And even this much will only come about where the States are willing to match or almost match the Federal funds.

So all together, counting State and Federal funds, we will spend some $600 million a year to help a million people. And we will do it by enforcing conditions that in some States may require that those who are helped must first be paupers.

What a bargain. If this is an economy measure, I do not know a nickel from a dollar.

Let me remind the House that the Forand bill, the plan that was supposed to be so extreme and so radical, would have made help available to more than 11 million people, at a cost of only a little over $1 billion. And all the money would have been raised through a small increase in the social security tax. There would have been no cost to the Treasury whatever.

I am well aware, Mr. Chairman, like all of us, that this bill cannot be amended from the floor. I am not quarreling with the wisdom of a closed rule on legislation of this kind. Too often, on some matters, the passions of the moment have prevailed over the considered wisdom of committees when bills have been offered under an open rule.

Nevertheless it is unfortunate that a weak and unworkable program on health care for the old folks should have been written into the general social security bill. I have no doubt, Mr. Chairman, that a majority of this House would stand up and be counted in support of applying the social security principle to this area. I regret to say that in some respects the absence of that principle from this legislation is an indictment of our committee system, worthy though it may be in other respects.

However, I am not without hope. It is my hope that the other body, in its wisdom, will correct the error in the bill before us, and return it to this House for further consideration. I would have much preferred that the credit should be given to us, for we in this House conceived and refined this great social advance. But I am less concerned with credit than with results. I am sure I express a majority opinion of this honored House when I look forward to the help of the other body in making health care for the aged within the social security system a reality this year.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, the decision of our distinguished colleague and my good friend, AIME FORAND, to retire from public life upon the conclusion of this session of the Congress has left me with a feeling of personal loss. For almost 20 years we have worked side by side here in the House attempting to effectively represent the good people of our great State of Rhode Island. In all these years, I have looked upon AIME FORAND as a source of experienced knowledge and a fountain of good commonsense. We have shared many moments of triumph and some of defeat. Through it all, he has kept his good disposition and humor, and has never lost sight of our common objective—good government for all the people of this Nation. He has forged ahead with a patience and diligence that has truly been an inspiration to me as, I am sure, it has been to all of you.

I think we can all profit from his good example. I know that I and all the citizens of Rhode Island take great pride in his outstanding record of achievement in public office. I note, of course, that AIME was born in the Bay State—right in JOE MARTIN's district, at Fall River, Mass. But upon attaining the age of reason, he followed the path of Roger Williams, and came to our great State, which he was destined to represent so nobly here for many years.

Following overseas service in World War I and subsequent business pursuits, he acquired valuable House experience as the secretary to several of his prede-

cessors, Congressmen Jeremiah O'Connell and Francis Condon, both of whom became outstanding jurists on the Rhode Island supreme court. The lessons he learned then he learned well. It was not long before AIME had a chance to demonstrate their practical application because on November 3, 1936, he was elected to the 75th Congress. Were it not for the countrywide landslide in 1938 which cost him his seat in the 76th Congress by a handful of votes, he would now have a record of 24 consecutive years in the House instead of the still impressive record of 22 years broken by that one gap.

I will not attempt to detail the record of his service on the Ways and Means Committee. Many of you who have served on that committee with him can recount it much more intimately than I can. But the hours, days, and months which he has devoted, with painstaking care, to the complicated and important measures in that committee are beyond computation. In this task he has brought to bear a sound, wise, and sympathetic outlook on legislation as it affects the average man and woman in this country. He has always been ready to champion a just cause—and to lead it well.

One facet of his character that has always impressed me is his true humility. He has never sought acclaim for his many achievements and he has performed his duties in a quiet, effective manner—like the valuable ballplayer on the team who makes the hard plays look real easy. In recognition of his services as an outstanding legislator, in 1951 Providence College bestowed on him the honorary degree of doctor of laws, noting in that citation his integrity as a gentleman and his virtues as an elected official.

Over the years, our fellow citizens in Rhode Island have returned him to the House again and again, with ever-increasing pluralities. There is no doubt that he could reasonably expect to go on for many years to come. He has merited such confidence and given so much of his time and labor to the affairs of Government that his services could be deemed by most of his constituents as indispensable.

His knowledge of the intricate procedures of this House and his coherent sense of impartiality has made him an outstanding presiding officer of this body on the frequent occasions when our distinguished Speaker has called upon him to serve in such capacity. I need not mention the courtesy and kindness that he has always extended to his colleagues, young and old, who have been privileged to serve with him. So it remains for future history to write his name high on the scroll of those who have served in the Congress of the United States. As for me, I write it now in the top echelon.

AIME FORAND has long had a particular interest in the welfare of the aged. Perhaps the greatest push toward national prominence for our esteemed colleague was his sponsorship of a proposal to do something about the medical needs of our older citizens. The Forand bill, which he fought for so ably and with such devoted effort will alone assure him a very special place in the minds and hearts of all the elderly throughout the country. He will rightfully take his place among the great protagonists of social legislation such as President Roosevelt and Senator Wagner. Truly he has deserved the reference which is often made to him as "the champion of social security."

However, he has now made a free and uninfluenced choice to return to private life. With deep regret we respect the reasons which dictated that decision. Yes, we will all miss AIME FORAND tremendously—and I, in particular, will feel his absence keenly. May he enjoy the rich rewards that flow from a sense of having discharged a public trust to the full measure of his great ability—discharged it well and honestly. And may he and his gracious and charming wife, Gertrude, have years of health, happiness, and success in the pleasant road of private civic life that lies ahead.

So, I say to my dear friend, AIME FORAND—Dr. AIME FORAND—hail and farewell, the people of this great Nation will never forget you.

Mr. ALBERT. Mr. Chairman, I desire to join the distinguished gentleman from Rhode Island [Mr. FOGARTY] in his tribute to our beloved colleague, AIME J. FORAND. Congressman FORAND has been a tower of strength in this House ever since I have been a Member. There is no finer representative in this or any other legislative body. His service here has been characterized by devotion to the best interests of the people. He is a great, progressive Democrat and a loyal American.

AIME FORAND is also a gentleman. His courteous consideration of others at all times, his helpful attitude, his friendly smile, have brought joy to every person who has ever had any association with him.

We wish him well as he leaves us. We hope he will have a long and useful life in the years ahead. We hope also that he will be a frequent visitor to this chamber during the years of his retirement.

Mr. McCORMACK. Mr. Chairman, Representative AIME FORAND's retirement will leave a gaping hole in our ranks. Ever since his election to the 75th Congress in 1936, AIME FORAND has epitomized devotion to duty. His foremost concern, at all times, was people—not rich and influential people, but average people, people who needed help. It is a fitting tribute to Congressman FORAND that his name has become and always will be inextricably intertwined with the hopes and prayers of our Nation's elder citizens. Those whose voices are no longer strong, those who can no longer scream and shout at the top of their lungs, know that in AIME FORAND they had the most steadfast champion in Congress that they have ever had.

The gentleman from Rhode Island already had a distinguished record of service to his fellowmen when he came to Washington. He had been a newspaperman, a veteran of World War I who had seen action in France, and Chief of the Rhode Island Division of Soldier's Relief as well as commandant of the State soldiers' home.

As a Member of this House, he contributed immeasurably to the achievements of every Congress since 1937. His service on the Democratic Steering Committee and on the all-important Ways and Means Committee was outstanding.

The people of the First Congressional District of Rhode Island have given us a colleague who will serve as an inspiration for every Member of Congress for generations to come. He, in turn, has given them incomparable representation in Washington. I am immensely grateful to the voters of Rhode Island's First District for having sent AIME FORAND to Congress in 1937 and for having kept him here for an uninterrupted period of 23 years. I am even more grateful to AIME FORAND himself for his invaluable contribution to the achievements of the U.S. Congress. I am certain that I express a unanimous sentiment when I say that all our best wishes go with him as he prepares for retirement.

Mr. MASON. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Chairman, one of the most pressing problems in our Nation today is the plight of approximately 16 million Americans, or 9 percent of our total population, who have reached the normal retirement age of 65 and over. They are faced with problems of major proportions with respect to health, finances, housing, and employment.

These persons have the usual diseases associated with age, diseases which are long in duration and frequently require expensive medical care in hospitals and nursing homes. By and large, they do not have the income to pay for such care. Taking all aged individuals including those fully employed, almost 60 percent had less than $1,000 in money income in 1958. Another 20 percent had income between $1,000 and $2,000 in that year. The average income for a retired family is about half of that of all families.

Equally pressing are the problems faced by several million American citizens who are about to retire on pensions which are completely inadequate to maintain a decent standard of living.

There are many retired people today in every State of this Union whose social security pensions are so small they must seek assistance from various welfare and charitable organizations to maintain the barest type of existence. No sound reason has been advanced for permitting this lamentable situation to continue any longer.

There are those who argue that we cannot afford to increase social security pensions and liberalize other benefits because of the great cost. But I feel certain most working men and women throughout the country would be willing to absorb a part of this cost if they were assured they would receive a pension at the time of retirement which would enable them to live decently and comfortably without other assistance.

We have been very generous in our aid to foreign countries to enable them to improve their economies and provide better living conditions for their people. We can ill afford to neglect those at

home to whom we owe our first and primary duty.

Basically our social security system is one of the soundest in the world. It is consistent with our free enterprise system where the worker, the employer, and the Government all join together in contributing to a plan which will assure a high standard of living for those who are no longer able to pursue gainful employment. Congress has made many improvements in this basic law since it was first adopted about 25 years ago. But the program cannot stand still. It must be geared to changes in our economic growth and progress in order to meet constantly changing conditions and particularly to keep pace with increased costs of living. The last pension increase in January of 1959 averaged only about $4.20 per month and was completely inadequate. That is the reason it is so desperately important for Congress to take action now to make further increases and adjustments before the adjournment of this session.

It is all very well to discuss the matter and present theories for a solution—but this is a slow and tedious process. The time has come when we must do something practical about the problem. Let us look to those affected by this law.

As of the beginning of this year, 13-704,000 individuals were receiving social security benefits; 7,526,000 were old-age beneficiaries; 2,160,000 were wives or dependent husbands of retired workers; 1,394,000 were widows or dependent widowers; 35,000 were parents of workers who have died; 1,753,000 were fatherless children; 376,000 were the widowed mothers of these children; 334,000 were disabled workers aged 50 to 64 years; and 126,000 were the wives and children of disabled workers.

The amount of benefits paid to all of the above classes of beneficiaries in December 1959 amounted to $845,100,000, and this amount is increasing monthly by an average of $7,100,000. For the calendar year 1959, the benefits paid amounted to approximately $9,700,000,000.

Expenditures under this program will continue to grow in future years because of the growth of the labor force, the higher benefit rates at which people come on the benefit rolls, and because of the disability benefits provided under the 1956 amendments. Furthermore, the proportion of older people in our population is increasing, and when the insurance program has been in operation longer, more individuals who reach retirement age each year will be able to qualify for benefits.

Our social security system is based on the sound principle that workers and their employers should contribute a share of earnings each year during their working life toward a source of income when they can no longer work. It recognizes that, for most American families the paycheck represents a place to live, adequate food and clothing, and necessary medical care. When that paycheck stops—because of death, retirement, or disability—the social security benefit indeed becomes the difference between a life of dignity and self-respect and one of humiliating destitution.

Because I am concerned with maintaining a sound and fair social security system I introduced H.R. 8442 on July 29, 1959, providing principally for hospital, nursing home and surgical services to all those eligible for old-age and survivors insurance benefits, facilitating retirement at an earlier age, and increasing benefits. My bill has seven principal points which I now wish to explain.

First. Add a program which will provide for the costs of hospitalization, surgery, and nursing home care for the retired worker and his wife, whose total family income is inadequate within the income limitations specified in the bill.

Second. Reduce the retirement age to 62—now 65—for men and to 60—now 62—for women, paying full benefits at these ages, thus eliminating the present reduced benefits for wives and women workers who elect to apply at age 62. An additional one-half million women and three-fourths of a million men could immediately become eligible to draw benefits as a result.

Third. Widows who have remained at home to care for their minor children and who presently become ineligible for a mother's benefit after the children have reached the age of 18 years, would become eligible at age 50—now 62—so that they can qualify for benefits at an earlier age.

Fourth. Raise the minimum benefit from $33 to $50 to help reduce the need for supplementation of social security benefits through the "needs test" public assistance program. Over 2 million people would be affected by this change.

Fifth. Increase present benefits generally, by 5 percent. The increase for those getting the minimum would be from $33 to $50, or approximately 50 percent. The new maximum benefit would be $155.40, but this would not become effective for several years to come because a person would have to have an average monthly wage of approximately $500 to receive the maximum benefit.

Sixth. Raise the wage base for tax and benefit purposes from $4,200 to $6,000 per year.

Seventh. Liberalize the definition of total and permanent disability and the qualifying period in present law so more people can qualify for benefits under this program.

1. MEDICAL, NURSING, AND HOSPITAL CARE

One of the most important features of my bill is a provision for medical, nursing, and hospital care for those people who are on the social security retirement rolls.

The rising cost of medical care, and particularly hospital care, over the past decade has been felt by everyone, but especially by older people. They have larger than average medical needs. As a group, they use approximately 2½ times as much hospital care as the average for persons under 65 years of age, and many have special needs for long-term institutional care. Their incomes are generally much lower than those of the working population, and in many cases are either fixed or declining in amount. They have less opportunity than employed persons to spread the cost of medical and hospital care through health insurance. A large number of our older citizens must, therefore, turn to public assistance for payment of their medical and hospital bills. It is imperative that a satisfactory solution to this pressing problem be found.

My bill recognizes the inability of numerous retired people to pay for the cost of medical care associated with hospitalization on meager pensions which are now available to them. My plan would pay the cost of hospital care and surgical services provided in the hospital up to 60 days for people eligible for social security benefits. If further care in a nursing home is indicated by the physician, additional costs up to 120 days of combined hospital and nursing home care would be provided.

The method of confining payments to those hospital services where cost schedules have already been tested by Blue Cross plans, also preserves the professional independence of doctors. It is designed simply to provide a form of insurance protection for those people on social security whose income is so limited that they cannot afford to pay the premiums for this kind of prepaid care.

We must make this forward step because I am convinced our older people are not getting their share of the modern but increasingly costly miracles of medical care. The high cost of medical care is felt more acutely by older people, moreover, because their illnesses are usually of longer duration.

According to the most recent nationwide survey of medical needs and costs, conducted for the Health Information Foundation in 1957 to 1958, the average annual cost for private care for people 65 and over was $177 as compared with $94 a year for the general population. Of the total of over $16.2 billion spent for private personal health services, 17 percent, or $2.7 billion was required for these older people. In other words, men and women 65 years of age and over were faced with charges 88 percent greater than was the general population.

The wider application of preventive measures which we are setting today will lead to less infirmity in older years in the future. This is one of the reasons why I am not persuaded by the argument sometimes presented that my proposal would lead eventually to excessive medical costs. Another is that I am confident the doctors of this country are competent enough, and honest enough, to insure against any abuse of this provision.

While progress is underway toward the goal of providing better voluntary prepayment coverage for older people, the fact still remains that although 71 percent of our people under 65 have some form of prepayment insurance, only 40 percent of people 65 and over are now insured. Moreover, among these older people, the proportion with insurance declines with advancing age so that fewer than 30 percent are insured among those aged 75 and over.

Many older people are without adequate medical care protection not because of negligence. It is simply because it is not available to them at a price they can pay. Thus, my plan is

designed specifically to meet the medical care needs of people with a low retirement income who would otherwise be self-sufficient. We will not only be preserving individual self-respect, but we will also be helping hospitals to meet the mounting costs of providing the best kind of medical care for people who cannot now afford it.

Mr. Chairman, at this point in my remarks I would like to digress for a moment to comment on the provisions for a medical care program proposed in the bill reported by the Committee on Ways and Means, H.R. 12580. The majority of that committee urge a new Federal-State grants-in-aid program to help the States assist low-income, aged individuals who need help in meeting their medical expenses. Participation in this program would be optional with the States, with each State determining the extent and character of its own program, including standards of eligibility and scope of benefits.

While I agree that such a program would be helpful to the medically indigent in those States which eventually adopt such a program, I am strongly of the opinion that the better approach to the problem of hospitalization and medical care for our senior citizens is through the social security program as provided for by my bill. My approach would make unnecessary the humiliation of a need test contemplated by the bill reported by the Committee on Ways and Means and the cost of health benefits under my bill would be financed by small contributions of employees during their working lives rather than by taxes levied upon the public generally, which is contemplated by the committee bill.

2. REDUCTION OF RETIREMENT AGE

My second change—reduction of the retirement age from 65 to 62 for men and from 62 to 60 for women—is also one of the most important features of my bill. It will reach down to provide social security benefits for millions of men and women today who have been arbitrarily retired from their jobs and must now wait months and often years, a period during which savings are depleted, assets are liquidated, and often charity must be solicited from friends, relatives, or public funds, until they can qualify for their social security benefits. For the truth of the matter is that, even under the present law, less than 10 percent retire voluntarily to qualify for social security benefits. Most people retire because of company retirement provisions or because of ill health.

Too often the eligibility age for social security is confused with a compulsory retirement age. Yet almost 25 years of experience with the system has shown us that the man or woman who is able to work beyond retirement age—and is allowed to work beyond that age—will almost invariably continue on the job. The fact that the average social security benefit for the retired worker today is $73 a month is one understandable incentive.

Another compelling reason for lowering the retirement age is the tragic fact that older workers, who are the special victims of plant relocations and retooling operations, find it almost impossible to secure new jobs or the opportunity to develop new and marketable skills. It is an anomaly of our times that the new machines which add so greatly to our productivity as a nation are viewed with fear and apprehension by older men and women who, after a long working life, find their jobs threatened by the age of electronics. One necessary way of adjusting to this fact is by lowering the floor for eligibility so that the displaced workers of our modern productive plant can begin to receive benefits at an earlier age if they have been forcibly retired before they are 65.

3. ELIGIBILITY OF WIDOWED MOTHERS

My third proposal—to make widowed mothers eligible at age 50, instead of requiring them to wait until they are 62 as in present law—will round out the purpose of the 1939 amendments which took special account of the fact that the widows and orphans of workers who die prematurely are entitled to protection against wage-loss caused by the death of the family breadwinner. Under this provision each child was made eligible for a benefit during his minority and the widowed mother received her own benefit until her youngest child reached the age of 18. The purpose of the amendment was to make it possible for the widowed mother to remain in the home and care for her children—in the same way she would have done had her husband not died—by providing social security benefits in lieu of his wages. This is, indeed, a laudable purpose and one which I heartily endorse. But it does not go far enough. Too often, I am afraid, the cancellation of the benefit check because the children are grown works a cruel hardship on the mother who, having raised her family, finds herself, in middle age, thrown off the social security rolls. According to the most recent figures available—for the end of the year 1958—approximately 40 percent of the women receiving mother's benefits were between the ages of 40 and 50. After age 50, as could be expected, the number of eligible mothers tapered off abruptly.

My proposal would accomplish two purposes:

First. For those mothers who are 50 or over when the youngest child reaches 18, the benefit would be continued for the rest of their lives.

Second. For those mothers who are younger than 50 when the youngest child reaches 18, the waiting period for benefits would be cut by 12 years because they would be eligible for benefits at age 50 instead of age 62.

Mr. Chairman, I submit that all evidence shows it is extremely difficult for women without work experience to find a job after 50. Over 46 percent of the women age 45 to 54 are in the labor force today and of those who have jobs, the great majority are in the low-pay service jobs in private households, business establishments, and industry. Therefore, this change is of the most urgent importance.

4. INCREASE MINIMUM BENEFIT

The fourth improvement I propose would increase the amount of the present minimum benefit from $33 to $50 per month—a change which would be of particular importance to those people who can qualify for social security only on the basis of low wages—especially domestic workers and those agricultural workers who do day work. Obviously the present minimum benefits of $33 a month cannot even be described as a subsistence income in our high-cost economy of today, yet about 10 percent of the people now receving social security benefits receive this minimum amount. Because this benefit is so low, it is necessary for the public assistance agencies to supplement these social security benefits to bring them up to the barest minimum required for existence. As of March 1959, 27 percent of people on old-age assistance were receiving social security benefits so small they required such supplementation, and this figure has been rising over the years.

5. CHANGING BENEFIT FORMULA

The fifth provision would make a related increase in benefits for all people now receiving benefits and those who will apply for them in the future.

As I have previously stated, the minimum under my proposal would be $50, or a 50 percent increase over the present minimum of $33. This percentage would gradually decrease until those who are now receiving $48 and over would receive a 5-percent increase. Moreover, since my bill would credit earnings up to $500 a month—instead of $400 under present law—the maximum old-age benefit which eventually could be paid when the new $6,000 annual wage base goes into full effect would be $155.40 per month instead of the present maximum of $127.

This revision in the benefit formula recognizes the fact that social security benefits must reflect the increases that have taken place in the cost of living since January 1, 1959, when the last increase in benefits was made. I am sure I do not need to emphasize the fact that a cost-of-living adjustment is urgently needed by our older people. For they are the special victims of the sharp rise in the price of meat, and milk, and medical care. They are trying to exist on a fixed income which buys less and less with each passing day.

6. INCREASE IN SOCIAL SECURITY WAGE BASE

The sixth change proposed in the system is to bring the social security wage base, for benefit and tax purposes, more closely in line with modern price and wage levels. The original wage base of $3,000 covered the full earnings of 97 percent of all workers in covered employment in 1939. For the wage base of $4,200 the figure was only 72 percent, and for the present wage base of $4,800, the figure is 75 percent. Of men with earnings during the whole year, only 47 percent have all their earnings covered under the present ceiling of $4,800. Thus, for a majority of men who are regularly employed, the present ceiling puts a dead stop to further benefit increases no matter how much their earnings rise. Under my proposed $6,000 wage base, 90 percent will have their entire wages covered.

7. LIBERALIZATION OF PERMANENT AND TOTAL DISABILITY

My seventh proposal would establish a more liberal definition of permanent and total disability for the benefits which were authorized by the 1956 amendments and modify the stringent length of service requirements. These more realistic provisions would not only apply to the benefits payable to people aged 50 and over, but also to the disability freeze which applies to workers at any age.

I presume that every Member of Congress has received mail from people who have considered themselves qualified for these payments but have been rejected by the Social Security Administration. The definition of disability in the law is strict and it is even more strictly administered.

This conclusion seems to be borne out by the facts. In September 1956, right after the Act was passed, it was estimated that about 400,000 people would qualify the first year. The President's budget message in January 1957 dropped the figure to 380,000 and later in the year the Bureau of Old-Age and Survivors Insurance issued a revised estimate of 275,000. Actually as of December 1959, some 460,000 disability beneficiaries were on the rolls.

The change I propose would modify the requirement in present law that the disabled person must be unable to "engage in any substantial gainful activity" by stating that he must be unable to "engage in a substantial gainful activity which is the same as or similar to the occupation or employment last performed by him on a regular basis before the onset of such impairment." This latter terminology is closer to what Congress really intended in passing the 1956 amendments and will insure administration of the Act in a way that will give the American worker real protection against crippling injury or disease.

My bill will also reduce the quite stringent requirements that an individual to qualify, must have 20 out of the last 40 quarters of coverage before he is disabled. I propose that this period be reduced to 15 out of the last 30 quarters. Such a revision, I believe, will take care of some of the tragic cases of middle-age workers who are incapacitated in the early years of their coverage under this system.

Another bill which I introduced, H.R. 10955, would further improve the administration of the social security disability program and eliminate certain discriminatory provisions in the present law.

First, the bill provides that a disabled individual could qualify for disability benefits at any age—not at the arbitrary age of 50 as required under present law—if he meets all other requirements of the law. There is no logical reason for granting disability benefits to a disabled employee who is 50 years of age or older and denying such benefits to an employee similarly disabled who is under age 50. Both individuals may be equally in need of benefits. In fact, the younger man often has the greater need for disability benefits because he usually is the sole support of a growing family whereas the older man is likely to have fewer dependents.

Second, the bill would eliminate the requirement of a second 6-month waiting period before disability benefits may be paid again in cases where the disabled person, who has unsuccessfully tried to return to work, is coming back on the disability rolls. Hearings before the Committee on Ways and Means have disclosed that the present requirements in this respect are discouraging people who are on the disability rolls from taking the step toward rehabilitation. This provision should, therefore, be repealed.

Third, the bill provides for an extension of the 12-month trial work period for individuals drawing disability benefits to workers under all types of rehabilitation programs. Under present law, the 12-month trial work period is only available to workers under the State-Federal Vocational Rehabilitation Act programs. Thus, a strong incentive for achieving rehabilitation is denied a disabled worker who attempts such a rehabilitation program on his own or with the assistance of his family and friends.

In conclusion, let me say that we must keep our social security system up to date because we believe in the inherent dignity and worth of each individual.

If the welfare and security of our social security beneficiaries is to be properly protected, the Congress must no longer postpone action on these vital matters. My bills embody the much-needed changes presently required in our social security program. I sincerely hope the Members of this Congress will enact this program into law.

Mr. MASON. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I rise in support of this bill, and wish to comment particularly on the new title establishing a Federal-State program, based on the historic principle of Federal-State cooperation, to assist elderly persons who do not have sufficient means to pay their medical bills when illness occurs or continues.

The costs of good medical care continue to rise. Despite widespread opinion to the contrary, the fees of doctors have not risen as rapidly in the last two decades as have the charges of most other groups providing personal services for people. During the same period when the general level of prices, including the costs of food and clothing, has more than doubled, the fees of general practitioners have risen only 73 percent. The fees of some specialists, such as obstetricians, have risen more; while those of others, such as general surgeons, have risen less.

Other medical costs have risen more steeply. Hospital costs are up sharply. Wages paid to hospital employees were long substandard. More than 70 percent of the charge per hospital day now goes to labor. Obviously hospital rates cannot be substantially reduced.

Other reasons for the increased costs are the more extensive use of costly drugs and of expensive laboratory, X-ray, and other specialized examinations. Also, under the various private insurance plans there has been a marked increase in use of hospitals for diagnosis and for prolonged convalescence as well as for treatment.

PEOPLE LIVING 20 YEARS LONGER

The success of doctors and researchers in inventing new cures and perfecting old ones has also increased the number of years during which people need medical care. People on the average have 20 years more to live than was the case half a century ago. Unfortunately the additional years have to be added at the end of life, most of them after retirement. Even if the elderly are able to work, where can they get jobs? How are they to make a living? What are they to do to keep their minds and bodies active and healthy? How can they avoid increasing anxiety as they see the value of their savings, their insurance, their pensions, their social security benefits, gradually shrinking because their own Government has not succeeded in keeping stable the value of the dollars on which they were counting to live in deserved security and serenity during their declining years?

Again, they often have more illnesses, and longer ones, in these additional decades.

How are the steadily increasing total costs of medical care to be met?

There are many who do it by saving systematically for illnesses just as they save for purchase of a home or an automobile. Almost half of those over 65 years today have private health insurance. They recognize that they must pay higher rates for health insurance and prepare for it—just as they recognize they must pay higher rates for their automobile insurance.

The medical profession has been promoting an overall program to improve the situation:

First. More extensive and noncancellable insurance policies by private companies.

Second. Reduction by doctors of their fees to elderly patients—urging reduction by one-third to one-half.

Third. Reduction of medical costs by improving nursing homes and expanding home care programs as alternatives to the more expensive hospital care.

Fourth. Better education in health maintenance—by doctors, nurses, and employers—of those approaching or already in retirement.

But there still is a large number of retired persons whose total resources simply are not sufficient to enable them to get good medical care when expensive sickness occurs. It is estimated that somewhere between 500,000 and 1 million each year will have illnesses whose costs they will have to have outside help to meet. It is for these that this bill will make provision through Federal-State financing.

WHAT THIS BILL WILL DO

The main services authorized include, when determined by a physician to be necessary: Hospitalization up to 120 days a year; physicians' services; major dental services; nursing-home services; organized home care services; outpatient hospital services; private duty nursing services; laboratory and X-ray services up to $200 a year; and prescribed drugs up to $200 a year. It will assure some 10 million retired persons that they have

such protection each year in case they should have to have assistance.

Under this bill it can be said that no person in our country above 65 years of age will be denied good medical care because of inadequate financial resources. It does not pretend to be a complete solution to the problem. But it is a reasonable and fair beginning. It will take considerable experience in this field to be sure just what more or just what different should be done. It is hoped that out of the White House Conference on the Aging scheduled for next January will come solid information and data to guide future steps.

INADEQUACIES OF FORAND BILL

Various other proposals have been studied conscientiously by the Committee on Ways and Means. Each has some advantages and some disadvantages. The greatest pressure has been for adoption of the bill sponsored by our distinguished colleague, the gentleman from Rhode Island [Mr. FORAND]. Millions have been led to believe that enactment of the Forand bill would give all retired persons full and free medical care all the rest of their lives. It is not so. To begin with, it would provide no benefits at all for about 4 million retired persons who are not on social security, which includes the million and a half who have least resources and need help most.

Second, it would give no help at all with such important items as costs of physicians' services, drugs, laboratory and X-ray services, home-care services. Many older people do not have to go to a hospital but they do have to make frequent calls on their doctor or have home-nursing services or buy expensive medicines.

Among the 12 million for which the Forand bill provides only hospital, nursing home, and surgical benefits, it gives the same benefits to all, to those who do not need outside help as well as to those who do.

Again, the Forand benefits begin the first day of hospitalization, thereby inevitably inviting pressure on the doctors to send patients to the hospital when they do not need to go or to keep them in the hospital when they do not need to stay. This same defect existed in some Blue Cross plans and led to excessive costs and almost prohibitive premiums to pay for the costs. If a conscientious doctor will not recommend hospitalization just because the patient, having paid for hospitalization, wants it, the patient goes to a less good doctor who will recommend it. A veritable racket develops. The patient uses up more money out of the fund but gets poorer care. And the more of the total funds that goes to those who do not need help, the less there is for those who do need it.

When confronted with a difficult problem like this, the temptation is to grab the first bottle of medicine available or the one with the most glowing promises on the label. But the problem is too complicated and too important to too many of our citizens for the Congress to adopt hastily some plan that may not work as intended. This bill is a good first step and I trust something carefully worked out can be adopted in the next Congress.

UNABLE TO GET $1,200 LIMIT INCREASED

Mr. Chairman, there is one other point I should like to mention. My proposal to increase from $75 a month to $1,200 a year the amount a person on social security can earn without losing benefits was adopted in the 1954 amendments. I introduced in 1957 a bill to increase the ceiling on earnings to $1,800 a year and have hoped for its adoption. But it has not been possible to get favorable action because the experts say that it would take one and a half to two billion dollars more a year out of the social security fund which is already not quite in balance. It would require an immediate additional tax on all covered workers and employees of one-half of 1 percent each. The committee believes that is too great an additional load to impose on the gross earnings of all workers. I am sorry, because it would be a better and sounder way to help more retired people, if it were feasible.

Mr. MASON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of H.R. 12580. This bill makes a number of improvements in the Social Security Act which are highly desirable. It removes the limitation of 50 years for those who would otherwise qualify for benefits on the grounds of total disability. It extends the coverage of the program to an additional 300,000 people. It increases the benefits payable to children in certain cases and would provide benefits for certain wives, widows, widowers and children of insured workers who are not now eligible for benefits.

There is some question as to whether the medical care provisions go far enough. However, this bill recognizes that this problem is extremely important and should be solved. The provisions of the bill on medical care are a step in the right direction.

Mr. MASON. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, it is not my purpose to discuss this bill in detail. Most of the provisions have been covered during the course of this debate. I rise, however, to express my support for the legislation. In fact, at the time the chairman introduced the bill, H.R. 12580, I introduced a companion bill to it. No program of the Government can ever be static. We know that times change. We know, in the first instance, we can never expect to write perfect legislation. Therefore, our objective always must be in any governmental program to improve the program and to remove inequities and to keep the legislation in tune with the times, consistent always, of course, maintaining the soundness of the legislation and not interfering with the basic objectives of the fundamental program with which we are dealing. Mr. Chairman, the provisions contained in this bill are in general sound provisions. They move in the direction of trying to remove inequities that have come to our attention. Certainly, nobody will contend the pending bill is a perfect piece of legislation and that we will not have to have any more amendments to the act. I think there are some things in this bill that may not stand the test of time and which are going to prove to be not only aggravations but which will create problems. Generally speaking, however, I think the committee in its endeavor through these long weeks showed a splendid determination to try to write a sound and reasonable bill taking into consideration all the divergencies of opinion that one runs into in any committee composed of 25 members.

One very good thing that I think this bill does is to move farther along the road of trying to get universal coverage. It seems to me there is still one basic defect in our general social security system, and that is we still do not have a situation where all of our people can be considered as eligible for coverage under it. It seems to me, Mr. Chairman, if the program is a good program, we must move in the area of making certain that all of our people are eligible to come under it.

I would like to call attention, Mr. Chairman, to one of the things I think is the most serious defect in the present social security system in our treatment of the aged, and that is the fact that today in the age group over 72 years of age, there are approximately 2 million of our older people, who we could either say were born too soon or Congress acted to late to give them the benefits that other people have under this program. I have proposed that we cover these people—at least those over the age of 72. I take the age 72 because it is at this point that the social security system, in effect, becomes an annuity system rather than a retirement system; it is at this age that we do not look to any work clause as a limitation on their rights to receive benefits. The committee did not see fit to provide for coverage of these people. It is still my hope, Mr. Chairman, that in the not too distant future, the committee and the Congress will deem it proper on the basis of justice and equity that these people who have been forgotten be given the consideration they deserve and that they be given at least the minimum benefits of the OASI program.

Mr. Chairman, let me address myself briefly to the matter of health care which is the item on which we experienced, I suppose, the greatest controversy and the greatest uncertainty as the committee considered this legislation. Let me suggest to the Members and to all who might hear my voice that they should bear a degree of tolerance toward the committee and its efforts in this area.

The original social security proposals received a great deal of study before it was enacted into law. Those in the Congress and also people out of the Congress and people in the Federal Government spent over 2 years working out the basic social security system. It certainly was anything but perfect, even after 2 years of intensive effort. But in that effort, Mr. Chairman, they were dealing with dollar benefits which is cer-

tainly a much more simple matter than trying to provide services for people. The ramifications of the problem of providing medical service are almost unlimited. So I would ask the Members of Congress and of the House to be tolerant of those who have been wrestling with the problem. We have much to learn and much to know about this area of either insuring against medical catastrophe or methods of meeting medical costs. We have much to know about that subject but I think the committee in title 16 has come up with a program that should warrant the support of every Member of this House. This can be said about this new title: if the States act to carry out the objective of title 16 providing medical care for the aged it can be said that no older person needing medical care will be denied that care by reason of his inability to pay for the required medical treatments. By enactment of this bill we express on the part of the Federal Government a willingness of the Federal Government to assume from 50 to 65 percent of the cost of such medical care for such people, and by this action I think we carry out to a very high degree any responsibility that can properly be attributed to the Federal Government in this particular area.

I think it is a sound step; I think it is a reasonable step, and I think, frankly, that the committee is to be complimented for coming forth with this proposal to meet the most crying need as far as medical care and assistance of the old people are concerned.

I could not close, Mr. Chairman, without paying tribute to the gentleman from Rhode Island [Mr. FORAND]. I feel this personally; I would like him to know that I personally feel that it is a great loss to the Congress and to the Nation that he will not be back. We differed, and differed violently, for instance, on the bill relating to the medical insurance under the social security system, but let me say, Mr. Chairman, he is a man always to be admired, a man of sincere conviction, a man with whom one can differ who respects the differences on the part of others without holding it as a personal affront. I certainly want to express to him my hope for a most pleasant and well-deserved rest as he retires from the Congress of the United States.

Mr. MASON. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I asked for this time in order to propound a question of the distinguished chairman of the Ways and Means Committee.

On page 5 of the committee report the statement is made that no new social security taxes are incorporated in the bill and that even with increased benefits the trust fund will remain actuarily sound.

Mr. MILLS. Is the gentleman referring to this language with the figure "7" at the beginning of the paragraph?

Mr. JONAS. Yes.

Mr. MILLS. The gentleman will notice we say there are minor increases in cost with these improvements. There are also minor increases on the plus side and it is possible for us to bring to the House this recommendation without a percentage increase in the payroll tax. I would not want the gentleman to believe that in the process we are making the program more actuarily sound because that is not the case. I can say to the gentleman that the program is, according to our actuaries, actuarily sound and after this bill is enacted it will be the same as it was before the bill was enacted.

Mr. JONAS. Am I to understand the gentleman is saying that the increased benefits provided in the bill and the other liberalizations are adequately financed within the framework of the existing payroll tax?

Mr. MILLS. I can assure the gentleman that the best information obtainable by the committee convinces me that that is the case.

Mr. JONAS. Another question: I understand that the medical care program is not to be financed by social security taxes or paid for out of the social security trust fund, but out of the general funds in the Treasury?

Mr. MILLS. The general funds and the State.

Mr. JONAS. Matching?

Mr. MILLS. Yes.

Mr. JONAS. The estimated Federal share is $165 million per year plus $160 million each year from the States.

Mr. MILLS. I tried to explain in the course of the remarks I made that this is a very difficult area for estimation. I doubt that these figures are going to prove correct. They may be on the high side, and they may be somewhat on the low side; but, whatever it is, the relationship between the Federal and State money is pretty close.

Mr. JONAS. I have one other question. Will the financing of the medical care program follow the so-called backdoor approach to the Treasury and bypass the budget and appropriation processes?

Mr. MILLS. No. I appreciate the gentleman from North Carolina raising that question. This authorization contemplates an appropriation each year by the Appropriations Committee. The Appropriations Committee under this program is not bypassed at all.

Mr. JONAS. If the States submit plans which are approved by the Federal Government, is that a contract that we are obligated to carry out?

Mr. MILLS. There can be no payments made under any circumstances out of the general funds of the Treasury without an appropriation enacted by the Congress.

Mr. JONAS. I thank the gentleman.

Mr. MASON. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. BOSCH] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois

There was no objection.

Mr. BOSCH. Mr. Chairman, I rise in support of H.R. 12580. This bill, in my opinion, omits several items which I had hoped would be included. The retirement test, I am convinced, should be liberalized so that our citizens who have paid for protection under social security could continue to engage in more realistic partial employment after they reach age 65. The present limitation of $1,200 is ridiculous and unrealistic and should have been increased, if not completely removed. There were more than 175 bills before the Committee on Ways and Means to liberalize the retirement test so as to allow beneficiaries to earn more than the $1,200 yearly without loss of benefit entitlement. The AFL–CIO opposed this liberalization and, in my opinion, is responsible for the fact that no such liberalization is included in H.R. 12580.

Medical care for the aged has been one of the most talked about issues before our committee. We have had to deal with the issue of Government intervention in the health care of our senior citizens. In considering this matter, I have had to take into account not only our creditable accomplishments in this area in New York State but also the circumstances and conditions existing in other areas of our Nation. I have had foremost in my mind a determination to protect and preserve the free enterprise concept under which the standard of quality for health care in our Nation has reached a preeminence not equaled anywhere else in the world.

It is my considered judgment that the Federal-State program contained in the legislation before us is the most satisfactory solution to the matter that could be found at this time. It is a compromise between the approach advocated by the supporters of the Forand bill, H.R. 4700, and the plan proposed by Secretary Flemming of the Department of Health, Education, and Welfare. The present proposal does not go as far as many would have us go in this all-important field of medical care for our senior citizens. It must be recognized however that there is still very much information which is necessary and essential to deal intelligently in this field. It is my hope that such studies will be conducted and we will in all probability have constructive recommendations made as a result of the White House Conference on the Problems of the Aged scheduled for January 1961. By vesting administrative responsibility in the States we have minimized Federal bureaucratic intervention in the physician-patient relationship. By providing a wide range of benefits we have given to the physician the opportunity to prescribe for his patient the type of medical service that is most economical and most efficacious from the standpoint of producing a curative or preventive effect.

I would have liked to see the monthly benefits increased, coverage for Federal employees if they desire it—they are now about the only large group of employees not under social security—and reduction of the retirement age to 60 years. All of these proposals were fully considered but the actuary experts of the Social Security Administration felt that none of these could be done without substantial increase in the rate of tax, effective immediately. Under these circumstances, it was deemed necessary to give this further consideration in the next Congress rather than further extend the coverage offered in this legislation.

Primarily, this legislation corrects many of the inequities in various phases

of social security and will perfect this legislation to the benefit of the beneficiaries under the social security system and in that respect deserves the support of this Congress.

Mr. SISK. Mr. Chairman, early this month, many of us greeted with great pleasure the news that our colleagues on the Ways and Means Committee had at last been able to bring their social security struggles to an end and that we would shortly have a social security bill before us. This bill has a number of commendable features, including the elimination of the age requirement for disability benefits, and some strengthening of the medical care program for public assistance recipients and for the so-called medically indigent.

But how long, Mr. Chairman, how long must we wait until we, the Members of this House of Representatives, are given the opportunity to vote for a program to help the great majority of America's aged with their health needs—to help our older people cope with their medical expenses before their staggering medical bills make them eligible for the committee's program, by driving them into medical indigency or onto the public assistance roles?

How much more evidence of the need for Government help to the aged must we pile up? We have heard from the people—the aged and the young—through their letters, their telegrams, their post cards, their mass rallies in New York, in Detroit, in Hartford. They ask us, very simply, why cannot the Government provide the means whereby we can contribute during our working lifetimes for paid-up health insurance when we retire? We have heard from the public welfare and the social work organizations: Use the social security system, they say, to help the aged finance their health care. Use the social security system, says the immediate past president of the national organization of Blue Cross plans, Dr. Basil MacLean.

Here is what Dr. MacLean wrote, and I quote:

> A lifetime's experience has led me at last to conclude that the costs of care of the aged cannot be met, unaided, by the mechanism of insurance or prepayment as they exist today. The aged simply cannot afford to buy from any of these the scope of care that is required, nor do the stern competitive realities permit any carrier, whether nonprofit or commercial, to provide benefits which are adequate at a price which is feasible for any but a small proportion of the aged.

Those are the words of a respected expert. And more recently, Mr. Chairman, comes word from an insurance company, Nationwide Insurance, an insurance company which is itself offering health insurance policies to the over-65 group, that basic hospital and medical care for people over 65, according to a vote of its board of directors, can best be provided through legislation using the social security system.

The need is clear enough. And it has been proven beyond a reasonable doubt that the need can be met only through the use of the social security mechanism for financing benefits. Let us speed the bill before us on its way to the other body, in the hope that it will be returned to us with the necessary amendments so that before this Congress adjourns, we shall have met our responsibility to add a greater measure of dignity to the lives of many millions of Americans.

Mr. DENT. Mr. Chairman, in line with the expressions offered by my colleague, Congressman AIME J. FORAND, I will support this legislation in order that we can give the Senate a House bill upon which they can operate to bring forth a more worthwhile piece of legislation.

In my humble opinion, the medical care provisions hold forth but an empty promise in our fight for a realistic program of medical care for the aged.

This must not be the ending, but perhaps it can be a significant beginning in our admission that aid along this line is needed now and tomorrow.

Mr. DANIELS. Mr. Chairman, although I rise to support this legislation, I regret that its coverage is limited.

I am well aware, Mr. Chairman, that we cannot vote on the Forand bill at this time. We must take this legislation as it is, in the hope that the other body will give us an opportunity to make amends.

There is not the slightest doubt in my mind that if the opportunity were offered to this House, the vote in favor of the Forand bill would be overwhelming.

I doubt that the differences between the Forand plan and the proposals contained in this bill need further examination from a technical point of view. But to keep the record clear, I will try to state them in layman's language.

The Forand bill offers to all social security pensioners, as a matter of right and not of charity, a degree of protection against the overwhelming costs of long and serious illness. And this protection would be provided through a Federal insurance program.

The proposals contained in the bill before us wold protect more than 10 percent of the aged, in only a handful of States, provided they first exhausted their own modest resources and were reduced to utter poverty. And the cost would be borne by all the taxpayers in all the States.

There you have it.

I say that social security based on a means test is no security at all.

Our Federal pension program covers all wage earners because our Nation decided it was in the national interest to do so.

Disability benefits were extended to all workers on the same basis—the national interest.

It is time we added health protection for the aged on the same basis and for the same reason.

Mr. Chairman, it is obvious that we must vote for the omnibus social security bill as it stands. But let us urge our friends in the other body to do what we ourselves would do today if it were possible, and incorporate a health plan for the aged into the social security structure itself.

Mr. KOWALSKI. Mr. Chairman, I rise to join my colleagues in expressing—in the strongest words at my command—my earnest belief that this Congress will be derelict in its duties if it does not enact a real form of health care for the aged that will make them first-class citizens of this Nation.

It seems strange indeed that we should find ourselves at a legislative juncture where those who oppose improvement of our social security machinery to provide for medical care have temporarily stilled the voice of a majority of the Members of this House, who are anxious to enact such legislation.

It seems strange indeed that there should be such a frightening campaign being waged by opponents, who seek to discredit the proposal advanced by my good friend from Rhode Island—and who, at the same time, attack the entire social security structure—by their reckless charges that this is socialism and that it involves a compulsion that is alien to America.

It seems strange indeed that these same opponents, forced by the overwhelming evidence of real need, have conceded that something must be done—but who offer nothing to meet that need.

But the strangest spectacle of all, Mr. Chairman, is that offered to us by those who somehow believe that Government-paid medical care for the members of our Armed Forces or our Government is perfectly proper, but that the financing of medical care for the aged through social security taxes is strangely indecent and un-American.

I am appalled, Mr. Chairman, at the substitute proposals that have been offered in an effort to block passage of the Forand bill. One of these would grant Federal and State subsidies to the private insurance carriers. The other would give Federal grants to State welfare programs—but only for the most impoverished of the Nation's elderly. And both of them have a basic, irremediable fault—for they depend on added State revenue which would have to be appropriated by State legislatures which the record shows are either unwilling or financially unable to make such appropriations.

Our aged have asked for bread—these proposals would give them nothing but a stone.

The American people will not be fooled, Mr. Chairman. They are watching us—their elected representatives—and they demand of us that we act responsibly and without further delay.

This body is temporarily deprived of the chance to act. It is up to the other body, therefore, to amend the social security bill, attach provisions similar to those of the Forand bill, and send it back to this body for its concurrence. There can be no doubt that we have the votes necessary to insure this concurrence, and I trust the opportunity will be afforded to us.

Mr. BURKE of Massachusetts. Mr. Chairman, I rise to express my regret that adequate health insurance provisions have not been included in the social security legislation and to indicate my hope that they will be included before this act finally leaves the Congress.

I think it is obvious that elderly people are more likely to have serious illnesses or accidents than young people. The expense of medical attention, hospitals, and nursing care has risen astronomically. Retired persons on limited

and often static incomes are not able to meet these extra costs. Sixty percent of them have total incomes of less than $1,000 per year. They have no room in their budgets for health disasters.

These well-recognized dangers produce a chain reaction that leads to other mental and physical defects. By that I mean that the risk of illness without money leads to worry. This strain—this fear—can itself cause illness or aggravate chronic illness or an injury or disease.

We all loved F.D.R.'s saying that "there is nothing to fear but fear itself," but this is only partly true for the aged person. He knows that although his fear is poison itself, it is also not groundless. He knows that his own physical and financial resources are not equal to an emergency. He cannot help being afraid.

For example, an older person knows that someday he is likely to fall. He may trip over a rug, or lose his balance, or get his feet mixed up. Or a leg may give way. Whatever the cause, the result is usually a broken hip. That is a major disaster. It means weeks in the hospital and months in bed. This may bring on other problems such as bedsores, incontinence, frozen joints, and general atrophy. It may be the beginning of the end.

Of course, if it is not a fall, it may be an accident. Decreased hearing, eyesight, and alertness make all accidents more likely. Or it may be the attack of a disease, the faltering of body organ, or the developing of some deficiency that brings trouble.

The aged person fears not only the physical impairment but also the bills that come with it. Doctors' bills, nurses' bills, drug bills, hospital bills, consultants' bills, laboratory bills. They all seem unbelievably high. A few days in the hospital for a checkup can cost $50. Longer confinements run into the thousands. Most aged persons know that they cannot meet such expenses. They will have to go without some of the services, or reduce themselves to poverty, or pile up debts for their children to inherit.

An older person is naturally more cautious and that is perhaps desirable or unavoidable. But fear can turn normal caution into worry or even terror. This is what is unnecessary.

In our great country, with its riches and progress in the physical and social sciences, it is not necessary for an aged person to fear that he will be helpless and abandoned when emergency illness strikes. He can have insurance. If he cannot afford adequate private insurance—and most people cannot—the Government can utilize its own experience and organization to enable him to purchase protection through the social security system.

We do not want to rely on handouts. We cannot rely on State matching. We can act in this Congress to limit disability expenses and thus to reduce fear, one of the most terrible of all impairments.

Mr. PELLY. Mr. Chairman, I may be bending over backward unnecessarily, but it could be as a stockholder in a company providing health and medical protection that I have a personal conflict of interest with parts of this bill.

Therefore, when the vote on passage of H.R. 12580 is taken I shall feel constrained under clause I of rule 8 of the House rules to answer "present" when my name is called.

Mr. DOOLEY. Mr. Chairman, the bill H.R. 12580, while by no means a perfect solution to the problem of medical care for the aged, is at least a step in the right direction.

The bill contains several improvements in the social security law. Fortunately the measure does not place too heavy a burden on the social security fund, which annually is dispensing $11 billion to its beneficiaries. The fund must be kept in balance, not only because of current demands, but because of the impact which the requirements of future years will have on it.

In order to implement the provisions of H.R. 12580, if enacted into law, it will be necessary for a State to take affirmative action. To participate in the program and receive Federal matching funds for health care for the aged, a State must volunteer.

There is some doubt as to how many States will participate, in view of the requirement that they provide matching funds.

The need for assistance to the aged, in the field of medical care, is so obvious that there is no need to belabor the point. But much study is needed before all the points of dispute can be clarified and resolved, and before a sound, equitable and economical program can be developed.

The White House Conference on Aging which will hold its sessions in January of 1961 will undoubtedly develop data useful in arriving at a proper solution to the problem.

H.R. 12580 is not the complete answer by any means. It does firm up and advance the efforts to help the aged without unbalancing the social security fund, and for that reason I will support it.

Although it is an irrefutable fact that much is already being done for the health of our aging population, much more must be done. Today, millions upon millions of dollars are being poured into research on cancer, heart disease, arthritis, et cetera, which plague so many of the aged, but the struggle to solve medical enigmas is an unending one. In the meantime the Government is helping the States to build hospitals, clinics, nursing institutions, et cetera.

Mr. PORTER. Mr. Chairman, I rise in support of H.R. 12850 as it has been approved by the House Ways and Means Committee. There are serious omissions to this bill, but it does provide us with certain improvements among them removal of the requirement that a disabled worker must be 50 years old in order to receive benefits. I have long felt that requirement was unjust. I am glad the committee has eliminated it.

I am sorry the committee did not take the major step so many of us have advocated. I refer to adequate health benefits through social insurance.

Earlier this year I sent a questionnaires to 131,000 residents of the Fourth Congressional District, which I have the honor to represent. More than 20,000 persons participated in the poll.

I asked several questions. One of them was: Do you favor legislation as proposed in the Forand bill which provides medical care for social security retirees?

The endorsement of the legislation as proposed in the Forand bill was overwhelming. By a vote of 13,410 to 5,028 my constituents said "yes." The percentage vote was 73 percent in favor, 27 percent opposed. There are seven counties in the Fourth Congressional District of Oregon. Voters in each county favor medical care for social security retirees. Let me quote the vote:

	Yes		No	
	Number	Percent	Number	Percent
4th district	13,410	73	5,028	27
Coos County	1,597	81	364	19
Curry County	420	79	114	21
Douglas County	1,608	70	676	30
Jackson County	2,038	70	888	30
Josephine County	999	76	311	24
Lane County	5,526	72	2,147	28
Linn County	1,212	70	528	30

I cite these statistics to prove that medical care for social security retirees is not the figment of the imagination of humanitarians such as my friend and colleague, the gentleman from Rhode Island [Mr. FORAND].

Statistically it would be possible for a man to pay now for the medical care he will need in his later years. As I said on this floor June 13 the greatest objection I have to the medical care plan proposed in the bill we are considering today is the pauper approach whether you call it a needs test or an income limitation or medical indigency. Because of the rising costs of medical care it is necessary, morally, socially, and economically that we help people help themselves. We cannot wait for the millenium before we act. Millions of people desperately need, want and deserve action.

The Harvard Business Review for January–February 1960, carried an article by Gaston V. Rimlinger entitled "Health Care of the Aged: Who Pays the Bill?"

Author Rimlinger writes, in part:

> The question of what can be done to provide adequate medical care for retired employees is a nagging problem to businessmen.

His impartial discussion of the factors involved deserves careful attention.

I believe Walter Lippmann probed to the core of the problem recently when he asks in his column:

> What is so wrong about its being compulsory that a man should insure himself against the needs of his old age? What is so wonderful about a voluntary system under which a man who doesn't save for his old age has to have his doctors' and his hospital bills paid for by his children or public welfare funds?

Let us therefore today approve H.R. 12580, realizing as we do that it is truly only a small step toward what is part of our national purpose. And let us hope

that the other body, tied by no closed rule such as we are working under today and which precludes amendments, will make further improvements to bring this bill closer to the Forand proposals.

Mr. KARTH. Mr. Chairman, I am aware that no amendments can be made on the bill submitted to the House by the Ways and Means Committee regarding amendments to the Social Security Act. Nevertheless, I wish to express my considered opinion of that part of the amendments dealing with medical services for the aged.

I will not take up the time of my colleagues in order to document in detail the need for truly special—and truly effective—action on the health problems of our aged population, which now numbers 16 million if we use the age of 65 and over. A reading of the special reports prepared by the experts within the Department of Health, Education, and Welfare, by the various schools of public health in the universities across our country, and especially by the Senate Subcommittee on Problems of the Aged and Aging, headed by Senator PAT MCNAMARA—all of these extensive studies would suggest how hollow—how mocking—is the proposal now before the House. The hopes of the millions of senior citizens and their families to remedy this travesty now lie in the Chamber on the other side of the Capitol Building, since they are not hog-tied by the rule against amending the present bill on the floor.

I want to take this occasion to point out to my colleagues here just what are the glaring defects and tragic implications of this legislative farce.

First. The program provided in the bill actually would result in virtually no program at all, since its implementation hangs on the scrawny, flimsy reed—or should I say weed—of State matching funds. Even for the piddling numbers of elderly men and women theoretically eligible for benefits under this bill, there is no firm assurance that every State would vote the funds for even the minimum level of medical benefits cited in the bill.

Second. Some of the States will never vote any appropriation to come under the Federal-State matching program contemplated in this shameful amendment.

Third. Many States will delay action on their part for several years to come.

Fourth. Few States, if any, will legislate funds necessary to provide the full complement of health benefits theoretically available through this callous paper gesture. Nearly one-half of our States still do not take full advantage of the Federal funds available now for old-age assistance programs.

Fifth. Like the other forms of old-age assistance, the States would not necessarily appropriate each year the required funds to make the program work. Each year, such programs would run the risk of getting the short end of the stick.

Sixth. The eligibility requirements consist of miserly and almost punitive conditions regarding not only the income of the elderly applicant for this degrading charity medicine, but also his other living arrangements. As a matter of fact, each State can set up its own criteria of need as it sees fit.

Seventh. To me the most disheartening aspect of the proposed amendment is that it requires no improvement of standards now existing in old-age assistance medical care—and offers help to a limited number of senior citizens only after such men and women become pauperized, instead of creating conditions for the financing of medical care which would prevent such inhuman medical indigency.

Eighth. While there are many other serious objections to this empty posture of problem-solving, the one simple but overriding fault is the bill's disappointing rejection of the genuine use of the social security principle—although the authors of the amendment call it an amendment to the Social Security Act. Actually it is a betrayal of the ethical principle involved in the original Social Security Act of 25 years ago, when Democrats were proud and anxious to advance such legislation.

What I mean is the contribution of working men and women, during their years of employment when they could afford it, to a fund that would provide paid-up benefits—as a right and not as charity—when they are retired from the labor force. Such a simple, but efficient and rational method insures a sound method of financing basic medical costs—including costs for much of preventive medical services. Such a simple and practical approach places no burden on Federal, State or local, or private resources. Such a simple but profoundly just solution to the problem would relieve the anxieties of the total population about their health protection in future years when they join the ranks of the increasing population of older citizens.

What frigid irony lies in the fact that under this current proposal, elderly citizens will still be required to pay taxes, on a Federal and State level, in order to finance the program.

Ther are now 16 million so-called older Americans today; nearly 6 million alone are over the age of 75. In 10 years, there will be at least 20 million persons over 65. Pitifully few will share in the benefits supposedly made possible by this particular legislation. Pitifully few can afford the premiums for truly adequate private health insurance—read the record of the Senate Subcommittee on the Aged.

All of them, however, are over the age of 21. Most of them have become sophisticated, informed citizens on the issue of how best to arrange for the financing of their medical needs in retirement.

For example, when the Minneapolis Star and Tribune conducted a recent poll in Minnesota concerning medical care for the aged, 55 percent of those interviewed preferred to pay higher social security taxes to care for sick people over 65 while 40 percent wanted to keep social security as it is. Despite the emphasis in the survey questions on the costs involved the majority of Minnesotans who were polled wanted medical care for the aged as part of their social security.

I should like to close my remarks by referring to the attached table, indicating certain population statistics of selected States around the country. They show the percentage that the over-65 population is, relative to the total population, as of 1958, and also their proportion of the population aged 21 and over. I close my remarks with the question, How well are we truly responsible to the emerging needs of our constituents? What do we intend to do, here in the House of Representatives, when the issue completes its round trip to and from the floor of the Senate?

Senior citizens, as percentages of total population, and of population 21 and over, in selected States (as of July 1, 1958, Census Bureau estimates)

State	65-plus population as percent of total population	65-plus population as percent of 21 and over population
Arkansas	10.8	18.6
California	8.4	13.9
Florida	10.2	16.8
Illinois	9.2	14.5
Kentucky	8.9	15.4
Louisiana	6.8	12.3
Michigan	7.6	12.8
Minnesota	10.0	16.7
Missouri	11.0	17.4
Montana	9.4	16.2
New York	9.4	14.4
Ohio	8.8	14.4
Pennsylvania	9.4	14.7
Rhode Island	10.0	15.5
Tennessee	8.0	13.6
Texas	7.2	12.6
Virginia	6.8	11.9
Wisconsin	9.7	16.0

Mr. FRIEDEL. Mr. Chairman, there are many reasons for us to regret the absence from this bill of the Forand proposals to include medical, hospital, and nursing home payments in the benefits or our social security legislation. I wish to emphasize one of those reasons.

We Americans have always been proud of our traditional desire to improve upon the present, to seek something better and to raise our living standards even higher.

This opportunity exists today in the field of medical services for the aged. With the pioneering and creative work that Johns Hopkins does in medicine and surgery, I hope it is appropriate for a Representative from Baltimore to call this to your attention.

In the past it was believed that mental vagaries, senility and many physical disorders were an unavoidable part of the aging process. But now we know that most of the mental disturbances are due to physical breakdowns. Consider, for example, the effects upon the brain from inadequate blood circulation, or from blood that accumulates poisons because of kidney or prostate problems.

Research indicates that many physical disorders, previously considered inevitable, are amenable to treatment and sometimes to prevention if caught in time. For example, unattended glaucoma may develop to the point of blindness, undetected diabetes may lead to vascular complications and amputation of a limb, protracted abdominal pain may be diagnosed as a metastic cancer, and a neglected cardiac condition may lead to disabling secondary complications.

There are about 500,000 people living in America's nursing homes and homes for the aged. Most of them are just vegetating. By that I mean that they are sitting in their chairs—sometimes tied—or lying in their beds without any hope of recovery. They are waiting, waiting, waiting for their bodies to atrophy and decay until some vital organ stops functioning. There is nothing more depressing than to walk through the rooms of such institutions and to visit with the patients, knowing in your own mind that "this is a death house."

In my own State of Maryland and more particularly in Baltimore city, the medical capital of the world, the majority of the inhabitants of nursing homes are welfare patients. Because they are welfare patients the fee paid for their care is the bare minimum and consequently they can be given only the minimum essentials of food, medical attention and rehabilitation. They need something to occupy their long days—some kind of occupational therapy—something to give them purpose. And these are only the ones who can qualify for public welfare. God knows how many exist who cannot.

But the Senate subcommittee report on the problems of the aging finds that nearly half the patients in the nursing homes could be largely rehabilitated.

Why are these people so cruelly abandoned to protracted decay? Because there is not enough money available in this rich country of ours to give them the needed medical facilities. It is as sample as that. Nearly half of the skilled nursing home beds are considered substandard. Payments for patients under old-age assistance are insufficient to cover registered nursing services, routine medical care, rehabilitative and recreational activity.

Consider for a moment the progress that we all know about and the cost involved. Not too many years ago, people with mental disorders were locked in padded rooms, tied down with ropes or even chains. Now, thank God, we can give them tranquilizers. But this takes money. I know of one tranquilizing pill that is taken once every day at a cost of $0.20 each. A drug bill of $40 per month is not unusual. Even the rather common vitamin pill, multecebrin, costs over $0.04 each at the ordinary retail outlet.

While I recognize that the Forand bill is no panacea, it is a step in the right direction for the salvation of some of our fellow human beings. Furthermore, they provide a method by which all of us may contribute, while we are working, to a fund for better care and happiness when we have passed into retirement. With a quarter of a million "human vegetables" now in our institutions unnecessarily, it is time for us to take action.

Therefore, in deploring the unfortunate decision of the Committee on Ways and Means, I am speaking in behalf of humanity, rather than in terms of a political issue. It is without reflection upon the intentions of the committee that I hope the other body gives this House a chance to reconsider the matter and reach a sounder conclusion.

Before concluding, I would like to call to the attention of the Members of the House a most timely article printed in the Baltimore Evening Sun of June 20, 1960, pointing up the very real and growing problem of Baltimore city's sick, aged and homeless. And I'm sure this same problem is duplicated in every major city in the country. Surely the conclusion is inescapable that legislation in the nature of the Forand bill is called for to aid this unfortunate segment of our population.

Mr. LANE. Mr. Chairman, this is a "shotgun" health insurance bill for the aged. Either we vote for it, knowing that it will provide very little medical security for the 16 million Americans over 65, or do absolutely nothing for them at this session.

Confronted with this very narrow choice, we have no recourse but to vote for H.R. 12580, in the hope that it will become the entering wedge for a genuine health insurance bill in the next Congress.

We believe that the whole approach of H.R. 12580 to the problem of health insurance for the aged is wrong. The humiliating means test merely increases somewhat the number of those who would qualify as medically indigent, thereby placing health insurance on a charity basis, rather than a dignified insured right, through the Federal old-age, survivors, and disability insurance system.

This is not primarily the problem of medical care for the very poor, who are cared for under welfare and old-age assistance programs. The purpose we had in mind was to remove for all the aged the dread fear that an expensive illness would wipe out a lifetime of slender savings, threaten the ownership of a home, force dependence on children, or make one, after a lifetime of independence, submit to the bureaucratic test of pauperism.

Almost $400 million a year is now being spent by Federal, State, and local governments for medical care under the old-age assistance program. The committee bill will inevitably increase this amount, placing an unfair burden on State and local governments. This would put off for years, in some States, the implementation of health insurance for the aged, even on the restricted "public assistance" definition.

This bill is in the nature of a delaying action, and one that might beguile wishful thinkers into the belief that it is a bargain-basement method of securing health insurance when in fact, because it is financed from general revenues, it would compel some of the aged to pay for health insurance they would be ineligible to receive.

Bear in mind that, under existing old-age assistance provisions, 24 States fail to match all the Federal funds at their disposal. Only the social security system can provide medical care insurance for the aged on a sound, contributory foundation, financed by the payment of modest amounts on the part of employer and employee during the beneficiary's working years.

Eventually, we must come to this solution: 1960 was the year to make a real beginning instead of a false start. If put to the vote of the American people, they would overwhelmingly agree to fractional payroll deductions in order to finance health insurance in their old age as a matter of right and not as charity.

Because this bill will improve unemployment compensation provisions, extend coverage under the Federal old-age, survivors, and disability insurance system, and provide disability benefits to additional individuals, I shall vote for it.

However, I am very much disappointed because it takes only a feeble step toward providing health insurance for the aged.

The solution to this problem is a major responsibility that cannot be postponed much longer.

Mr. RIVERS of Alaska. Mr. Chairman, I rise to add my voice to those of my distinguished colleagues in impressing upon this chamber the urgency of action to alleviate the financial burdens of the elderly through improving our system of social insurance.

Coming as I do from the Union's last great frontier, and representing as I do the pioneering spirit of all of Alaska's brave citizens, I would urge my colleagues to show the same pioneering spirit in developing a bold new program that would help to insure to the older citizens—to the pioneers of another day—the type of medical care which they need but which they presently cannot afford.

Here in the Congress we have one of the greatest opportunities ever presented to a governing body in the 20th century to pioneer in this medical care field. This is no place for weakness or timidity—not when we stand here on this frontier and gaze at a promised land in which our senior citizens will have an opportunity to live out their days in good health and personal dignity.

The Forand bill, Mr. Chairman, is an outstanding example of the pioneering spirit of which I speak. By using the social security system as the vehicle for financing old-age insurance for medical and hospital care the element of self reliance is maintained, and the concept of doles postulated on demonstrable pauperism is abandoned. At this point I cannot be sure of all the details, and the extend to which the employed people of America and their employers are willing to be taxed under the Forand-type of legislation, but I do feel sincerely that it is the right approach. I do not see that there would necessarily be a deprivation of freedom of choice in the selection of doctor or medical institution. The Government's role could be kept at the job of collecting and disbursing the funds, and otherwise administering the program for those who are eligible. Afterall, the social security system has demonstrated its worth through 25 years of insuring an honorable retirement for millions of our citizens. On the other hand I do not think that we can solve the medical problems of the aged by Federal subsidies to State welfare programs, except on a temporary basis pending effectiveness of the Forand-type program, which should be initiated and

put into operation as soon as possible, for it will be many years before all of the persons to become eligible for benefits under the program will have paid their respective shares of the tax involved. Neither do I think that any general or adequate solution of this problem can be attained by Federal and State payments to insurance companies in the form of partial payments of premiums upon health insurance policies.

Although our hands are largely tied under the committee bill presently under consideration, I hope that the other body can add the Forand bill's principles to the social security amendments embodied in the bill before us and send it back for our approval.

Mr. PUCINSKI. Mr. Chairman, I wish to associate myself most forcibly with the views already expressed in this Chamber concerning the need for prompt action to alleviate the financial burdens of our senior citizens through enactment of social security medical care.

It is most regrettable, Mr. Chairman, that as of this date the Members of this House are not in a position to record their support for health care legislation that would become a part of our social security system—for it is my earnest belief that there is overwhelming sentiment in this body for such legislation.

No issue in modern times—certainly not since the enactment of the great social legislation of the 1930's—has inspired the imagination of the American people as has the health care bill introduced by our distinguished colleague, the gentleman from Rhode Island and cosponsored by many us, of including myself. Each Member of this House must be acutely conscious of that fact, for the proof that this issue has aroused the American people is nowhere more evident than in the volume of mail which has poured into each of our offices expressing concern on this issue. And the tenor of this mail has been overwhelmingly in favor of prompt action by the Congress in adopting health care legislation which would be a broadening of the social security program of which we are so justly proud.

The American people are not indifferent to the needs of our senior citizens. They are watching us, they are depending on us, to discharge our obligations as their elected representatives. They will not be placated by stopgap plans; they will not settle for a program that, even if it were in effect ratified by each of the 50 States, nevertheless would provide health care for the most medically indigent. The American people will not accept halfway measures—indeed, they should not be asked to settle for anything less than the maximum in medical care which we, as the richest nation on the face of the earth, can in our wisdom devise.

We in this distinguished body should be proud, indeed, of the gentleman from Rhode Island [Mr. FORAND] for the excellent program which he has devised and so carefully shepherded through 3 difficult years. It is indeed regrettable that, despite the fact that this very sound plan for health care for the aged originated in this Chamber, we in the House cannot be the first in the Congress to vote on this issue because of the parliamentary situation we find ourselves in.

Because of the situation, those of us who believe in the principle of medical care for the aged as part of our social security system—and I submit, Mr. Speaker, that a majority of this body supports this principle—are temporarily foreclosed from voting on this issue. It is our sincere hope that the Members in the other body of the Congress will substitute a more effective health care program for the pitifully inadequate provisions of the bill now before this body. When that happens, I am confident their amendment will receive a warm reception in this House.

I have said repeatedly that we should not compel the senior citizens of America—the people who built this wonderful country of ours—to be reduced to a pauper status before a greatful nation will provide them adequate hospital and surgical care in their advanced age. There is another aspect of the Forand bill which is not included in the bill now pending before us. This is the provision that would have permitted hospital and surgical benefits to widows and underaged children receiving social security benefits when the family's breadwinner has died. These children should be provided better than pauper's care.

I know that the Ways and Means Committee has worked very hard in trying to find a solution to this difficult problem of hospital or surgical care for our aged citizens. I believe the committee deserves our commendation for its sincere effort. Since the committee in its wisdom believes it has gone as far as it can, I do hope the other body will write in the necessary amendments to make this a really effective program and I shall support such amendments when they are returned here for our consideration.

Mr. THOMPSON of New Jersey. Mr. Chairman, after months debate in committee and throughout the country, the House of Representatives is now preparing to vote on a bill which supposedly includes a program to provide the Nation's aged with health care.

The program before us, however, does not meet—nor does it seriously attempt to meet—the needs of America's elderly. Under the guise of doing something for our older folk, it seeks to reap political rewards while at the same time stifling the only type of program that can do the job in this important area.

Congressional testimony has proven—without a shadow of a doubt—that our older citizens are unable to meet their health needs. No one, on either side of the aisle, would attempt to claim that our 16 million people aged 65 and over do not need help if they are to maintain their health.

So shocking and unshakable has this testimony been, that even an indifferent administration was forced to call for some type of legislation in this field. As might have been expected, the administration proposal was grossly inadequate. It may have contained political benefits for the Republican Party, but it would have produced few benefits for the elderly.

Many of us hoped that the program adopted by the Ways and Means Committee would be of a different nature. As proponents of the Forand bill, we had long recognized that any aid-to-the-aged health care program—to be effective—would have to be based on the social security system. The Ways and Means Committee, apparently, did not grasp the importance of this essential prerequisite.

After studying the committee proposals in this area, I can only conclude that the great weight of this testimony presented to the committee has been in vain. And I can only conclude that the many meetings of senior citizens that have been held throughout the country also have been in vain.

The committee's plan provides no health care for the aged. In simple terms, it provides charity and nothing but charity. Even this charity, I might point out, is contingent upon the action of the separate States.

I do not believe for 1 minute that this proposed legislation will fool the American people. Surely the elderly will quickly realize that their needs have not been met. Even worse, while this bill gives verbal support to the health problems of the aged, in practice it denies to those 65 or over any hope of obtaining effective assistance while they are still capable of benefiting from it.

I am convinced that should this bill be enacted into law, it will prove to be inadequate. By placing health care needs solely on the foundation of relief, rather than social security, this measure could create a near-insurmountable obstacle, possibly blocking passage of future—and more practical—legislation.

Every thinking Member of the House must recognize that this proposal will confuse public opinion and—at worst—will tragically delay the chances of the aged to obtain the care they desperately need.

America's aged do not seek charity. They are not down on bended knee begging for the opportunity to go on relief rolls. Nor do they look forward to taking a pauper's oath, declaring themselves poverty-stricken and wards of the State.

No one likes to be poor. No one likes to be old. Certainly, no one likes to be both. But statistics show that a substantial percentage of our elderly cannot afford the high cost of medical care. Living on small pensions, sometimes solely on social security, and sometimes only on painfully gathered life savings, it is little wonder that those who have reached retirement age are in constant fear of serious illness

These are the people asking us for help. They are not asking for a means test. They are asking for legislation that will permit them to live out their years free from the threat of penury caused by ill health.

When I was a young boy, I remember seeing the many Civil War veterans who were living out their lives with no place to go. They sat in the parks and sunned themselves, they sat on the front porches of their children and they sat on benches in front of neighborhood grocery stores. In many ways, they were honored and respected, but even then they belonged

to another era and their usefulness had past. They were honored, but for the most part they were dependents. They had lost the freedom they fought for.

The Civil War veterans are no longer with us. And something else has changed. Our people no longer accept the philosophy that once man has become full of years, he has no further purpose. Today, we believe that when our older citizens retire after making their contribution to society, they are entitled to enjoy their "golden years" in dignity and independence.

We believe that men and women of 65 and more have the right to lead constructive lives, to enjoy their retirement, to hold up their heads with pride.

Medical science has played a major role in making this humane concept possible. It has developed the medicines and the drugs that prolong life, ease its miseries and make possible happy and healthy years of retirement. Unfortunately, social science has not kept up with physical science. While we have learned how to cure physical ailments, we have not—as a nation—learned how to cure social ailments.

We have provided medicines to alleviate heart trouble, blood diseases and other physical infirmities, but we have provided no relief against insecurity and indignity. It is these social problems that we are attempting to solve through health-care-for-the-aged legislation.

All of us know that the miracles of modern science are not cheap. We recognize that the availability of the new wonder drugs is often conditioned by a high price tag. Sometimes I wonder who is in a more pitiful position—the man who is dying from a yet-incurable disease, or the man who knows that the drug that could save him is available, but is beyond his means.

If all of us—on both sides of the aisle—did not recognize the seriousness of this health care problem for our senior citizens, I would not be talking about humanity; I would be talking statistics. But all of us do recognize the problem—even, I might add, if some of us only see it in a political context.

The bill now before the House clearly avoids our social responsibilities to the aged ill.

Not only is it grossly inadequate in the amount of aid proposed, but the mechanism for granting this aid runs completely contrary to the desires of the people the measure is supposed to help.

If enacted, America's elderly would only find that they have been given one more category under which they can apply for relief.

If enacted, those too old for gainful employment would only find that their health needs must forever be secondary to their financial needs.

If enacted, even those senior citizens eligible for assistance—the majority would not be eligible—would find their needs further subjected to individual State budgets.

If enacted, all of our citizens would be denied the opportunity of contributing to their old age health insurance coverage while employed and would be forced to rely upon charity after their working days are over.

While I will, of course, vote in favor of this legislation as part of the omnibus bill, let me make it clear that I do so only in the hope that the other body will recognize the real problems faced by the elderly and come forth with an amendment that solves these problems rather than ignoring them through a bald and hypocritical political maneuver.

Mr. Chairman, a further problem which will be caused by the enactment of this bill is set forth in the following statement by the New Jersey Education Association and the New Jersey Civil Service Employees Association:

If H.R. 12580 is enacted in its present form it will reduce the retirement allowances of approximately 2,130 New Jersey teachers and 1,300 other New Jersey public employees. The average cut in allowance will be approximately $1,300 per year for retired teachers and approximately $960 per year for other retired public employees.

The people affected by this legislation are members of the New Jersey Teachers Pension and Annuity Fund and the New Jersey Public Employees Retirement System. They have retired under a plan which permits the State of New Jersey to reduce the retirement allowance payable by the State pension fund if the employee earned a social security benefit through New Jersey public employment. Any social security benefit earned in this way is used to relieve the State of all or a portion of its obligation to pay a pension to retired public employees.

Many of the persons affected by this legislation have purposely advanced the dates of their retirement in order to avoid earning a social security benefit through public employment in New Jersey. If H.R. 12580 is enacted in its present form section 204(a) will reduce the number of quarters of coverage required to attain fully insured status to such a degree that all of these people will be considered as having earned their social security benefits through New Jersey public employment.

The effect on these people will be a substantial reduction in income through loss of pension from the State of New Jersey.

When teachers were asked to accept integration of their pension fund with social security, many older teachers were hesitant to go along. Some of these were already entitled to social security benefits in addition to State pensions as a result of work in private employment or as dependents of social security beneficiaries. The argument which convinced many of these people to vote "yes" for integration was that under the terms of the proposal anyone who wanted to avoid integration could do so by retiring from New Jersey public employment before earning fully insured social security status.

The New Jersey Education Association and the New Jersey Civil Service Association are not asking for any extension of social security benefits for these people. We are asking that the benefits they were promised when they retired will be paid.

We are not asking that regulations be changed specially for these people. We are asking that the requirements for attaining fully insured status which existed when these people retired be preserved for them.

Mr. FARBSTEIN. Mr. Chairman, although I am going to vote for this bill, I do so because I have no choice. I favor the amendment to the social security measure as represented by the Forand bill rather than the amendment presently before us. It is my earnest hope that the Senate will amend the present bill in keeping with the Forand bill.

Home, hospital, and medical care for those on social security as represented by the Forand bill is a must so far as I am concerned. It will assist those who need help most and can afford the expense least. It is my opinion that the 70 million workers presently covered by social security should be permitted to contribute, while they have the opportunity, for paid-up medical care protection for themselves and their dependents when their years of productive earning capacity have ceased, especially when they clamor for the opportunity to do so. In this fashion, a planned and orderly basis without cost to the general revenues of Government can take care of the cost.

The administration plan and the plan presently proposed by the Committee on Ways and Means and incorporated in the social security bill depends upon the States passing legislation to effectuate any plan of assistance to the aged insofar as home, hospital, and medical care is concerned. It is put on the basis of a means test rather than on actuarial or insurance basis. This I do not think is a salutary basis for this great need of our senior citizens. The program of assistance under the bill before us differs very little from old-age assistance and it would place a burden on some of the States which are financially unable to meet this new obligation. The result of this would be that there will be no legislation whatsoever to aid those who we feel should be assisted in certain areas of the country.

The official estimate of cost to the Federal Government is about $185 million and approximately $140 million to the States. This, I understand, is based on providing medical service for only an estimated one-half to 1 million persons during the year.

Experience under our present public assistance programs indicates that Federal matching grants, along either the old or new lines, will not make good health care generally available even for the small minority of the aged theoretically being aided.

The problem of insecurity arising from the high cost of medical care during the years of retirement is not primarily the problem of the very poor. The objective should be to remove for all the aged the haunting fear that an expensive illness will wipe out a lifetime accumulation of savings, threaten the ownership of a home, force dependence on children, or make one, after a lifetime of independence, submit to the humiliation of a test of need.

Our goal is, so far as possible, to prevent dependency rather than to deal with it at the expense of the general taxpayer after it has occurred. By contributing additional small amounts from their earnings to the nearly universal social security system, workers could gain insurance protection against medical care costs in retirement and their possible future dependency could be prevented.

Only the social security system can provide medical care insurance for the

aged in a satisfactory manner. If medical care costs are not met by social insurance, increasingly they will be met through relief. Almost $400 million a year is now being spent by Federal, State, and local governments for medical care under the old-age assistance program; the committee bill would increase this over three-quarters of a billion dollars, and this would be just the beginning. In the absence of social insurance protection this drain on general revenues will more than double in the next several years.

Under the Forand bill health benefits, added to old-age and survivors insurance would next year provide benefits to approximately 12 million of our senior citizens; this is a goal for us to pursue.

Mr. MULTER. Mr. Chairman, much has been said emphasizing the wisdom of devising a meaningful health care program for our millions of retired citizens within the framework of the social security system, and I wish to associate myself with these views.

A quarter century ago, when the Congress first enacted the social security system, President Roosevelt made it abundantly evident that we were at the beginning—not at the end—of the program of caring for those citizens who had contributed so much to their country during their productive years. The Congress has many times endorsed this view by constant reappraisal and improvement of the social security system.

Now we come to the point where we can make perhaps the greatest improvement since the system was first founded—the incorporation into its provisions of a plan to underwrite those medical expenses which come more frequently with advancing age and weigh so cruelly on our senior citizens, whose financial resources are still only at a marginal level despite the great advances we have made in our social security program these last 25 years.

It is regrettable, in the light of the great public interest in this program, that we in this body should find ourselves at a point where we are temporarily without the power to stand up and be counted on this great issue. It is even more regrettable when it appears, as it does to me, Mr. Chairman, that there is overwhelming support in this Chamber for exactly the kind of program that our senior citizens want and deserve. This is brought about by the parliamentary situation prohibiting any amendments by the House to the bill before us.

It is now up to the Members of the other body to rectify the situation in which we find ourselves. They can do this through the simple process of amending the social security measure which we shall shortly send to that body. In doing so, it is my fervent hope that there will be no attempt to satisfy the needs of the millions of retired citizens by adopting little more than a Madison Avenue slogan wrapped around a billion dollar subsidy for the insurance companies. In doing so, it is my hope that the other body will not attempt to degrade our older citizens in their golden years by forcing upon them a cruel program that would compel them to take "paupers' oaths" before they can receive the medical care they deserve.

There is a simple solution to the problem: The other body need only substitute, for the totally inadequate medical care provisions now in this bill, a program of the type sponsored by the gentleman from Rhode Island and by so many other Members of this distinguished body. If that is done, Mr. Chairman, I know this House will not be derelict in discharging its responsibilities. If then we are given legislation of the type offered by the gentleman from Rhode Island, this body will swiftly and overwhelmingly add its stamp of approval.

I am supporting the bill in its present form for the reasons stated.

Mrs. GREEN of Oregon. Mr. Chairman, it is my intention to vote for H.R. 12580, in spite of the fact that the rule prevented the Committee of the Whole from amending it so as to make more adequate provisions. My vote for the rule and for the bill are to be interpreted only as giving voice to my opinion that the bill should be passed to the other body where, it is to be hoped, meaningful medical care amendments will be added to it.

The question of medical care for the Nation's senior citizens, Mr. Chairman, is not one which can much longer be left in the realm of "things to do tomorrow, or next year, or in the next Congress." The aged are not getting any younger, they are not becoming less numerous, their health problems, despite smug assurances from some private insurance companies, are not becoming less acute.

Mr. Chairman, the distinguished gentleman from Rhode Island [Mr. FORAND] will soon leave the service of this House, after a long and distinguished career, typified by concern for the welfare of the people of this Nation. The medical care bill which bears his name is only one proposal among many of great merit which were presented to the Ways and Means Committee. Yet this crusade has been led so ably by the gentleman from Rhode Island that this whole issue has become identified by his name. "Are we or are we not going to have some kind of Forand bill?" This is the way in which most of us think about this issue. It is my earnest hope that the 86th Congress will not adjourn without sending to the President some kind of Forand bill, no matter whose name is attached to it. Such action, will be, I trust, a fitting climax to the distinguished career of the able and dedicated gentleman from Rhode Island.

Mr. Chairman, the senior citizens of this Nation have been waiting for the Congress to act for many years now. This is not a new issue. The Ways and Means Committee has studied it, the Special Subcommittee on Problems of the Aged of the Labor and Public Welfare Committee of the other body has studied it with great care. Private organizations have studied it. Individual members have studied it. This subject has been studied in every way, from every angle and by every group which could possibly have an interest. Even the administration has given the problem careful attention. Yet the best the Ways and Means Committee can come forth with is the present bill, while we are urged by the AMA to "wait until the White House Conference can study the problem." Mr. Chairman, there has been plenty of study. What we need now is action.

The Forand bill, Mr. Chairman, would give the senior citizens of the Nation much-needed assistance with the insurmountable costs of health care; it would give to those not yet ready for retirement a means of helping themselves to prepare for the time when high medical costs and low income will simultaneously loom before them. We have been told in the same breath that this bill would "ruin the moral fiber of the American people" and that, "if they cannot afford to pay the costs, they can always get a doctor's help, just by asking." Mr. Chairman, which is more ruinous to a nation's moral fiber—setting up a way by which the people themselves can pay for future medical costs, or urging them to accept the charity which most Americans are too proud to accept? The Forand bill takes the former approach—one which is, I think, more in keeping with the very American traditions of self-reliance that we all believe in.

The Ways and Means Committee has reported to the House some medical care provisions. But these provisions are far from what is needed to meet the challenge. Under the committee's bill, the States may—if the individual States so choose—institute a program of what amounts to medical public assistance. The decision to leave the problem to the States will, undoubtedly, be defended as showing devotion to "States rights." But just to make sure that "States rights" are not used to help too many people, the State is forbidden to make its medical care available to people who, in the judgment of the State, have adequate funds available. "States rights" here, as in so many places, seems to be largely a device to make sure that we don't give too much aid to too many people. A State, under this bill, has the right to be conservative, even stingy. But it is denied the "right" to be liberal, to throw away means tests, and to make medical care available on a broad basis.

The administration, led by the President and the Vice President, urges that health care for the aged ought to be voluntary rather than compulsory.

I suppose what we have in the bill before us is also voluntary in that sense. Perhaps it is more so, because there is no assurance that anyone will get any help at all.

What is compulsory about the Forand bill, and similar proposals to place old-age health care under the social security system?

What is compulsory is the social security tax. All persons who will some day have a right to draw benefits must pay premiums, which might be as high as $12 a year. That is compulsory. As far as the benefits are concerned, they are voluntary. No one has to apply for them or accept them.

Now let us look at the so-called voluntary plans. They are not under the

social security system; they are paid for out of general tax revenues, collected from all Federal taxpayers. Does anyone who refuses the benefits get a rebate on his taxes? Not at all. Can anyone foreswear benefits in the future in return for lower taxes? Not a chance.

Then what is voluntary about these plans? Only that no one has to apply for benefits.

What is the difference? In both cases, taxes are compulsory—except that under the Forand bill, everyone who paid the taxes would be entitled to benefits if he wanted them. In both cases, benefits are voluntary, except that under the administration and committee plans everyone who sought benefits would have to be dead broke first.

Where is the real difference? Is one approach really voluntary and the other compulsory? Of course not.

Neither one is voluntary when it comes to paying the bill. Both are "voluntary" when it comes to refusing benefits.

The real difference is that the Forand bill is voluntary when it comes to drawing benefits. Under a Forand-type plan, tied in with social security, the benefits would be ready and waiting for those who needed them. Under the phony substitutes, it would be voluntary with the States and the communities whether benefits were available at all.

These are just a few of the weaknesses I can see in this bill, Mr. Chairman. There are others, the chief of which is its inadequacy. I shall vote for the bill, as I said before, but solely in order to speed it on its way to the other body where, I hope, it can be turned into legislation of the epochal kind we need to meet this crisis.

Mr. MEYER. Mr. Chairman, I am going to support the social security amendments bill in hopes that it can be improved before it becomes law. However, I would have preferred to support the Forand bill with some strengthening additions and changes. I also want to commend the gentleman from Rhode Island [Mr. FORAND] for his great effort in behalf of medical care for elderly people.

Mr. STRATTON. Mr. Chairman, I intend to vote for the committee bill, although there are several aspects on which I believe the bill is inadequate, particularly with respect to its provisions for medical care for our senior citizens. The provision included in this bill in no way meets the real need of our people for a satisfactory system of medical insurance which they can make use of with dignity. Instead, it requires the most glaring kind of means test—virtual financial destitution—before the funds provided can be utilized. Hundreds of thousands of our retired citizens in need of health care would go without it first because they would be too proud to go to this extreme to get the medical and hospital care they really required.

After careful study I am convinced that the Forand kind of approach to this great problem—that is, making this insurance available through an expansion of the existing social security system—is the only adequate way to deal with the problem. Because of the gag rule under which this bill has come before us to the floor, it is impossible, of course, for those of us who feel as I do, Mr. Chairman, to make our views known.

I am supporting the bill notwithstanding that fact, however, in the hope and expectation that when it goes over to the other body, with their less restrictive rules of procedure, a Forand-type of plan will be substituted for the one contained in this bill. Then a revised and improved bill will come back to this House, and I will certainly support such a new bill, and feel confident that a majority of my colleagues will do likewise.

Mr. HALPERN. Mr. Chairman, earlier in this debate I pointed to the glaring inadequacies of this bill. Among these I cited its failure to provide a realistic health care program for the aged. With the indulgence of the House I would like at this time to express in more detail my views on this subject.

Everyone, Mr. Chairman recognizes the need for some form of health protection for our elderly citizens.

Everyone admits that the aged are more subject to illness than younger persons, and that they are less able to meet the costs of their ailments and hospitalization. The Department of Health, Education, and Welfare has put this general conviction into figures. The Department says that, on the one hand, the medical requirements of persons over 65 are two and a half times that of the average person. And, at the same time, 74 percent of the aged have no income at all or receive less than $1,000 a year; 11 percent of those over 65 have between $1,000 and $2,000 a year.

These figures tell a tragic story. They represent sad facts—the facts of elderly couples who have to struggle to exist on meager incomes, but who are anxious to maintain their dignity, who do not want to have their lifetime savings wiped out by the cost of extended illness, who fear having to go on relief.

We cannot desert these old people. We cannot abandon them, nor delude them with tragically false promises. We cannot proffer plans that we know will not work, plans that depend upon approval by others, and that would not relieve the old folks of the financial burden of their illness. Furthermore, we should not make these elderly citizens the victims of political warfare.

It is for these reasons that I introduced a companion bill to that offered by my good friend and colleague from the other side of the aisle, Congressman FORAND. This cosponsorship is a means of eliminating politics from an issue that I think is too important and too urgent for party divisions. I introduced a bill identical to that of Congressman FORAND for another reason—because I believe that the social security approach to the problem is the most logical, the most direct, the most economical.

My bill would provide insurance against the cost of hospitalization, nursing home care and surgical services. It would provide up to 60 days in a hospital; it would provide an additional 60 days in a nursing home, a total of 120 days if that is necessary. And it would not require that these old folks pay for this insurance out of their meager funds during the years of their retirement. Instead, the cost of the insurance would be spread over all the years of contribution to the social security trust fund, with those who have retired today being immediate beneficiaries of the insurance if and when they need it.

The cost will be light, but the sum would be adequate because it is contributed over many years. The very most that anyone would pay for this protection would be 25 cents a week. That would be for persons whose wage base is $4,800 a year or more. For those who make less, the cost would be less. For instance, for those whose wage base is $2,400 a year, the cost would be half as much as for those who make $4,800.

I support the principle of coverage under the social security system because this country has accepted this means of meeting our individual social needs. We use it now to pay old-age pensions. Why not include old-age health insurance? I see no logical reason for using any other than an established and proven means.

I know that many who oppose using the social security system take this stand because they never did like this principle. They have fought against every advance made in social security. Could it be that some of these persons do not want health insurance for our elderly citizens at all? That they offer a substitute only to obscure or defeat the issue?

The organized groups of doctors are among those who oppose health insurance under the social security system. I do not believe, however, that the organized groups reflect the views of the average doctor. I say this sincerely because I have talked with many of them. I have listened to many doctors as they testified before the Ways and Means Committee. I have read many of their views. And I am thoroughly convinced that the average doctor is convinced that the stand of his association is not good for his profession, but that the social security approach would be good for his profession, and for America.

Some of those persons who oppose the social security approach charge that it would be socialistic. This is a wild phrase and grossly misapplied in this instance. The fact is that the social security means of providing health insurance for retired persons is far from being socialized medicine. There is complete freedom of choice of doctors under this system. Anyone who gets such health insurance can choose any doctor he wishes, including, of course, the family doctor known and trusted for so many years. The rates are not fixed by the Government. They are decided by the doctors themselves through their societies and associations. The doctor assigns persons to a hospital, if he believes that advisable. The doctor decides when a person should leave a hospital, when he should go to a nursing home, if necessary.

Approval of health insurance for elderly persons under the social security system will enhance the medical profession because it will make the public more cognizant of their health problems. They will seek medical advice and medical care where heretofore the lack of

funds and the lack of available facilities have prevented it. I think passage of this bill will be the greatest boon to the free medical profession.

What is more, approval of health insurance for recipients of social security old-age benefits will give the people of America what they demand. I know this is the case not only from the mail that pours into my office from my constituents and people all over the Nation, but because of the answers to a questionnaire that I sent to the people in my district. I sent out 100,000 questionnaires to my constituency. It represents a good cross section of American thinking. Urbanites who have moved to Queens in the population shift that takes place in all large metropolitan centers are in my district. People of low, middle, and high income are in the district. A cross section of ethnic and religious groups, the small home owner, the owner of a large home, the man who pays high taxes and the one who pays an average tax, are all among my constituents.

Of the 100,000, I received returns from 15 percent, and my advertising friends tell me that is remarkably good. Ten percent is high. I asked the 100,000 about the bill that the gentleman from Rhode Island has offered and which I also introduced. I asked not just in general terms. I broke down the features of the bill. And 78 percent, about 4 in every 5, were in favor of the bill unqualifiedly. Only 10 percent were opposed. About 10 percent were undecided.

Mr. Chairman, I am convinced that the Congress must meet a need that all of us admit exists, that we should adopt the most logical, most direct, and most economical means—using the facilities of the social security system—and that we should not delay our action. It is evident that there is powerful opposition to this measure, but I say that those who are blocking the way are not heeding the demands of the people. And therefore I hope that this bill will be amended in the other body, so as to put health care for the aged into the social security system, where it belongs.

Mr. BOLAND. Mr. Chairman, I rise in support of H.R. 12580, the Social Security Amendments Act of 1960, which, among other improvements, will make it possible for the States, under a Federal-State grant-in-aid program, to provide medical care for low income aged persons who are otherwise self-sufficient but whom the States determine need help on medical expenses.

FAVORS SOCIAL SECURITY CONTRIBUTIONS SYSTEM

However, I am convinced that eventually the means of providing adequate health, hospitalization, and surgical benefits for elderly citizens living on small, fixed incomes will have to be met through the framework of the social security tax system. Contributions during years of earnings, matched by employer payroll taxes, would provide an assured method of financing, without placing a burden on Federal, State, or local revenues.

Mr. Chairman, I do not believe that this would lead to socialized medicine. All of the testimony and evidence I have studied in the printed hearings published by Senator McNamara's Subcommittee on Problems of the Aged and Aging clearly and emphatically show that private insurance companies cannot provide low premium policies to meet the medical needs of America's senior citizens of low fixed income. Such a program can be provided only within the framework of the social security contributions system.

NEW YORK TIMES ENDORSED PLAN

The New York Times editorially endorsed such a plan on May 10 when discussing alternate proposals. Said the Times:

> We believe that the arguments for using social security are overwhelming. Governor Rockefeller has done well to say that the administration plan could result in a very serious fiscal situation, very high costs, and cumbersome administration, and to urge that medical care for the aged be an added health feature of the social security system, with those who benefit contributing to their own protection.

Mr. Chairman, my colleagues are fully aware that this is an issue which has generated volumes of mail from the people back home, pleading with their Congressmen and Senators to do something to help resolve the prospects of burdensome hospital and medical costs when illness strikes. I would like to read just two of the hundreds of letters I have received on this subject:

> NORTHAMPTON, MASS., *April 16, 1960.*
> Congressman EDWARD P. BOLAND,
> *Congressional Office Building,*
> *Washington, D.C.*
>
> DEAR CONGRESSMAN BOLAND: Now that you are considering some sort of medical care for the aged I would like to tell you that we both live on the lowest scale of social security payments. It is impossible for us to continue our present Blue Cross and Blue Shield payments much longer.
>
> We believe that we are among the many in our age group (78 years) for whom an illness would be a financial disaster. In this matter as old people, we wonder if a little foreign aid money couldn't be best spent at home.
>
> We hope that you will let us know what your feelings are in this matter and will watch to see how you vote on such a bill.
>
> Sincerely yours,
>
> Mrs. EMILY DONOVAN.
> DANIEL J. DONOVAN.

> SPRINGFIELD, MASS.
> Hon. EDWARD P. BOLAND,
> *Washington, D.C.*
>
> DEAR CONGRESSMAN BOLAND: I am a senior citizen of 68 years old. My husband will be 70 years old in November.
>
> Since he has retired at 65 years old our problems have been getting worse every day. With the high cost of living upon us such as food, fuel, rent, clothing, medicines, and sickness, which we are having a lot of lately, as my husband is in the doctor's care at the present time, we absolutely cannot get along with the amount we receive from the social security checks which is $147 monthly.
>
> Our living expenses are much more than we receive in social security income. We had a small life savings which is all gone now.
>
> So, my dear Congressman, you can easily see that the future is not very bright for us. We have no children to go to for help which makes it more difficult for us. It makes us very unhappy to have to beg, and complain to you and our country for help for the aged and feeble. So, in you we trust that you may succeed in getting help for the poor old people of this country in your official duty.
>
> I hope I have not taken too much of your time in reading about my problems.
>
> Thanking you for your kind attention, I am,
>
> Sincerely,
>
> Mrs. FRED GOYETTE.

ELDERLY DESIRE TO PAY THEIR WAY

Mr. Chairman, many of America's senior citizens unfortunately become indigents at a time in their lives when their earning capacity is nil, and they are trying to live in dignity principally on the benefits of private or social security pension plans. They do not ask anyone to pay their way in retirement. Hundreds of them in my congressional district have told me personally that they worry about the day when they might require hospitalization, the cost of which would wipe out their savings of a lifetime, or put them deeply in debt. The Washington Post editorially expressed the same concern on February 20 in these words:

> Everywhere in its travels around the country, Senator McNamara's Subcommittee on Problems of the Aged and Aging heard anxiety expressed by older citizens as to how they would pay for medical care in their retirement. How can anyone with foresight, old or young, fail to be anxious about this problem? While a man is employed, he can enjoy the protection of some sort of group or private insurance program to cover medical and hospital bills if he becomes ill. The chances are, however, that when he retires he will no longer enjoy such protection; yet this is the time, obviously, when he will need it most—when, indeed, he is certain to need it sooner or later, which is what makes the cost of such private insurance prohibitively high for the aged.
>
> The McNamara subcommittee came to the conclusion that this problem "should have top priority for legislative consideration in 1960" and recommended in its report an expansion of the system of old-age, survivors, and disability insurance to include health service benefits for all persons eligible for OASDI. We think this conclusion is inescapable. The essence of it is embodied in the Forand bill which would cost about $1 billion a year to be financed with one-fourth of 1 percent increase in social security taxes. Like other old-age benefits, this would be paid for by a citizen throughout his wage-earning years, with a matching contribution by his employer. It would relieve retirement of one of the worst of its nightmares.

And, again on March 24, the Washington Post editorially pointed out:

> Old age is the time of life when, generally, income is lowest and potential and actual illness is at its highest. Why should it be called socialistic for Americans to provide for the health hazards of their retirement years by paying insurance premiums through taxation during their wage-earning years? This is not socialism; it is simple commonsense. It is a practical scheme for enabling citizens to face old age with confidence and self-respect—to know that they need not depend upon the charity of doctors and hospitals for whatever medical care they may require. This is no more socialistic than any other form of social security.

Mr. Chairman, the distinguished columnist, Mr. Walter Lippmann, went to the heart of the issue in his article appearing in the Washington Post, on June

16. I would like to read Mr. Lippmann's column to my colleagues:

MEDICAL CARE FOR THE AGED

(By Walter Lippmann)

Almost everyone realizes that a great mass of the old people do not have the savings, and cannot depend upon their children, to pay for the doctors, hospitals, nursing homes, and drugs which, because they are aging, they need more than do younger people.

There are a few eccentrics, professing to be conservatives, who think that in a truly rugged individualism these ailing old people would do without medical care if they can't pay for it, or would make their children mortgage the future to pay the medical bills.

But the country is not that ruggedly obtuse to the facts of life, and accordingly both the administration and the Democratic opposition are agreed that the need, which is obvious and urgent, must be met by Government measures.

Thus, this administration has prepared a program which the Director of the Budget, Mr. Stans, says will cost $1.5 billion by 1964 and $2.5 billion by 1970. For the Democrats, Senator MCNAMARA and some 19 Senators, including KENNEDY, SYMINGTON, and HUMPHREY, have introduced a bill that would add medical insurance to the existing old-age insurance. After the first year, the cost of this program would be $1.5 billion. Thus the two programs are approximately of the same size.

But between the two programs there is a basic issue of principle. On one side are the President and his advisers. On the other side are the preponderant mass of the Democrats and also a considerable minority of the Republicans led by Governor Rockefeller. They differ essentially on how the program shall be financed.

Shall it be financed by compulsory insurance, which means that throughout a person's working life he and his employer will be taxed to provide an insurance fund for his medical needs when he is retired and is no longer earning an income? This is the principle of the McNamara bill in the Senate, as it was of the Forand bill in the House, and it has the support of the leading Democrats and of Governor Rockefeller.

Or shall the program be financed, as the administration proposes, by charitable doles to the very poor, paid for out of compulsory taxes collected by the National and State Governments?

For reasons which he has never explained, the President regards compulsory social security taxes as unsound, socialistic, and rather un-American; on the other hand, he regards compulsory taxes to pay for doles based on a means test as somehow more "voluntary," sounder, more worthy of a free society, and more American.

Under the McNamara bill, medical insurance would be added to the existing old-age insurance system. During his working life, each person covered by the social security system would contribute an additional amount, as would also his employer, to supplement his retirement income to include medical services.

It is true that during the first few years benefits would be received by persons who had not contributed because the system did not exist when they were earning their living. These benefits would be paid for by the younger people. But as the younger people would be buying their own insurance, there is little inequity in this. Nobody will lose anything although those who are already too old to have been contributors to an insurance plan will benefit. In a few years everyone receiving the benefits will have paid his share.

Why does the President feel so strongly opposed to the principle of compulsory insurance for medical care to supplement the insurance, which already exists, for old age? What is wrong about its being compulsory that a man should insure himself against the needs of his old age? What is so wonderful about a voluntary system under which a man who doesn't save for his old age has to have his doctors and his hospital bills paid for by his children or public welfare funds? There is nothing un-American in the principle that the imprudent shall be compelled to save so that they do not become a burden to their families and the local charities, so that they can meet the needs of their old age with the self-respect which comes from being entitled to the benefits because they have paid the cost out of their own earnings.

The President has been led to think, he says, that compulsory insurance is "a very definite step in socialized medicine." Why? In a system of compulsory insurance the Department of Health, Education, and Welfare, which would administer the program, could and should use as its agents private organizations like the National Blue Cross Association in negotiating with hospitals and nursing homes and in dealing with claims and complaints. The system would be financed as insurance. But it would be worked not by a new Government agency but by the kind of private voluntary association which the President otherwise believes in.

In this connection it is interesting to remember that in the early 1930's when voluntary health insurance plans were inaugurated, our old friend, the American Medical Association, was declaring that they were communism and socialism and socialized medicine. Today, the American Medical Association is pointing to these same voluntary insurance plans as the solution of our present need and the proper alternative to compulsory old-age medical care insurance.

Among the opponents of medical insurance there seems to be a vague and uncomfortable feeling that it is a newfangled theory, alien to the American way of life and imported, presumably, from Soviet Russia.

The Founding Fathers were not subject to such theoretical hobgoblins. In 1798 Congress set up the first medical insurance scheme under the U.S. Marine Hospital Service. The scheme was financed by deducting from seamen's wages contributions to pay for their hospital expenses.

If that was "socialized medicine," the generation of the Founding Fathers was blandly unaware of it.

Finally, Mr. Chairman, Business Week has endorsed the principle of medical assistance for the aged with the framework of the social security contributing system. Certainly no one can accuse this highly respected magazine of advocating something socialistic. Let me read you the Business Week article of April 16, entitled "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 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 six 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.

Wo 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.

Mr. METCALF. Mr. Chairman, providing medical and health insurance for our elderly citizens is a must for this session of Congress. We have delayed too long already in facing up to the tragic fact that our elderly citizens have doctor and hospital bills which they cannot meet. We must no longer avoid our responsibility to our retired constituents. I am sorry indeed that the bill we are voting on at present does avoid this responsibility.

We should not try to meet this problem half way. We should not go at it piecemeal. We should go all the way. We should, of course, see that the recipients of social security old-age pensions should get insurance covering hospital and nursing home costs, but we should also cover the 6 million persons 65 and over who are not covered by the social security program. They, too, are in difficult financial straits. They, too, must be considered.

I believe that the quickest, surest, and most economical way to meet the problem is to enact a bill along the lines of the Forand bill with the addition of a program to take care of the elderly outside the social security program. Basically, however, the Forand bill is the answer.

I say this because our social security structure is sound and proven. It is solvent. The money within the fund is in excess of what we are paying out. In fact, we can undertake to put health insurance for our retired people under the system by providing for only a little additional tax.

There is a trend in many sections of the Nation toward the metropolitan centers where there are more jobs and where there is more income. This is understandable, but when these people leave the farming and economically marginal areas, they make the problems of these regions more acute.

Most of those who leave are the young. Those left behind are the elderly. I do not mean that they are all 60 or 65 years of age, but employment drops when the youngest go. Income chances are cut for those who remain. Those who get social security old-age benefits have little or no chance of supplementing their social security checks. They are by no means likely to earn anywhere near the $1,200 allowed to them each year. And so, for the most part, they must subsist on the checks they get from social security.

Let us take an example of one such couple. They are receiving, say, $150 a month in security checks as husband and wife. They probably have their home paid for. I am talking about the average elderly couple. They do not have any savings. They have to get by on their social security check of $150 a month, $150 for husband and wife.

They find that if they stretch the $150, they can buy food, they can buy clothing, they can buy their fuel, they can pay their taxes on their property—but let some sickness come along and they are in dire straits. Suppose the husband or wife is hospitalized for 2 weeks, or a month, or 2 months, and they run up a doctor bill of say $500 or $600, a hospital bill of $300 or $400. That couple will be ruined. They cannot get the money they need out of their social security check of $150 a month. They need that to live on. It is only enough for them to exist.

It is evident that these people can be helped only by a complete program of hospital and medical care. I do not see any other way out. And for the life of me, I cannot understand why the American Medical Association opposes such a program. Recently a doctor in my district told me, "So and so can't afford to pay his bill. I know his situation. He's only getting a social security check of $70 a month; his wife is getting a check of $35 a month. That's only $105 a month. They need that for their food, their fuel, their clothing, their taxes. In fact, I don't understand how they get by. And they owe me a doctor bill for $300. I don't know how I'm going to get it."

I do not think the American Medical Association speaks for all the doctors. I do not think the American Medical Association speaks for all the doctors when it comes out against another proposal—social security for doctors. I find in talking to my doctors that the AMA as such has never taken a poll to find out if doctors want to be included under the social security program. I have talked to doctors, and 9 out of 10 doctors in my district want to come under social security.

Let me say one more thing: The cost of the administration of most of the programs proposed—except for the social security principle plans—would be enormous. A lot of additional taxes would be drained from the people and the people would not be directly benefitted. Most of the money would be lost in the administration of the program.

On the other hand, making health insurance for the elderly a part of the social security system is ideal. The cost of administration would then be minute. In fact, one of the most striking features about the social security program is its low cost of administration. Less of the social security funds are paid for administration than in any other program of our Federal Government. Ninety-nine percent of the money we collect for social security goes to benefit the people, and I think the program of hospital and medical care would work in the same way.

On May 25 I introduced a bill, H.R. 12418, which provided basic health benefits as a matter of right to all persons aged 68 or over. This bill sought to answer the objection to the Forand bill that many people in between the public welfare group and the social security group were not covered.

The Republican proposal, the so-called Medicare program did take care of this middle group but at a high cost to the Federal Government, to the States and to the people affected.

My proposal was founded on the principle of social security but the people who were left out of the Forand bill were included in the coverage and at the same time costs were held down. My bill would have provided for the 9 million persons aged 68 or over who are eligible for old-age survivors and disability insurance monthly benefits, medical and institutional care, or, if they preferred, a $4 increase in their monthly cash payments. The benefits would accrue as a matter of right without a means test. Persons aged 68 or over, not eligible for old-age survivors disability and insurance benefits would receive identical treatment through a parallel program financed out of general revenue.

By adding this latter proposition to the Forand bill we can achieve coverage for all the persons in the retired age group and at the same time utilize tried and tested techniques which we have found to be fiscally responsible.

I am deeply disappointed, therefore, in the proposal before us. I do not think it makes sense. It is an evasion. What we ought to have before us is a Forand-type plan.

We should enact such a program in this session of Congress. I do not know of any greater domestic problem facing the people of the United States, and I hope that before this Congress adjourns, the other body will give us a chance to incorporate in this measure something like the Forand bill, a bill that uses the principle of social security, and I would also hope it would take care of those not under the social security program. This is the best, most practical, most economical answer to a problem of real importance to the Nation.

Mr. HOLLAND. Mr. Chairman, there are many changes in the social security laws contained in this bill which are needed by recipients of social security payments. However, it does not begin to settle the problem of bringing health to those in their elder years who need health and medical care.

The men and women of America who have grown old in their labor to make this country the richest nation in the world are shunted aside and are told by our Government "You must meet the requirements of those who are receiving public assistance before you can secure hospitalization and medical care."

In our State of Pennsylvania at the present time, we are taking care of our indigents by supplying them hospital and medical care, and in some cases, nursing home care. These are individuals who under our constitution have proven they have no other source of income, and are paupers, in order to secure this help.

The State's bills for these services amount to $38,100,000.

In the county in which I live—Allegheny County—we pay out of local taxes $6,582,311 to take care of indigent people. It is estimated that over 70 percent of these patients are 65 years of age and older.

One of the most pitiful sights which has come to my attention is to see an old man over 65 who has lived all his life, paying his own way, being forced to beg for hospital and medical attention. I have had men and women come to me and state they wish the good Lord would take them before they are forced to beg for help.

Some of the letters I have received in connection with the Forand bill, and some of the editorials appearing in the newspapers, spoke about the Forand bill increasing taxes, while at the same time they favored the Federal Government and the State government joining together and paying into the insurance company large payments to cover the aged. The aged are not asking to be paid out of current taxes. They are willing to pay their own way by increasing social security deductions. They do not want to be a burden to the county, or the State or the Nation, or even to their own families. They want to maintain their dignity and pay their own way.

These recipients would have no portability, for if they moved out of the State, they would have to return to Pennsylvania to receive help.

The complicated plan contained in this bill to give hospital and medical care to the aged is unworkable. It would require millions of dollars to administer. When it is compared to the social security proposal under the Forand bill, it is not acceptable to the States—and above all, it is not acceptable to the aged who would resent being investigated and investigated as to their eligibility.

The only economic way that this can be arranged is through the social security system. The social security system of giving medical help and hospitalization to our aged is preferable and has the following advantages: First, simple administration—already basically established; second, collection during years of employment when payment is easy; third, no drain on general tax revenue; fourth, continued coverage even if the recipient moves to another State; and, fifth, preservation of dignity—no means test.

This, Mr. Chairman, is what we want for the aged. I am voting for this bill for the many improvements pertaining to the social security program which it contains. I am also in hopes that the Senate will amend this bill properly and place the medical and hospital care under social security where it belongs.

In mutual aid to foreign countries we appropriate millions of dollars to help better the health of people throughout the world. Let us help our own.

Mr. RHODES of Pennsylvania. Mr. Chairman, while I intend to support this bill to improve the social security program, I am disappointed in the inadequacy of the proposal in meeting the needs of our retired aged and handicapped citizens.

It seems to me that there should have been an increase in social security benefits. This is particularly true of the present $33 minimum, which is unrealistic and shameful.

I was, however, pleased that the proposal which I made for removing the age 50 requirement for disability benefits was approved by the committee and is a part of the present bill.

But I was disappointed that my proposal for lowering the age requirements was not included in the bill. The difficulty of aged persons in finding gainful employment indicates the need for lowering present age requirements from 65 to 62 for men and from 62 to 60 for women.

The approach in the present bill to meeting the needs of health and hospitalization is inadequate and unrealistic. I fear, along with many of my colleagues, that this will lead to a great deal of confusion and do little or nothing in helping our aged citizens to cope with costly medical and hospital services.

Even though the bill is inadequate, I will support the proposal, which we must accept if there is to be any advance in the social security program this year. It leave us little choice—we either vote for an inadequate bill or no bill at all.

It is my hope that the House bill will be improved by the Senate so that when the final decision is made we will have a chance to vote for something better than the proposal now before us.

We cannot, in good conscience, ignore the need for substantial improvements in our social security program. We owe this to the people. If we pass no other major legislation before this Congress adjourns, passage of an adequate and realistic social security bill would be a constructive and real achievement.

Mr. KEOGH. Mr. Chairman, I join in expressing regret that my colleague on the committee and my friend, AIME FORAND, has made a decision to retire. We will miss sorely his advice and counsel on the committee. I know of no one who has had a deeper concern for humane and sound social legislation or who has contributed more to the improvements which have been made over the years in the Social Security Act. We will miss his warm friendship, his wise counsel, and his great contributions to the work of the committee.

Mr. ZABLOCKI. Mr. Chairman, I wish to join with my colleagues in extending my sincere congratulations and commendation to our distinguished friend from Rhode Island [Mr. FORAND] for his untiring efforts in support of legislation to promote the welfare and to solve the health problem of our people, and particularly of our elder citizens.

In introducing the Forand bill to provide medical care insurance under the social security system, and in championing other constructive measures, our distinguished colleague from Rhode Island has won a special place in the hearts of the American people.

We receive his decision to retire upon the completion of the work of this Congress with deep regret. His experience, his sage advice, and his leadership in social welfare legislation will be missed in these Halls. I want to take this opportunity, however, to extend to him my best wishes for a happy, restful retirement in the circle of his family and of his many friends.

Mr. Chairman, I want to add that I was honored when the gentleman from Rhode Island invited me in 1957 to join him in sponsoring legislation to provide medical care insurance on a prepayment, funded basis for our older citizens. I became a cosponsor of the Forand bill, and I had hoped that it would be reported to the full House for consideration and a vote. The medical care provisions of the bill before us, containing the Social Security Act amendments of 1960, fall considerably short of the proposal outlined in H.R. 4700. I will, however, support this legislation for two reasons: First, because the medical care needs of our older citizens are pressing, and we must make a start somewhere and in some way in meeting those needs; and, secondly, because I have hope that the House conferees, led by the able chairman of the committee, Mr. MILLS, and with the assistance of Mr. FORAND, guided by the expressions made here today, will bring back to the House a more effective program for helping our elder citizens to secure needed and adequate medical care.

I know that my good friend from Rhode Island [Mr. FORAND] and many of my colleagues will support this position. To me, there is little alternative in view of the facts which confront us.

It is a fact, for instance, that 80 percent of our 16 million citizens over 65 years of age have incomes of $2,000 or less and cannot afford adequate medical care.

It is a further fact that the majority of our elder citizens are not covered by any type of hospitalization or medical care insurance.

It is a still further fact that the cost of medical care has continued to rise at a sharp rate, and that our older citizens—spending, on the average, twice as much per year for medical care as the average spent for this purpose by our population as a whole—cannot look forward to meeting their needs in this area through their own effort.

Because of these facts, I feel that we must continue to seek a comprehensive and effective solution to this problem, beyond the very limited provisions in the bill before us. I intend to continue to work to this goal. It is my hope that this Congress will enact legislation which will meet the needs of the aged. Such legislation would be a lasting tribute to the efforts of our beloved colleague from Rhode Island [Mr. FORAND].

Mr. VANIK. Mr. Chairman, although I am completely dissatisfied with the inadequacies of H.R. 12580, as reported by the Ways and Means Committee, I will support this legislation, because it appears to be the only opportunity this year to provide medical care for the aged and to improve the social security laws by removing the age 50 eligibility requirement for disabled insured workers and their dependents and to provide an increase in children's benefits.

The provisions made in this legislation to provide for a Federal-State

grant-in-aid program to help the States assist low-income aged individuals who need assistance in meeting their medical expenses is certainly desirable for those who can qualify. However, we face a critical problem in the widening gap between medical services and care available to the indigent as distinguished from the low income or near indigent.

This widening gap destroys highly desirable incentives for low-income families to try to "go it alone" on their low incomes. Thousands of these families in my community, unable to qualify under public programs which provide health and medical care, struggle along without necessary services to the detriment of family and community health.

The only sound approach to this problem can be found in the principles of the Forand bill which would make it possible for the average worker to provide medical and health care for his family during his working years as a matter of earned right. Thus the payment of premiums during the period of good health would build up a reserve to cover such medical and hospital care as he and his family may need in later years when income is reduced or completely eliminated in retirement.

In observing thousands of families in my community, who live on social security and other pensions, I am constantly impressed by how well they get along, even receiving a partial social security payment. If these families own their own modest homes the pension program usually produces enough income to permit these families to continue living in the family homestead without outside help either from the family or any public agency. However, when critical and extended and prolonged illness, particularly the illnesses of old age, involve one of the members of these families, the entire family unit is plunged into a hopeless catastrophic financial dilemma from which there is no chance of survivorship. These are provident working people who have contributed to the growth and to the strength of America and who cannot under any circumstances meet the tremendous medical burdens that are imposed by the diseases of old age. These people must not be cast upon a social trash heap or be permitted to die prematurely for lack of decent medical care.

It is of these families we must also think in terms of this legislation. It is my hope that this shortcoming in the House legislation can be corrected in conference, so that this positive and necessary step forward in social security can be accomplished in this session.

Mr. SANTANGELO. Mr. Chairman, I support H.R. 12580, the Social Security Amendments of 1960, which is designed to extend and improve the coverage under the Federal old-age, survivors, and diability insurance system and to remove hardships and inequities, and for other purposes. I support this bill because on balance it removes inequities in our social security system, but I am sorely disappointed in what the Committee on Ways and Means has submitted to the Congress without opportunities to amend the bill and to improve its provisions.

This bill provides for a program of medical care for the aged and establishes a new title of the Social Security Act, title 16, which would initiate a new Federal-State grants-in-aid program to help the States low-income aged individuals who need assistance in meeting their medical expenses. This proposal is not the Forand bill, which 16 million aged persons were looking forward to with anxiety and with anticipation. The bill known as the Forand bill, H.R. 4700, and which I cosponsored, was in essence rejected by the committee. The rejection of the Forand bill is a sad blow to all of us who were seeking an effective program upon trustworthy machinery, the social security trust fund. The failure to pass the Forand bill is a disappointment to me. The medical care program which the committee submitted for consideration provides for a Federal-State program and is completely optional with the States, with each State determining the extent and character of its own program, including standards of eligibility and scope of benefits. The State sets forth the eligibility requirements, and those persons 65 years of age and over whose income and resources—taking into account their other living requirements as determined by a State—are insufficient to meet the cost of their medical services, will be eligible under the program. Persons on public assistance will not be eligible under the provisions of the instant bill.

The scope of medical benefits and services provided for will be determined by the States. The Federal Government will participate by matching funds with the State in accordance with a formula which runs along the lines of Federal contributions to States for the administration of public welfare. The States may provide institutional and noninstitutional services. The services which the State program must provide if it is to meet the Federal standards will provide 10 major items: First, inpatient hospital services up to 120 days per year; second, skilled nursing-home services; third, physicians' services; fourth, outpatient hospital services; fifth, organized home care services; sixth, private duty nursing services; seventh, therapeutic services; eighth, major dental treatment; ninth, laboratory and X-ray services up to $200 per year; and, tenth, prescribed drugs up to $200 per year.

Experience discloses that in the administration of the old-age assistance program as opposed to the old-age and survivors insurance program, 15 States have failed and neglected to set up programs for medical assistance for the aged people on public welfare. In those programs, the Federal Government provides most of the moneys with little contribution from the States, and yet 15 States have failed to make any provisions for the granting of medical services to the aged people receiving public assistance. If 15 States refuse to contribute at least 10 percent of the funds for providing medical care for those receiving public assistance, is it reasonable to expect that these 15 States will provide 50 percent of the cost for senior citizens who are not on public assistance and who cannot afford to pay for their medical care?

This bill improves upon the 1958 amendments as to persons who are disabled and who cannot pursue any gainful occupation. This bill eliminates the age requirement which was fixed at 50 years and provides that if a person of whatever age has the necessary period of employment, he may receive benefits if he is permanently disabled and cannot work at any gainful occupation. This bill also reduces for some people the number of quarters to become eligible for benefits. This bill extends coverage to self-employed doctors and interns, certain domestic help and certain State and local government employees. This bill increases the benefit provisions for children of widows who are entitled to benefits under the social security system.

This bill provides also that a disabled worker who regains his ability to work and then within 5 years again becomes disabled will not be required to wait through a second 6-month waiting period before his benefits will be resumed as is now required by law. This bill also provides that survivors of workers who died before 1940 and who had at least six quarters of coverage would qualify for benefit payments.

I have been disappointed in the medical care program and benefits which this bill provides for. The effectiveness of this program will depend upon the State governments availing themselves of the opportunity. In my opinion, this program is a mirage and vanishes when we seek to reach it. I trust that the States will take the opportunities provided for, but in view of past history, I doubt very much that State governments will embark upon this humane program.

I have been disappointed in two other major respects. These are defects of omission and failure to act rather than defects of commission. I am disappointed that the committee did not recommend an increase in the permissible earnings which a retired worker may earn before losing retirement benefits. The law at present provides that retired workers may not earn in excess of $1,200 per year. If they do earn in excess of $1,200 per year, they lose a proportionate part of their pension benefits. If they earn in excess of $2,400, retired workers lose entirely their pension benefits. Experience has disclosed that with the high cost of living, pensioners must supplement their pension benefits by obtaining employment. Many of them earn in excess of $1,200 per year and are penalized by reason of their diligence which has brought to them gross earnings in excess of $1,200. It is my hope that the committee would raise the limitation to at least $1,800 per year or to any other reasonable figure. This the committee failed to do.

I was also sorely disappointed in the failure of the Committee on Ways and Means to correct an inequity affecting thousands of service workers, such as waiters, beauticians, taxicab drivers, porters, pin boys, maritime service employees, who depend upon tips as part of their wages. Under the present law,

tips which these service workers receive are not included in the computation of social security benefits, notwithstanding the fact that these tips are included for purposes of income tax. It is unfair that the tips should be subjected to taxes and yet not be included in the basis for determining pension benefits. The Committee on Ways and Means rejected the provisions of my bill which would have provided for contributions on tips by the employee as well as the employer. The committee also rejected to grant service employees to pay on their tips on a voluntary basis without joint contribution by the employer. This failure on the part of the committee has not only disappointed me, but millions of persons throughout the United States. I shall continue my efforts to correct this inequity in future congressional sessions provided I have the opportunity of representing my district.

I wish to commend several members of the Committee on Ways and Means, especially my colleague, Mr. EUGENE J. KEOGH, in his support to include a provision to cover service workers with respect to their tips as part of wages in the computation of social security benefits. I also commend Mr. AIME J. FORAND, the Representative from Rhode Island, who is retiring at the end of this session and whose bill has brought to the attention of the Nation the crying need for a solution of the problem concerning medical care for the aged of our country.

I, therefore, am voting for this bill and trust that it will pass with an outside hope that the Senate in conference with the House Members will embody those features which are lacking and will improve upon those features which attempt to solve the program, but which, in my opinion, do not adequately do so.

Mr. REUSS. Mr. Chairman, of all the civilized democracies under the sun, we are the only one that has failed to act publicly on a national basis to meet the problem of health care for the aged. Yet, America's senior citizens are no less subject to the ills the flesh is heir to than are older persons elsewhere in the world. The medical and hospital needs of people over 65 are several times greater than those of the average American. And retired people, living on social security or other pensions, are less able than at any time in their adult lives to pay even modest hospital or doctor bills.

What is often overlooked is that an adequate system of health care for the elderly, financed under the social security system by the contributions of workers and employers, would benefit many people other than the direct recipients of such assistance.

If my mail received in Washington is an indication—and I am sure that it is—the great majority of Milwaukeeans recognize the serious financial difficulties which confront retired persons in time of illness, and favor the establishment of a national program to underwrite basic health care costs. The signs point clearly to the wisdom of using our social security system as the foundation for assuring adequate health care for our senior citizens in a dignified way. We now have 25 years of experience with the social security system, and although it has inadequacies and imperfections, the system works.

I hope the parliamentary course of H.R. 12580 will permit amendments so as to set up the kind of health program for the aged that this country needs.

Mr. RABAUT. Mr. Chairman, I join in the remarks which my good friend, the Honorable AIME FORAND, has made on the floor today in connection with medical care for aged individuals. I have expressed to him personally that he should enlarge upon his remarks under his request to extend them. He should make known the attitude of certain groups toward this humane and beneficial legislation.

At this point, I would like to express my deep regret that he is leaving us. His absence from this body will be a major loss to many of his colleagues, to his congressional district, to his fine State of Rhode Island, and the Nation as a whole. He has been an inspiration to me. He is not only humble and sincere but has a great devotion for his fellow man. And, although he is retiring from public service, I am sure that in his retirement his efforts to assist others in need will continue.

Mrs. DWYER. Mr. Chairman, I support the pending legislation because I believe it makes an important contribution toward updating and improving our social security system and permitting that system to be as useful and helpful as possible to the elderly, the retired, the disabled and the dependent.

The economic and social circumstances which affect the lives of our people are constantly changing. It is essential that Congress keep up with these changes, understand the way in which they affect the people concerned, and act accordingly so that social security laws and regulations reflect these changes and are adapted to the real needs of real people.

To a great extent, the present bill does this:

By removing the age 50 eligibility requirement of the disability insurance program, we shall bring badly needed help to an estimated 250,000 insured workers and their dependents who—despite their disability—have not been allowed to qualify for the benefits they need and deserve.

By providing a 12-month period during which benefits are continued for all disabled workers who attempt to return to work, we shall strengthen the rehabilitation features of the disability program and encourage, rather than discourage, workers to overcome their handicaps and resume their places as constructive and productive forces in our national life.

By eliminating the 6-month waiting period for disabled workers who have returned to work and then become disabled again, we shall ease these workers over a particularly trying time when they need help the most.

By liberalizing the insured status requirement, about 600,000 persons will be eligible for minimum social security benefits immediately, and ultimately about 1.4 million will be eligible who would not otherwise have qualified. This liberalization will help especially the older workers who come under the program in the later years of their working lives.

A number of amendments will remove inequities in the present law which have worked to the disadvantage of widows, especially those over 75, and the children and other survivors of insured workers.

The bill will also extend coverage, and protection, to about 300,000 additional people who do not now participate in the Social Security System, including self-employed doctors and domestic workers, thereby making it possible for them to provide necessary survivorship and disability protection for themselves and their families.

In a related field, the bill would provide the authorization for increased appropriations in the important maternal and child welfare programs, including services for crippled children.

The legislation also would improve the existing Federal-State program of employment security by, among other things, building up the fund from which advances to States are made when their reserves have been depleted in times of heavy unemployment. This will further strengthen the whole unemployment compensation program.

In the vital field of medical care, the legislation is designed to encourage States to make improvements in their medical payment programs for old age assistance recipients.

Of all the changes and improvements made by this bill, unquestionably the most important and controversial is the proposed new program of medical services for the aged. The committee has recommended a voluntary program, similar in many respects to the kind of program envisaged in legislation I introduced earlier this year. Ten million persons over 65 with relatively low incomes would qualify for assistance in the event they incur extensive medical expenses. This program would be voluntary, with Federal and State Governments sharing the cost under an equalization formula in which the Federal share would range from 50 to 65 percent. The medical services which would be included in the program are especially designed for older persons. An estimated 1½ million people over 65 each year require the kind of medical services specified in the bill.

The committee's recommendation of such a program, Mr. Speaker, marks a major step ahead in helping older people meet the often catastrophic impact of serious illness. The problem is universally acknowledged to be one of the most serious which our country faces. The controversy exists only in relation to the best means to meet the need.

Proponents of the plan to make medical care for the elderly an integral part of the social security system will not be satisfied by the committee recommendation. Yet, the House must either accept or reject this program, at this time, as it is. Whatever may be one's views about the Forand bill, the present proposal is a constructive and forward-looking one. For this reason, I support it.

Mr. DONOHUE. Mr. Chairman, unfortunately it is quite evident there is much fear and distressing doubt, in the minds of a goodly number of Mem-

bers here that this proposal, H.R. 12580, the Social Security Amendments of 1960, is as reasonable and realistically responsive as it could and should be, to the needs and the desires of the great majority of American citizens. Under such circumstances we are, unhappily, because of the closed rule under which we are operating, permitted to vote only for or against the whole bill, without modifications.

Being restricted, then, to these two choices, I intend to support the bill because it does provide an extension and expansion of a limited number of benefits to those people whose needs are most urgent.

For instance, the bill removes the age 50 eligibility requirement for disability benefits; it liberalizes the eligibility requirements of old age, survivors and disability benefits; it makes certain improvements in the social security benefit protection for children and extends benefit eligibility to more widows; it effectuates certain improvements in the administrative financing and solvency provisions of the unemployment compensation system, as well as extending its coverage; it extends coverage to groups that were not before included. All these improvements are good and they have already been carefully and thoroughly explained by the distinguished chairman of the House Ways and Means Committee.

Unfortunately, the committee has not seen fit to recommend other advances and improvements which a great many of us have been advocating with the earnest hope that they would be included in this measure. Chief among these would be provisions to reduce the retirement age, especially for women, and particularly for widows; to increase the minimum benefits in accord with rising living costs; and realistically raise the outmoded and outdated basic income limitations.

Of course, the major fears and doubts about the substantial worth of this measure are concentrated on the most controversial new title XVI, which would initiate a new Federal-State grants-in-aid program to help the States assist low-income aged individuals who need help to meet their medical expenses. In my own opinion this title, and its provisions, fall far short of adequately and equitably assisting our older citizens in the desperate financial distress they tragically encounter from the ills and the sicknesses so common in the later stages of life.

It is my earnest hope, that after this measure is considered, and probably changed, in the Senate, we may yet have the opportunity to repair and strengthen this title so that a far more equitable and effective program of medical service and hospitalization treatment assistance may be granted to the millions of aged Americans so desperately and despairingly in need of it.

Mr. GALLAGHER. Mr. Chairman, as we have taken up H.R. 12580, Social Security Admendments of 1960, it is apparent that the need for a liberal medical care for the aged bill is clearly and strongly supported by factual statistics that highlight the plight of so many of the country's senior citizens.

I vote for this bill despite the fact that I do not feel the provisions of the bill go far enough in attempting to give relief and a feeling of security to elderly citizens. Defeat of this proposal would kill off any chance of a medical care bill being enacted this year. I am hopeful that the Senate will amend and liberalize the provisions.

The following statistics highlight and emphasize the seriousness of the problem and the need for a more adequate program:

Persons over 65 have two to three times as much chronic illnesses as the remainder of the population.

The average hospital patient over 65 stays 15 days, twice the national average for all age groups.

The cost of medical care has increased 49 percent, since 1947. Hospital costs are up 300 percent since before World War II.

Four out of every five persons over 65 are not employed.

Half of those over 65 have incomes of less than $1,000 per year.

Only 40 percent of persons over 65 carry some form of commercial health insurance as compared to the national average of 70 percent.

We have come to a critical juncture in this tremendously important matter, either this Congress is going to provide necessary assistance to our senior citizens, who certainly have earned the right to such aid, or we are going to ignore the plight of the elderly.

I introduced a bill early in the year to amend the social security laws to make health benefits part of the social security system.

Mr. CARNAHAN. Mr. Chairman, the Social Security Act is of importance to millions of Americans today. It is for this reason that I am highly gratified that the Committee on Ways and Means has spent these past several months giving close study to many proposed amendments aimed at improving and strengthening this act. While this bill may not incorporate some of the features many of us might have liked to have seen presented to the House, it does recognize the fact that laws dealing with social security need almost constant attention in order to determine whether or not in these changing times the law meets the basic needs for which it was originally designed. I believe that there are some good proposals in this bill.

However, I am frank to admit, Mr. Chairman, that I was disappointed to have the committee fail to report favorably the Forand bill which would have placed the problem of medical assistance for the aged under our social security system. I wish to put myself on record as still favoring such an approach to this most pressing problem.

One significant amendment to the present law is the removing of the requirement that disabled workers must be at least 50 years old to receive benefits. This would be removed and although the present strict definition of eligibility would remain it does liberalize the law with respect to disability eligibility.

I for one am tired of having the threadbare cliche of "socialized medicine" thrown into the picture every time the problem of America's senior citizens and their medical problems are discussed. I seem to recall that something of the same bogeyman was thrown up as a diversion way back in the days when the first social security law was enacted. The Washington Post in an editorial of February 20, 1960, rather effectively demolished this alarm cry of socialized medicine when it says in part:

> That the American Medical Association would offer its usual doctrinaire opposition to this proposal was as much to be expected as a bill from a doctor after a visit to his office. Senator McNamara has observed that the American Medical Association had nothing to offer but tired abuse. This is not, by the wildest flight of the most neurotic fancy, socialized medicine or political medicine. It is simply a system, if the AMA could but calm its nerves long enough to realize it, which like Blue Cross or Group Hospitalization or any other insurance program, would enable a patient to go to the doctor and the hospital of his choice and pay the bills resulting from the care he needs in old age. It would help doctors, hospitals and medicine in general. And it would enable American men and women to retire in their old age with more security and self-respect.

There are other reasons why I favor the placing of this program within the framework of the Social Security Act. By placing this program under social security most older persons would benefit and could be assured of hospital care, additional skilled nursing care, and surgical benefits. Around 13 million men and women would get lifetime protection—all of those eligible for old-age benefits under social security. By placing this program under social security it would mean that old people not entitled to old-age benefits would be helped indirectly if they turn to public assistance for, since smaller numbers would be forced to seek such aid, each one could be given more adequate assistance from the limited funds available to existing welfare agencies.

By placing this program under social security young workers would gain, since their aging parents would be protected at once and they and their families would have similar protection on retirement or if the wage earner dies leaving young children. The most any employed person would have to pay in the early years would be a dollar a month or 23 cents a week—one-fourth percent of earnings up to $4,800. For farmers and other self-employed people, the maximum contribution would be 35 cents a week.

Mr. Chairman, few persons over 65 have now nor can they afford good health insurance protection through any other means than within the framework of the social security setup. According to Government published figures only about two out of five have any such protection now and much of that is inadequate, can be canceled, has lifetime ceilings and is very costly. The best-known policies cost from $6.50 to $8.50 a month per person and pay only part,

perhaps not even half, of hospital costs for up to only 31 days.

It is my firm contention that by approaching this problem of medical aid for the aged from the angle of our social security setup, we would actually strengthen our welfare agencies, hospitals and Blue Cross. Such an approach would relieve these agencies of the high-cost load of the aged. Many hospitals today have large and growing deficits. Blue Cross keeps raising rates partly because it includes retired people without charging them more than the community rate. As a result, Blue Cross is increasingly threatened by competition from commercial companies selling such insurance. Public welfare agencies now spend $300 million a year for health care for the aged. In many communities a large part of the old-age assistance costs are for medical care, which is an ever-growing burden. A dependable system of financing health costs for the aged, such as would be provided through the social security system, would help these community agencies to improve and extend their services. High quality, skilled nursing homes would be assured of revenues. A speedy return to independence and home care could be stressed.

Now the costs of all this would be very moderate. According to the Secretary of Health, Education, and Welfare the cost would be only about $1 billion the first year and these new benefits can be financed on a sound basis through the social security payroll tax and without endangering present cash benefits. The Secretary of Health, Education, and Welfare estimates that the long-range cost of such a program under social security would be only about four-fifths of 1 percent of taxable payrolls. Therefore, it seems to me, Mr. Chairman, that insurance through the social security system is the best insurance buy available.

When over 10 million Americans—and the estimate runs as high as 16 million oldsters—stand in need of big medicine, it is no time to come up with an aspirin tablet. To use the standing joke of the veteran of the past war, an APC—all purpose capsule—is not the solution to specific and pressing medical needs for these elderly citizens and we of the Congress should not hold this out to these people.

While I shall vote to enact the provision in H.R. 12580 concerning medical care for the aged, I must state that I am not at all satisfied with it. This dissatisfaction points up sharp differences now existing in the approach to the health problems our senior citizens are facing. This proposal in H.R. 12580 would leave the elderly liable to heavy outlays. Also, instead of being operated by one agency as would be the case under social security, this plan would be either operated by those of the 50 States which adopted it, or by commercial insurance companies which the States paid to do the job. Not only would such an administrative program be expensive and relatively inefficient, but the plan would require adoption by the individual State legislatures, and many feel that there would be heavy pressure from various quarters against such adoption. It is further recognized that many States are already in critical financial condition and would be extremely hard put to pay their share of the program. In addition, this program under consideration by us here today is designed to cover only about one-half million to one million persons—leaving ignored the millions who need such insurance and who would be eligible under social security arrangements. Let us hope, Mr. Chairman, that the Senate will see fit to incorporate into its consideration of this bill the social security approach to this matter.

I support the other amendments to the Social Security Act and believe these changes are in the direction of liberalization and that in spite of the limitations I have discussed the bill deserves support.

COMMENDATION OF CHAIRMAN MILLS, HOUSE WAYS AND MEANS COMMITTEE

Mr. DERWINSKI. Mr. Chairman, the purpose in my remarks this afternoon on the subject of the 1960 social security bill is not to reiterate the words that were uttered by many Members during the discussion of the legislation, but I feel that it is proper to pay tribute to the distinguished chairman of the Ways and Means Committee, the Honorable WILBUR D. MILLS, whose dedication to the soundness of the social security system protects the citizens of this country from the irresponsible measures advocated each election year, which if enacted would bring actuarial ruin to the social security fund.

Mr. Speaker, I especially wish to commend the chairman and the members of his committee on the soundness of the provision which eliminated the disability benefit provision to disabled insured workers 50 and over, since statistics show us that wage earners under 50 who are disabled very often have families in need, and actually are more in need of this legislation than only those who had been previously covered.

And surely, the provision for medical care for older folks in need is a practical approach to a problem designed to assist those needing this protection without impairing, as I indicated earlier, the basic strength of the social security fund. All of us recognize the responsibility of our society to provide for people truly in need, but we must resist the attempts of the socialistically inclined Members who would force compulsory Government regimentation upon our medical profession and our citizens, to the detriment of all concerned.

Mr. Chairman, may I repeat that Chairman MILLS is entitled to our respect and admiration for his constant interest in maintaining the fiscal integrity of the Federal Government.

Also, I would be remiss at this point if I did not remind one and all of our obligation to point out to the citizens we represent that you never get something for nothing from Government.

Mr. MILLS. We have no further requests for time.

Mr. MASON. I have no further requests for time.

The CHAIRMAN. Under the rule the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments offered by direction of the Committee on Ways and Means. Are there any committee amendments?

Mr. MILLS. Mr. Chairman, there are no committee amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ZABLOCKI, 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. 12580—to extend and improve coverage under the Federal Old-Age, Survivors, and Disability Insurance System and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such act; and for other purposes, pursuant to House Resolution 562, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

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

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

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that if a rollcall is asked for on a motion to recommit or on the passage of this bill, that it be postponed until tomorrow.

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

Mr. MASON. Mr. Speaker, reserving the right to object, may I inquire if we can make a motion to recommit tomorrow?

The SPEAKER. Yes.

Mr. MASON. Then, I have no objection to it going over until tomorrow.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, my request was "if." Mr. Speaker, I think under the unanimous-consent request, the gentleman ought to offer his motion to recommit now.

The SPEAKER. The gentleman may.

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

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MASON. I am, Mr. Speaker.

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

The Clerk read as follows:

Mr. MASON moves to recommit the bill H.R. 12580 to the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I move the previous question.

The previous question was ordered.

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

The motion to recommit was rejected.

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

Mr. BYRNES of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. Under the unanimous-consent agreement, the rollcall will go over until tomorrow.

AUTHORIZING AN EXCHANGE OF LANDS BETWEEN THE UNITED STATES AND THE MASSACHUSETTS PORT AUTHORITY

Mr. VINSON submitted a conference report and statement on the bill (H.R. 5888) to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Mass., in exchange for certain other lands.

HUMANE SLAUGHTER OF LIVESTOCK

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12705) to delay for 60 days in limited cases the applicability of certain provisions of law relating to humane slaughter of livestock.

The Clerk read the title of the bill.

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

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, the matter has been cleared with me. As I understand, it is simply a 60-day extension of the time within which the processors may get the machinery with which to comply with the law that was recently passed.

Mr. JENNINGS. That is correct, I will say to the gentleman, except it is applicable only to those processors and packers who have heretofore made application and through no fault of their own the equipment has not been delivered.

Mr. HALLECK. I withdraw my reservation of objection, Mr. Speaker.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the first sentence of section 3 of the Act entitled "An Act to establish the use of humane methods of slaughter of livestock as a policy of the United States, and for other purposes", approved August 27, 1958 (7 U.S.C. 1903), during the period from June 30, 1960, to August 30, 1960, any agency or instrumentality of the United States may contract for or procure livestock products produced or processed by a slaughterer or processor which slaughters or handles for slaughter livestock by methods other than those designated and approved by the Secretary of Agriculture if such slaughterer or processor has contracted for the purchase of the equipment necessary to enable him to adopt such methods but such equipment has not been delivered to him. The last sentence of such section shall not apply in the case of such a slaughterer or processor until August 30, 1960.

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

EXTENSION OF REMARKS

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that I may revise and extend the remarks I made in Committee of the Whole on the retirement of our colleague, the gentleman from Rhode Island [Mr. FORAND], and that all Members may be permitted to extend their remarks at that point in the RECORD.

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

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

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

There was no objection.

SUBCOMMITTEE ON INDIAN AFFAIRS

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs be allowed to sit tomorrow during general debate.

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

There was no objection.

CALL OF THE HOUSE

Mr. ARENDS. 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. 141]

Alford	Fisher	Mumma
Bailey	Frazier	Powell
Barden	Gavin	Saylor
Blitch	Hess	Schneebeli
Buckley	Jackson	Smith, Miss.
Burdick	Kearns	Smith, Va.
Diggs	King, Calif.	Steed
Durham	Lafore	Taylor
Edmondson	McSween	Zelenko
Evins	Milliken	
Fenton	Morris, Okla.	

The SPEAKER. On this rollcall 400 Members have answered to their names, a quorum.

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

COMMITTEE ON EDUCATION AND LABOR

Mr. WIER. Mr. Speaker, due to the 10 o'clock meeting of the House tomorrow morning and a regular meeting of the Committee on Education and Labor, I ask unanimous consent that the Committee on Education and Labor may have permission to sit during general debate tomorrow.

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

There was no objection.

PUBLIC WORKS COMMITTEE

Mr. FALLON. Mr. Speaker, I ask unanimous consent that the Public Works Committee may have permission to sit in executive session tomorrow during general debate.

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

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit tomorrow during general debate in the House.

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

There was no objection.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. BURLESON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have permission to sit during general debate tomorrow.

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

There was no objection.

COMMITTEE ON AGRICULTURE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have permission to sit during general debate tomorrow.

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

There was no objection.

FARM SURPLUS REDUCTION 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 further consideration of the bill (H.R. 12261) to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the further consideration of the bill H.R. 12261, with Mr. IKARD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 101, ending in line 24, page 2 of the bill.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: Page 2, line 1, after the words "of producers", strike out the balance of line 1; and on page 2, line 2, strike out "of wheat" and insert in lieu thereof the words "eligible to vote under subtitle A of this title."

Mr. QUIE. Mr. Chairman, the amendment which I am offering will enable all producers who would be subject to quota under subtitle A to vote in the referendum on whether they desire to be under subtitle A or subtitle B. The effect of this amendment would allow about 70 percent of the wheat farmers to vote who are not allowed to vote under the present wording of the bill.

According to the present wording of the bill all farmers who would be subject to quotas under subtitle A could vote on whether they wanted to be under the quotas if subtitle A won in the first referendum, but only 30 percent of the wheat farmers would have the right to vote in deciding whether they wanted subtitle A or B.

Mr. Chairman, in all fairness every wheat farmer who would be subject to the control imposed under subtitle A ought to have the right to vote. Out of fairness I cannot see how we could deny him that right to vote.

Previous to this time we only allowed the farmers who were subject to quotas to vote.

Previous to this bill, under the present law, anyone who produced more than 15 acres is subject to the quota and therefore could vote, while those who produced less than 15 acres had a choice of coming under or staying out. So, we never gave them a right to vote. Now, if we are going to be consistent with the past, I think that every wheat farmer who would be subject under this bill should have his franchise. This is a very simple amendment, and for that reason I will not take any longer time to explain it, since I think you all understand it.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Under the present law, the farmers who have an allotment and who are growing less than 15 acres can still vote and vote in this referendum already without your amendment.

Mr. QUIE. If a person raised less than 15 acres and stayed within the allotment, he could.

Mr. LEVERING. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Minnesota [Mr. QUIE], my colleague on the committee. In fact, I have an amendment at the desk to accomplish the identical objective sought by the gentleman's amendment—that of giving a majority rather than a minority of the wheat growers of the Nation the right to decide by vote in a referendum which of the alternative plans provided in the bill shall be adopted.

Mr. Chairman, the existing provision in the bill to which the amendment is directed, in my opinion, discriminates against thousands of small farmers in my district. Because I believe they should have the right to be heard on matters that affect their interests, I shall vote for the amendment.

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the amendment.

In reply to my inquiry, the gentleman from Minnesota stated that under the present law, people who have allotments and who stay within those allotments, although it is under 15 acres, can vote, and they would be able to vote in this referendum. Under this 15-acre allotment, the 15-acre grower was given a bonus, so to speak. While we have a very severe control program for the production of wheat, and impose those controls on the people who have reduced their production of wheat, who were depending on wheat for their livelihood, we were permitting anybody who wanted to grow 15 acres to have that minimum without complying with anything, and in addition, they were getting the benefit of the support.

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

Mr. JONES of Missouri. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Did I understand the gentleman to say that under the present law as it now exists the farmer who has an allotment of less than 15 acres is permitted to vote?

Mr. JONES of Missouri. If he has an allotment and stays within the allotment, he is eligible to vote. The gentleman from Minnesota just confirmed that a minute ago.

Mr. BELCHER. Anybody that has less than 15 acres is not permitted to vote?

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

Mr. JONES of Missouri. I yield to the gentleman from Minnesota.

Mr. QUIE. Coming back and checking with the committee clerk, I find that my statement was not correct. Those under 15 acres would not have the right to vote.

Mr. JONES of Missouri. I was just depending on the answer the gentleman gave.

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

Mr. JONES of Missouri. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The present law is that anyone subject to marketing quotas and marketing penalties is permitted to vote. If your allotment is less than 15 acres, you are not subject to marketing penalties. If you plant less than 15 acres, you are not subject to marketing penalties. The right to vote is based upon the penalty angle. We could not penalize a farmer without giving him the right to vote, and that is the very basis of the privilege. Now, the theory of this bill and the soundness of this bill is based on the fact that those who are subject to marketing penalties cast the first vote, and then they make it possible for those under 15 acres to subject themselves to marketing penalties, after which time they have the right to vote. The procedure in this bill is sound; it is consistent with the practice that has been in effect ever since the allotment program started, the marketing program started. That is the basis, as I see it, for the legislation as it exists, and it is a sound basis.

Mr. JONES of Missouri. I thank the gentleman from Oklahoma for explaining that. We have gone into this in committee, and as I was saying a minute ago, what we have done with the 15-acre grower, he has been getting a bonus, and what we have tried to do is to give an opportunity to the wheat producers to determine whether they want to accept the Farm Bureau plan without any limitation and with low-support prices or whether they want to have a strict limitation which would bring the supply in line with the anticipated demand and give an adequate or at least a higher price support than they now have and which they would have under the Farm Bureau plan. So there is nothing wrong with the bill as it is written and I think for that reason the amendment should be defeated.

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

Mr. JONES of Missouri. I yield.

Mr. QUIE. At the present time it is recognized that those who are subject to marketing penalties have the right to vote, and only if a person certifies that he will produce more than 15 acres will he be under marketing penalties. Under this bill, under subtitle A, all wheat farmers would be subject to marketing penalties no matter what, because all would have a quota, which would be the highest of his acres planted to wheat in the last 3 years, if he was under 15 acres. So under subtitle A of this bill all wheat farmers would be subject to marketing penalties where now only those over 15 acres are subjected. If we are going to continue under the present theory of letting all who are subject to marketing penalties vote we ought to allow all these farmers to vote.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. JONES] has expired.

Mr. ALBERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in answer to the statement made by the gentleman from Minnesota [Mr. QUIE] with respect to giving those having allotments of less than 15 acres a vote in the first referendum, may I point out that if program A is adopted, those having allotments of less than 15 acres then will have the right to vote before they can be subjected to marketing penalties. The program must be adopted by two-thirds of all those subject to marketing penalties which includes not only those who are now subject to marketing penalties, but those who would be subject to marketing penalties under plan A. That includes all

wheatgrowers. We cannot subject these people to marketing penalties without giving them the right to vote, either under this bill or under the present law.

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

Mr. ALBERT. I yield.

Mr. QUIE. What the gentleman has said is correct. But does he not believe that all these farmers who raise wheat, if subtitle A were adopted, have an interest in both programs, whether they raise more or less than 15 acres?

Mr. ALBERT. I think they have an interest, but the right to vote has always been based upon the fact that we do not want to subject anyone to marketing penalties without giving him the right to vote. This bill preserves that principle.

Mr. QUIE. That is right. But this bill goes one step further. This gives farmers who raise wheat a choice, whether they want to have one type of program or another. It is the first time we would really have a clear-cut choice and in doing this we are letting a majority vote decide. Does not the gentleman believe that the 70 percent who raise less than 15 acres have an interest in this and should be allowed to choose?

Mr. ALBERT. I think they do. But I think their main interest, those who raise less than 15 acres, is not as between these two programs; because, if they do not like plan A, they can throw the program out and plant as much as they want to plant. I do not see where the choice is jeopardized materially by keeping the franchise exactly as it is in the bill.

Mr. QUIE. If the gentleman will yield further, under subtitle A, if more than one-third of the farmers do not choose to come in under the quotas they would not get any support at all, which would be 50 percent of parity, if they did not stay within their allotments.

Mr. ALBERT. That would be almost as much as they would get under program B, anyway.

Mr. QUIE. But if they planted outside their allotments, which they could do under program B, they would get supports; but under program A, they would not get the 50 percent of parity for the crops that they raise unless they stayed within their allotments even though they would have previously voted against quotas.

Mr. ALBERT. That is true, but it seems to me if we are going into this business of letting everybody vote whether he is subject to marketing penalties or not, we might as well let everybody vote that might ever grow any wheat. We need some basis upon which to predicate the referendum right. I think the theory in the bill is a sound one. I do not think it will injure anyone, because no wheatgrower, large or small, under this bill or under present law, can be subject to marketing penalties unless he has the right to vote.

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

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

Mr. COOLEY. Was not this proposition thoroughly discussed in the House Committee on Agriculture before we reported the bill?

Mr. ALBERT. I think it was thoroughly discussed.

Mr. Chairman, I think the amendment should be defeated. I think we are going far afield if we adopt this amendment, and I ask for its defeat.

Mr. HOEVEN. Mr. Chairman, I rise in support of the amendment.

It seems to me that every wheatgrower has the right to vote in both referendums. There is no discrimination as far as the cottongrowers are concerned. They all vote.

In the first place, the bill prevents the small wheatgrowers from voting in the first referendum, but they are permitted to vote in the second referendum but have nothing to say about the format or the substance of the question that is presented to them in the second referendum. This means that approximately 70 percent of the wheat farmers in the United States will be ineligible to vote. The bill limits voting to those farmers subject to quotas on the 1960 crop. Last year according to the Department of Agriculture there were an estimated 3,020,000 farmers who raised wheat. Of this total, 886,000 farmers actually voted. Of those voting 169,000 favored quotas and 41,000 opposed quotas. When these figures are applied to the bill before us we clearly see the tail wagging the dog. The 169,000 eligible wheat farmers voting for quotas would only be 5 percent of the wheat farmers of America. Only 30 percent would even be eligible, and only 5 percent would decide upon a sweeping program involving millions of dollars and affecting thousands of other farmers and consumers.

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

Mr. HOEVEN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman mentioned the fact that all cotton farmers are entitled to vote, but all cotton farmers are subject to marketing penalties if I am correctly informed. If program A is adopted, all wheat farmers will be subject to marketing penalties. The marketing quota program cannot be put into effect unless all farmers subject to marketing penalties are allowed to vote and unless two-thirds of those voting approve the referendum.

Mr. HOEVEN. That may be true, but I cannot quite see why a small group of large wheat producers, 5 percent of them, can get together and formulate a proposal to be submitted in a referendum in which all growers later would have the right to vote. It seems to me that a lot of growers are being disenfranchised.

Mr. ALBERT. They are not disfranchised because they have a privilege which is an exception under the law.

Mr. HAGEN. If the gentleman will yield, all cotton farmers are not subject to that. There is a 10-acre limit on that.

Mr. ABBITT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have heard a lot of talk in this body about the right to vote. This bill deprives approximately 60 percent of the wheatgrowers of the right to participate in the referendum which decides which of the two programs is to be put into effect. The bill states that the first referendum if they decide on program A will deprive two-thirds of the wheat farmers east of the Mississippi of the 15-acre limit they now have. Even those who raise less than 15 acres have no right to vote. It seems to me that some of the people over here on the left may be interested in referring this proposition to the Civil Rights Commission to see whether or not civil rights are being denied.

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

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

Mr. COOLEY. The people you are talking about have the right to vote now.

Mr. ABBITT. What this bill does is it takes from them the 15-acre exemption that they have.

Mr. COOLEY. It does not. It provides for a reduction in the 15 acres and puts it in line with other reductions.

Mr. ABBITT. You will not have any 15-acre farms.

Mr. COOLEY. If all these people vote that you want to vote, you will not have any program.

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

Mr. ABBITT. I yield to the gentleman from Ohio.

Mr. LATTA. I concur in everything that the gentleman has said. I would point out that in the State of Ohio, we have 153,000 wheatgrowers and 123,000 of them are now operating under the 15-acre exemption, which means that automatically if this bill passes and under the present law, 123,000 out of the 153,000 wheatgrowers will be disenfranchised and will not be entitled to vote. The last time we held a referendum, 3,000 out of the 70,000 who were eligible to vote actually voted. So there will only be a handful of large wheatgrowers telling the Nation what kind of a wheat program we are going to have. I suggest that it is absolutely wrong. This Congress went on record for the civil rights bill and I think we ought to give the right to vote to the wheat farmers of the Nation.

Mr. ABBITT. Maybe I ought to get some of the people in the minority group from my district to write to the Civil Rights Commission to see if they cannot get the right to vote.

Mr. Chairman, this is actually a big growers' bill and it will deprive the vast majority of my wheat farmers not only of the right to vote but the right to have the years of planting of 15 acres of wheat for their own use taken into consideration.

Mr. Chairman, I hope the amendment is approved.

Mr. AVERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope the Members of the Committee this afternoon will take stock to see who is in support of what side of this issue. I do not think it would be entirely inappropriate, either, to take into account the remarks made in respect to the Civil Rights Commission. There is just about as much justification for bringing the Civil Rights Commission into this issue this afternoon as there is for bringing the cotton

farmers of Virginia and the tobacco farmers of North Carolina and the corn farmers of Iowa and the new wheat farmers, if you please, in Ohio. That is what has gone wrong with this whole wheat program. In the first place, somebody sold the Wheat Belt down the river and I mean probably down the Mississippi River, and back up the Ohio River. Now they are raising wheat all over the United States and they have preempted the wheat production that historically belongs in the Middle West.

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

Mr. AVERY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I am certainly glad to have you join me against the 15-acre exemption.

Mr. AVERY. That will be determined immediately when we vote and I hope the gentleman will be pleasantly surprised. The justification for the provision in the present law is this. Virtually every grower of wheat in the historical wheat-producing area has a marketing allotment, and, therefore, is entitled to vote. There is just as much justification to enfranchise the wheatgrowers to vote in the next cotton referendum as there is for bringing the new wheatgrowers in Mississippi, Ohio and all the other States that traditionally have not raised wheat into the wheat referendum.

Mr. Chairman, this amendment should certainly be voted down in the interest of stabilizing and retaining what is left of the wheat producing market for the great States of the Middle West.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, do now close.

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

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The question was taken, and on a division (demanded by Mr. QUIE) there were—ayes 50, noes 68.

Mr. QUIE. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. THOMSON of Wyoming. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMSON of Wyoming: Beginning on page 1, line 6, strike out all of section 101.

Mr. THOMSON of Wyoming. Mr. Chairman, yesterday when the rule was under consideration, I announced my intention of amending H.R. 12261 to strike everything except subtitle B of title I. The parliamentary situation that prevails is such that this cannot be done by a single amendment. It is necessary, under the parliamentary situation prevailing at this time, to strike each section in turn. This amendment proposes to strike section 101, the first substantive section of the bill. If it prevails, subsequent amendments will be offered to strike the other sections. Therefore, the vote on the pending amendment is really a vote to determine whether or not all other provisions of the bill should be eliminated except for the provisions of subtitle B.

Mr. Chairman, in the first place we should recognize that wheat is our major agricultural problem. We should do something constructive to solve that problem in this session of Congress. The chances for doing this should not be jeopardized by including in the same bill provisions such as the feed grain proposal of title II or the food distribution plan of title III. The reasons which make these sections objectionable have been adequately covered. I will therefore confine my remarks to the provisions of the bill relating to the wheat sections.

The wheat problem is a problem of overproduction and surpluses. We now have on hand in Government storage over 1,300 million bushels of wheat and the amount continues to grow year by year. The cost to the taxpayers of storage on this alone is over $1¼ million per day. The cost of the wheat price stabilization program is over $600 million per year. Yet with all of this expenditure of money, the effect has actually been to harm, rather than to help, the individual wheat farmer in the wheat-producing area.

Price supports were set high to encourage production, and the result was exactly that. Stimulated by these high price supports, farmers all over the Nation began to grow wheat for delivery to the Government. Production reached the point that acreage controls were imposed. Primarily because of the 15-acre exemption, production continued to increase outside of the historic wheat producing area. This shifted wheat allotments from the historic wheat producing areas and imposed further acreage cuts on the wheat farmer in the historic producing area. Our wheat farmers in historic areas have had imposed upon them acreage cuts of almost 40 percent, while production increases. They cannot divert to other crops. Net income is price times production, less expenses. No law can change that. This cut in production has meant a cut in their net income to the point that it threatens to put them out of business.

This has been particularly harsh on wheat farmers in the State of Wyoming. They followed good soil conservation practices and summer fallowed their land. As a result of the law and regulations, their land that is actually in production in any given year is substantially less than half. This simply does not allow them to earn a living.

With the surplus production of wheat confronting the Nation, the 55-million-acre minimum cannot be continued.

The farmers themselves realize that if they are going to have high price supports, then they must accept tight production controls with strict cross-compliance to hold production in line. The other choice open to them is no controls and a price support which would be sufficiently low to keep production in line with demand.

If the committee bill actually provided such a choice to the farmers, then I would wholeheartedly support it. The fact is, though, that it does not.

The first and perhaps most important reason that the committee bill does not present such a choice is that the provisions of subtitle A are such that the bill could never become law, and therefore the farmer would never be given the opportunity to vote on anything.

The wheat farmer has already been misled too often, to his detriment. The provisions of the committee bill, it is argued, would reduce wheat production by 25 percent. Experience proves that such definitely would not be the fact. By increasing the support price to 85 percent, they further stimulate the incentive to raise more wheat on the acres left in production. Growers in the more humid areas will simply put on more fertilizer and take other steps to further increase their yields. This is further encouraged by the fact that the payment-in-kind is based on the annual yield per harvested acre. It is estimated that the actual reduction in wheat production would be 17 percent or less.

Furthermore, the domestic consumption of wheat is only 629 million bushels. As to the more than 400 million bushels which we have been exporting, the subsidy is already over 50 cents per bushel. The effect of this increase in price support would be to increase that by 50 percent. The increased cost to the taxpayers, assuming that we were to continue to export it at the same level, is estimated at $115 million. There are already complaints with regard to this subsidy. The effect could very well be to reduce the exports, and thereby further increase the surplus.

Further, there is no effective cross-compliance.

All this could ever hope to accomplish would be to delay the day of really facing up to the wheat problem. There has already been too much delay. The result is only to make the situation more difficult.

Under these circumstances, I think that Congress should face up to its responsibility and legislate a sound wheat program that will be in the long-term best interests of the wheat farmer, agriculture in general and the taxpayer.

That is what this amendment and those to follow would accomplish, if adopted.

By adopting these amendments, only the provisions of subtitle B of the bill would remain. The program provided therein is the one that has been proposed by the American Farm Bureau Federation. It is a plan that has been developed in conformity with the manner of operation of this fine organization—by farmers themselves, meeting at community level, district level, State level, and then in national convention. I think that this farm organization and the farmers who belong to it are to be congratulated for proposing a realistic long-term solution to the wheat problem, based upon sound economic principles, and one which will be in the long-term

best interest of wheat farmers and agriculture in general.

I will review for you the provisions of this proposal. First, all acreage allotments and marketing quotas would be eliminated, effective with the 1961 crop of wheat. This would leave the farmer free to manage his own business, rather than to be dictated to by bureaucrats from Washington. This would permit each wheatgrower to determine for himself the acreage of wheat on his farm which would make the most efficient use of his land, labor, and machinery. The traditional wheatgrower would be able to regain his markets.

Second, price supports for wheat, beginning with the 1961 crop, would be based on the support level for corn, with upward adjustments to reflect differences in weight, nutritional value, and buyer preference. However, for the 1961 crop of wheat the price support would be not less than 120 percent of the price support for corn. This would result in a wheat price support for 1961 of at least $1.27 per bushel, with corn supported at $1.06 per bushel. This price support policy would restore the pricing of wheat to supply-demand conditions as reflected in the marketplace. This does not mean that market prices of wheat would fall into the exact relationship indicated by differences in feeding value. The relative market value of corn and wheat are affected by domestic and foreign demand for milling wheat, which normally price wheat higher than corn, and by the fact that wheat is produced in areas where corn prices reflect substantial transportation costs. Good milling wheat would bring a substantial premium over its feed value.

Determining price supports in this way would expand the use of wheat for livestock feed, without creating unfair subsidized competition for the producers of corn and other feed grains.

The incentive for further expansion of wheat production in the humid areas, where alternative crops can be grown successfully and more economically, would be removed. The incentive for these producers to increase yields through heavy use of fertilizer would be reduced.

Growers in traditional wheat areas would regain their markets. Export markets would be increased.

A third provision of the proposal would provide adequate protection for all farmers from competition of the Commodity Credit Corporation sales from accumulated wheat stocks. No wheat could be sold for domestic use from surplus at less than 150 percent of the effective support price, plus reasonable carrying charges. Foreign sales of wheat from surplus stocks under Public Law 480 would be restricted. There would be no limit on foreign donations of Commodity Credit Corporation wheat for famine and disaster relief. Domestic prices would be free to rise with market demand, unhampered by competition from surplus Government stocks.

Fourth, the total amount of land in the Conservation Reserve would be raised to 60 million acres at the end of 3 years. This would cushion the adjustment of the grower who is farming marginal land in traditional wheat areas and the grower who has become a wheat producer under the 15-acre exemption and who may choose not to grow wheat under the new program, as well as the effects upon the producers of all feeds.

Adoption of this amendment would restore the wheat economy of this Nation to a firm economic basis. It would restore the wheatgrower to a position in the free enterprise system. It is in the best interests of the wheat farmer, agriculture in general, and the taxpayer. As such, it is in the public interest. I urge its adoption.

Mr. MICHEL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wyoming [Mr. THOMSON] to strike everything in H.R. 12261 except subtitle B. By this action we would free up the acreage of wheat and extend the conservation reserve program. Both of these proposals are sound.

I would like to review briefly the recent history and the current situation with regard to corn, feed grains, and hogs. This program is vital to my area of Illinois, and I think we should keep the record straight.

Corn producers are now operating under a new program which provides for price support, without production controls, at the higher of (a) 90 percent of the average price received by farmers in the 3 preceding calendar years, or (b) 65 percent of the parity price.

This new program came into effect as a result of a November 1958 referendum in which farmers were given a choice between the new program and the old allotment program. More than 71 percent of the 357,169 farmers who voted favored the new program.

I supported the principles of the legislation that authorized the present corn program and I continue to do so. I opposed the provisions for a 65 percent of parity floor under corn supports, as such a floor is inconsistent with the idea of basing price supports on a percentage of average market prices.

Those who want to keep farmers subject to Government control programs, and those who lack faith in the ability of farmers to prosper in a market economy, have been attempting to smear the new corn program.

It is being said, first, that corn production reached a record high in 1959 because farmers boosted production to make up for lower prices; second, that the removal of corn allotments created the greatest corn surplus in history; and, third, that the new program has depressed the price of hogs.

Here are the facts:

First. The support price was raised not lowered, in 1959 for approximately 90 percent of all corn produced in the United States.

In 1958 there were three support prices—$1.36 per bushel for commercial area farmers who complied with acreage allotments; $1.06 for those who did not comply; and $1.02 for the noncommercial area. Only about 12 percent of the corn produced in the commercial area was eligible for the compliance rate of $1.36. Since the commercial area accounted for about 82 percent of the total crop, less than 10 percent of the 1958 crop was eligible for support at a rate in excess of $1.06. In 1959 all corn was eligible for support at an average rate of $1.12.

Second. The removal of corn allotments did not create the greatest corn surplus in history. The great bulk of our present corn surplus was created before corn allotments were removed. In evaluating what happened to corn production in 1959, the following facts should be considered:

A. In 1958 approximately 6.7 million acres of land allotted to corn were held out of production under the acreage reserve program. With the expiration of the acreage reserve, most of this land presumably was returned to corn in 1959.

B. Support price for grain sorghums, barley, oats, rye, and soybeans—all of which compete with corn for acreage—were reduced substantially in 1959.

If farmers were inclined to increase acreage to offset lower prices, they should have increased the acreage seeded to sorghums, oats, barley, rye, and soybeans, rather than acreage seeded to corn in 1959. Actually, there was a small increase in barley acreage, but a net reduction of at least 4.5 million acres in the total acreage devoted to grain sorghums, barley, oats, rye, and soybeans. The acreage released from the acreage reserve, plus the reduction that took place in the acreage devoted to crops for which support prices were lowered, more than accounts for the increase that took place in corn acreage.

It is also interesting to note that prices of barley, oats, rye, and soybeans have been well above support levels during the current marketing year. Prices of oats, rye, and soybeans have actually been higher than a year earlier—when price supports were at a substantially higher level—even though soybean prices have been held down by CCC sales. This must be a great surprise to those who predicted that prices of the coarse grains and soybeans would drop to the new support levels.

C. The removal of allotments had little or no effect on the total acreage of cropland planted to corn, other coarse grains, and soybeans. The principal effect of the old allotment program was to force some farmers to shift land from corn to other crops that are used primarily for feed. With the expiration of allotments, growers were able to allocate acreage to corn, other feed grains, and soybeans on the basis of their own best judgment.

D. Weather contributed to the achievement of the record 1959 corn yield. Farmers have made great progress in overcoming natural hazards, but they have not yet completely isolated crop yields from the effects of wind, hail, drought, floods, and unseasonable freezes. None of these was a serious problem over an extended area in 1959.

E. The ultimate effect of the new program will be affected by utilization as much as by production.

The utilization of corn declined in the early 1950's when prices were supported at 90 percent of parity. Utilization has increased in recent years as support prices have been lowered. Here are the figures:

Crop year beginning Oct. 1—	Support price per bushel	Utilization (million bushels)		
		Domestic	Export	Total
1949	$1.40	3,095	112	3,207
1950	[1] 1.47	3,064	117	3,181
1951	1.57	3,097	82	3,179
1952	1.60	2,866	145	3,011
1953	1.60	2,957	103	3,060
1954	[1] 1.62	2,841	103	2,944
1955	[1] 1.58	2,981	120	3,101
1956	[1] 1.50	3,017	184	3,201
1957	[1] 1.40	3,175	199	3,374
1958	[1] 1.36	3,513	229	3,742
1959	1.12	[2] 3,602	[2] 240	[2] 3,842

[1] Compliance rate for commercial corn-producing area only. Noncompliance rates were $1.25 in 1956, $1.10 in 1957, and $1.06 in 1958.

[2] Estimated on the basis of the latest information available from the U.S. Department of Agriculture.

The utilization of corn in the 1958–59 marketing year was larger than our total production for any year prior to 1958. Utilization in the 1959–60 marketing year will exceed our production for any year prior to 1959. The disappearance of corn from all storage positions during the October-to-December quarter of 1959 was 1,067 million bushels in comparison to 985 millions bushels in the final quarter of 1958. This indicates an increase of 8.3 percent in utilization in the first quarter of the current marketing year. Although we still have some problems with corn, our real problem is the stocks accumulated under past programs—not what has happened since the program was changed.

Third. The lowest monthly average farm price thus far recorded in the present downward phase of the hog cycle was $11.20 per hundredweight in mid-December 1959. This is 60 cents per hundredweight higher than the average price of $10.60 per hundredweight reported at the bottom of the last downswing in December 1955, when corn acreage allotments were still in effect.

The hog price cycle is well understood by hog farmers and adjustments are already underway. The fall pig crop was 2.1 percent larger in 1959 than in 1958, although earlier surveys of farmers' intentions had indicated a 9-percent increase. The December 1959 pig crop survey indicated that the spring pig crop would be 11 percent smaller in 1960 than in 1959. The latest report of the Department of Agriculture, dated Tuesday, June 21, actually showed there were 16 percent fewer pig farrowings this spring than last spring and the price of hogs yesterday on the Chicago market brought a top of $18.35.

We are demonstrating once again that livestock is the balance wheel of American agriculture—a mechanism that can be used to adjust our output to the capacity of our markets.

Mr. POAGE. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I wanted to ask the gentleman from Wyoming when he felt he could not yield as to whether he believed in giving the option which he described—a choice between controls with a relatively high support, on the one hand, and no controls and a low support on the other hand.

Out of my time, I will ask the gentleman if he believes it is sound policy to give the farmer that choice.

Mr. THOMSON of Wyoming. I think it is a sound policy provided it is not loaded in one direction or another. I think the committee bill does tip it. It offers the wheat farmer something on a temporary basis which cannot endure, and he will end up as he has in the last 4 or 5 years, in a worse condition. Furthermore, it, in my opinion, gives him no choice at all, because the bill could not become law.

Mr. POAGE. Then the gentleman now suggests that instead of giving the farmers any choice this Congress should decide what is good for the farmer without giving him any choice. When he complains that the committee proposes a temporary basis, nothing could be more temporary than the Farm Bureau bill he proposes. The Farm Bureau bill proposes to give him $1.27 for his wheat this coming year and something less than that every year thereafter.

You talk about temporary. There is only a 1-year price support in the bill, and that is $1.27. After that it is $1.15 the next year, and something less than $1.15 the next year.

A good many years ago—and I am not going to say how many—I used to run a bundle wagon at the thresher. I had my own team. I got $3 a day for myself and team. If you did not have a team you got $1 a day. Wheat was selling at $1 a bushel.

Now, it is perfectly true that when wages are down to $1 a day, the farmer can operate on $1-a-bushel wheat, but when wages are $8 a day—and I want to see them stay there—you cannot grow $1 wheat and sell it at a profit anywhere in the United States. The gentleman suggests that we should lower the price of wheat to $1 a bushel, for that is the ultimate result of his amendment. That is exactly what it proposes, $1.27 the first year, $1.15 the next, and something less every year thereafter. It soon reaches $1 a bushel, and when it gets down to $1 a bushel, what can you expect in regard to farm wages?

This House will shortly be discussing a bill for farm labor. How are you going to pay decent farm wages out of $1 wheat. It cannot be done. When you pass this bill, you are voting for wages of $1 a day all over the farm country of the United States, because there is not any money to pay any more. This is just the plain economics of things.

The gentleman suggested that he believed in giving the farmers an opportunity to make a choice. So did his candidate for President. So did Mr. NIXON in his political speech night before last. I read it yesterday, and I will read it again: "A method must be developed whereby the farmers themselves have a greater opportunity to choose the kind of farm program they want." That is what the Republican Party is running on. At least that is what you are telling the farmers. Now, let us see if you agree with your candidate. Let us see how many of you are going to stand with your candidate for the Presidency. Let us see how many of you are going to back the pronouncement which was made in North Dakota night before last. We are putting it up to you square.

Someone says "Louder." I am glad you hear me over there, because I sure want you to remember this. Here is the issue, a clear-cut issue of letting the farmers make one of these decisions which your candidate for the Presidency says they should make. And, in this instance, I agree with Mr. NIXON. I just want to see how the NIXON followers are going to vote when it comes down to voting like he talks. Now, you are either for your candidate or against him. I want to see the color of your eyes by the way you vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. THOMSON].

The amendment was rejected.

The Clerk read as follows:

SEC. 102. Notwithstanding any other provision of this title, any program herein authorized for wheat shall terminate with the 1965 crop.

Mr. CARNAHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I support H.R. 12261 as a step in the proper direction for bolstering the farm economy, reducing Government holdings of farm commodities, and bringing down the cost of farm programs. On April 19, 1960, I introduced H.R. 1180, a bill to accomplish these purposes. I congratulate the distinguished chairman of the House Committee on Agriculture for the most commendable job this committee has accomplished this session in studying this most serious problem and in reporting this bill to the House.

This is probably one of the most acute domestic problems facing America today. Faced with mounting surpluses of farm commodities, increased storage costs, higher farm operations cost, and lower farm income, the Congress is faced with the compelling need to tackle this problem and come up with a solution designed to alleviate this problem. There is one at least very important element of our national life seriously involved in this matter and that is the small farmer. He is hanging precariously in the balance at this very moment. Many of these small operators who have been tilling relatively small acreages have been forced to cease production and turn elsewhere to seek ways and means to make a living.

I believe, Mr. Chairman, that the program as outlined in H.R. 12261 will most certainly be a giant step in the right direction by helping to restore family farm living as a satisfying and profitable way of life. It will undoubtedly avoid some of the burdensome and costly expenditures of the past. This bill will go a long way toward eliminating one real danger confronting American agri-

culture today as it seeks to operate under our present program—namely, that the free enterprise system of farming we have developed might be lost to some giant corporation-controlled method of farming.

The three major parts of this bill deal respectively with wheat, feed grains, and the distribution of protein foods.

Under the wheat section of the proposal, farmers would have an opportunity to express their preference for one of two programs: First, a revision of a program approved by both Houses of Congress and vetoed by the President last year, which would provide for a level of price supports at 85 percent of parity, payment-in-kind of 55 percent of the average yield per acre for wheatland taken out of production, including the "15-acre" producers who would be given allotments and the privilege of voting in the referendum; and, second, the wheat program proposal which would repeal all acreage allotments and marketing quotas, and set the price support at about $1.27 per bushel in 1961 and about $1.15 in 1962.

It seems to me, Mr. Chairman, that this choice would give farmers an opportunity to express themselves on the two most widely divergent views, and would actually give farmers their first opportunity to make a real choice.

In addition to the wheat section, the section of this bill dealing with grain—including corn—authorizes the election of a farmer committee to develop, with the assistance of the Department of Agriculture, a program of feed grains which would bring production in balance with demand, return feed producers between 85 and 100 percent of parity, and authorize the retirement of up to 50 percent of cropland on the farm in return for payment-in-kind in feed grains. A salient feature of the feed grain section of the bill is that it would prohibit any program entailing Government purchase or storage of grain and would limit the overall cost of such program to not more than 10 percent of the value of the crops involved.

The third section of this bill authorizes a substantially increased program for distribution of dairy, poultry, and meat products to the needy, to charitable institutions, and through the school lunch program. This proposed program would be carried out under the general direction of the Secretary of Health, Education, and Welfare, but supplies would come from the Commodity Credit Corporation or from purchases made by the CCC as the agent of HEW.

Mr. Chairman, this bill does not deal as broadly with the supply and price problems of agriculture as I would like but I do agree with the statement of the distinguished chairman of this committee that it "establishes the guideposts on the road back to farm stability, by providing the means for dealing with the crops which occupy more than 60 percent of all cultivated crops in the United States, and which account for a much larger part of our farm surplus stocks."

I feel confident, Mr. Chairman, that if this bill is passed it will definitely, first, reduce surplus stocks which are costing more than a million dollars a day for storage; second, reduce costs of administering the present program, and, third, improve the economic position of these farmers who produce wheat and feed grains. Perhaps this provision of payment-in-kind will provide the most sensible solution to the problem of surpluses and that once we get these surpluses reduced to a manageable reserve, then the Congress can move to enact an effective overall farm bill. At that time perhaps we can move in the other vital areas affecting four other basic commodities—rice, cotton, peanuts, and tobacco.

I urge favorable action on this bill.

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: Page 3, line 2, after the word "crop" insert the following new section:

"SEC. 103. Notwithstanding any other provision of this title the Soil Bank Act is amended as follows:

"(a) Section 108(b) is amended by adding at the end thereof the following:

"'Effective beginning with 1961, the Secretary shall give special consideration to those States and regions where it is desirable for soil conservation or production adjustment purposes to discourage the production of wheat and other surplus crops as determined by the Secretary.'

"(b) Section 109 is amended:

"(1) by amending subsection (a) to read as follows:

"'(a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the eight-year period 1956–1963 to be carried out during the period ending not later than December 31, 1972, except that contracts for the establishment of tree cover may continue until December 31, 1977.'

"(2) by amending subsection (c) to read as follows:

"'In carrying out the Conservation Reserve Program, the Secretary shall not at any time enter into contracts which together with contracts then in effect cover more than 65 million acres. The Secretary shall not at any time enter into contracts which together with contracts then in effect cover more than 25 percent of the cropland in any county or community.'

"(c) Effective beginning with contracts entered into after the date of this Act, Section 107(b)(2) is amended by adding at the end thereof the following:

"'The Secretary is authorized to provide for payment of the annual payment through the issuance of certificates which the Commodity Credit Corporation shall redeem in wheat or feed grains in accordance with regulations prescribed by the Secretary. Notwithstanding any other provision of law, no producer shall be paid an annual rental payment, or its equivalent in such certificates, of more than $7,500.'"

Mr. LAIRD. Mr. Chairman, the amendment which has just been read would make changes in the existing law applicable to the conservation reserve program as follows:

First. It would extend for 3 additional years the authority for entering into and the carrying out of contracts under the conservation reserve program.

Second. It would increase the amount of obligations which may be incurred under the program to an amount sufficient to cover 65 million acres.

Third. It would provide specific authority for giving special consideration to those States and regions where it is necessary or desirable to discourage the production of wheat and other surplus crops for the purposes of soil conservation, in distributing the National Conservation Reserve goal, and allocating the funds to the States.

Fourth. It would provide authority to use wheat and feed grains for making payments in kind under the conservation reserve program.

Fifth. It would provide a limitation of $7,500 on the payment to any one producer.

Sixth. It would provide that no more than 25 percent of the land in any community or in any county could be devoted to the conservation reserve program.

Mr. Chairman, the conservation reserve program for the past 2 years has been very effectively directed by Mr. Tom Hamilton, of Westfield, Wis., in my congressional district. I am proud of the work he has done to get this program back on a sound basis.

The conservation reserve program has proven to be an effective attack on the source of the surplus problem. Much excellent cropland is now on a standby basis. Experience with this program has shown that farmers will voluntarily cooperate in bringing about needed production and land-use adjustments.

In 1960 over 28 million acres of our producing cropland will be in the conservation reserve and devoted to protective soil, water and wildlife-conserving uses. All of this land otherwise would have been adding to our already burdensome surplus. In my State of Wisconsin over three-fourths of a million acres of fine producing cropland will be out of production for the 1960 crop year.

Land held in reserve, with its value and production potential preserved against the eventual time of need in our dynamic expanding economy, is a good investment for all our people.

Under this sound, sensible program, over 8 million acres in 423 problem Great Plains counties, which produced wheat needed for the winning of two wars, have been returned to the native grasses of the plains. Small rental payments have made it possible for farmers to make this desirable shift leading toward a better use of land often subject to periods of wind erosion.

In the Southeast States, tree planting ranks highest among the conservation uses of the program. Here we find that trees can be grown faster and more profitably than in any other part of the country. The conversion of large acreages of cropland in the old Cotton Belt to forest trees provides a sound, long-lasting, land-use adjustment. Another section where tree planting has had much attention is in the Great Lakes area. In Wisconsin, over 27,000 acres were planted through 1959 with more to be added this year. Nationwide, over 2 million acres of producing cropland is now being planted to this long-time crop of trees. This is a diversion for a very long period from crop production

and to another very desirable use. The future forests will provide a continuing income starting at the expiration of the conservation reserve contract period.

Practices designed especially for wildlife protection have gained wide acceptance by participating farmers and have won the general approval of sportsmen and wildlife organizations. Over 225,000 acres have been planted to specific wildlife uses, such as food patches, and cover, which will give better protection to birds and animal life. Some rather spectacular results have drawn much attention to this phase of the program.

Both urban and rural people are concerned with our future water supply. We are all alarmed with falling water tables, silted streams and floods caused by unimpeded water runoff. The millions of acres of trees and grass, together with the thousands of water storage structures under the conservation reserve, are trapping our valuable water where it falls and retarding the runoff. They also provide expanded recreational opportunities for both rural and urban folks of all ages.

Studies made of the production history of the estimated 28 million acres of cropland under contract in 1960 indicate that 4.6 million acres were formerly devoted to corn; 3.1 million acres to wheat; 4.1 million acres to oats; 3.8 million acres to sorghum grain; 1.6 million acres to barley; 1.1 million acres to soybeans; 660,000 acres to cotton; 600,000 acres to flaxseed; 148,000 acres to peanuts; 15,000 acres to tobacco, and 5 million acres to cropland hay and pasture. The 28 million acres in the 1960 conservation reserve will retain in the soil, instead of bins, the fertility elements otherwise used for the production of these crops.

Approximately three-fourths of the land in the reserve is on farms where owners placed all their eligible acres in the program. On those farms, all the cropland is out of production—including the allotted acres of major surplus crops.

When all eligible land on a farm is placed under contract, the farm usually goes out of production entirely. Livestock is often sold and much of the pastureland and other noncropland is retired voluntarily at no cost to the Government. As a matter of fact, of the 9,536 conservation reserve contracts in Wisconsin through 1959—82.8 percent are whole-farm units. Since the use of cropland on a farm is normally required in connection with a livestock or dairy enterprise, such enterprise is also closed out or drastically reduced upon retiring all the cropland on the farm into the conservation reserve. Dairy cattle numbers in Wisconsin dropped approximately 34,000 head in 1959, compared to 1958, and total milk production in 1959 for the State was reduced by 275 million pounds during the last year, as compared to the total milk output in 1958.

From a national point of view, for the same period, dairy cow numbers dropped 451,000 and total milk production was reduced by 487 million pounds. Preliminary findings of a study of whole-farm conservation reserve contracts in Wisconsin on farms which had a dairy operation, prior to the land being placed in the conservation reserve, reveal that there has been approximately an 85-percent reduction in dairy cow numbers on these farms. In analyzing participation in many other leading dairy States, we find a high percentage of conservation reserve contracts are for whole-farm units. Undoubtedly, the same livestock reduction trends are taking place in these States. It appears evident that the present conservation reserve is a significant factor and has contributed to improving the production situation in the dairy industry. This points up the fact that the impact of the conservation reserve goes beyond crop reduction and land-use change by bringing about desired adjustments in all aspects of agricultural production.

Mr. Chairman, several questions have been raised in this debate which have gone unanswered. I shall attempt to answer those on the conservation reserve program at this time.

1. QUESTION

Is it true that the conservation reserve is not having any effect upon agricultural production?

ANSWER

It is not true. Cropland which has been producing substantial quantities of surplus crops in recent years is being held out of production under conservation reserve contracts. Of the 28.4 million acres expected to be under contract in 1960, it is estimated that 4.6 million acres were formerly devoted to corn; 3.8 million to grain sorghums; 4.1 million to oats; 3.1 million to wheat; and nearly 14 million acres to other crops, cropland hay and pasture and special uses.

At recent average yields appropriate for the quality and location of the land under contract, the conservation reserve acres in 1960 would produce about as much corn as the annual crop of the State of Ohio; nearly as much wheat as Oklahoma produces in a normal year; more cotton than the annual crop in North Carolina; and substantial quantities of other surplus crops, such as peanuts, tobacco, oats, barley, soybeans, sorghum grain, and flax.

Particularly effective in checking crop surpluses is the retirement of whole farms—including all eligible cropland on the farm—which is encouraged by annual payment rates that may run as much as 10 percent higher than regular rates. Approximately 70 percent of the 1960 conservation reserve acreage is in the form of whole farms. Production adjustment is assured under whole farm contracts since it removes the possibility of intensifying production on a part of the farm.

The average conservation reserve contract covers a period of 6 to 7 years, thus the land put into the reserve will not be producing any crops for that length of time on the average. This helps in holding down surpluses and also reduces price support expenditures, since the volume of crops eligible for price support is reduced.

2. QUESTION

How true is the charge by the General Accounting Office that nearly one-fourth of the land placed in the conservation reserve is not cropland and therefore one-fourth of the funds are being wasted?

ANSWER

As the General Accounting Office states in its report, the congressional language on eligible land is extremely broad. The act says that land must have been "regularly used in the production of crops" and specifically directs that land devoted to such crops as "tame hay, alfalfa, and clovers" is to be eligible.

In administering the act, land which is in a regular crop rotation on the farm is regarded as being "regularly used in the production of crops" and eligible for the conservation reserve even though it may have been in summer fallow, temporary pasture, tame hay, or other normal crop-rotation use at the time the contract began. Such cropland is part of the regular cropping pattern of the farm and would unquestionably produce crops during the contract period if it were not in the conservation reserve.

It is not logical to exclude such land from a program of this type, nor to exclude land which is customarily cropped but suffers crop failure in 1 or more years because of drought, flood, or a similar disaster.

3. QUESTION

Are farmers placing only their poorest land in the conservation reserve?

ANSWER

Nearly 70 percent of all the land now under contract was placed in the conservation reserve in 1959 and 1960, through a procedure which tends to bring average quality land under contract.

At least three factors contribute to this tendency:

First, the procedure for entering into contracts provides for the establishment of a basic rate which is related to the quality of the land. Since the payment rate per acre is thus related to quality, there is no particular advantage in placing poor land in the reserve as the payment rate is lower for the poor land.

Second, the program during 1959 and 1960 has included incentives for placing whole farms under contract. When all the eligible land on the farm is placed in the reserve the good land and the poor land are both included. Consequently the land under contract cannot be far from average. During 1959 and 1960 over 70 percent of all the contracts were for whole farm units.

Third, it has been found that most contracts are with older farmers who are withdrawing from farming because of advanced age, physical condition, or because of a wish to retire. It is logical to assume that these farmers own average quality land for their area and as a result the land being offered is average land.

It is worth noting in this connection that one factor in the law acts in a manner to bring somewhat better than aver-

age land into the reserve. The law requires protection of tenants and sharecroppers and because of this protection the program has been more attractive to owner-operators of farmland. Owner-operator farms are normally the better managed, more productive farms and to some degree this has tended to bring farms into the reserve that are even better than average.

4. QUESTION

Has the conservation reserve developed a major weed problem?

ANSWER

The Soil Bank Act itself contains a requirement that the Secretary include provisions in all conservation reserve contracts relating to control of noxious weeds. It is a violation of the contract for a producer to fail to take the steps prescribed by the county committee for the control of noxious weeds. We are confident that the county committees have exercised the best possible judgment in requiring all contract signers to control noxious weeds when this is required. While there have been a few weed control violations, this has not been widespread.

While neither the law nor the regulations require control of weeds other than those listed as noxious weeds in each State, the State and county committees have generally required mowing of the conservation reserve when this was needed to maintain the approved cover. This requirement has been conducive to controlling the spread of all weeds.

A good grass-legume cover once established upon the reserve, will crowd out the annual weeds which normally spring up when land is left idle. In the long run we believe that the ecologic succession of perennial grasses will crowd out most annual weeds and within a few years, the conservation reserve will be more weed free than the surrounding land. In carrying out the weed control measures, the Department has at all times, attempted to do this with the least possible adverse effect upon wildlife.

5. QUESTION

Is paying farmers for doing nothing contrary to the normal American concepts?

ANSWER

The opinion that farmers are being paid for doing nothing under the conservation reserve program is erroneous. Basically, the farmer diverts land from the production of crops to conservation purposes. It is in the public interest to achieve these crop adjustments and conservation objectives. Federal payments for conservation are an accepted use of Government funds. The farmer receives an annual payment in lieu of the crop or the normal rent which he might receive from another farmer for the cropping use of his land. For this annual payment, he foregoes the use of the land. He also must control weeds, keep his fences in repair and maintain the conservation cover on the designated acreage.

6. QUESTION

Is the conservation reserve having an adverse effect upon business?

ANSWER

In the long run, the achievement of parity of income for the Nation's farmers will tremendously improve the welfare of farmers, of businessmen dealing with farmers, and the national economy. The unsatisfactory prices farmers have received for their products is a result in a large part from too many farmers producing too much. The achievement of stability in agriculture requires the removal of some of the inputs of land, labor and material in order to reduce production.

The conservation reserve provides a means for farmers to voluntarily remove land from production and to reduce their labor and material inputs. As they do so there will be a reduction in the amounts of things they buy for production, including things such as farm machinery, fertilizer, gas and oil. As a result of this there will be a reduction in production which will reduce the amount of farm produce to be handled by local elevators, cotton gins, creameries, and so forth.

To lessen any impact this may have upon a local economy, the Department has placed a ceiling upon the amount of land which may be placed in the reserve in any county or community. Within a short period of time, however, the reduced production will tend to stabilize prices. The improved economic condition of farmers will inevitably make them more prosperous, better customers for local businessmen and, in the final outcome, all segments of the economy will benefit.

7. QUESTION

Has the conservation reserve program caused a breakdown in the smaller communities with resultant unemployment?

ANSWER

There is little evidence that the Conservation Reserve is having any direct effect upon churches, schools, employment, or labor supply. The long-term trend has been toward consolidation of farm units and rural-to-urban movement of people as the result of the mechanization of agriculture. The Conservation Reserve has speeded up this trend slightly but it is worth noting that by far the majority of participants in the program are farmers with a physical problem or farmers of advanced age, who are retiring from agriculture but not moving to urban centers and entering the labor market. A study by the Department shows the following preliminary findings. The average age of contracting farmers is 58. A total of 94 percent of the farm building on Georgia farms placed in the reserve are still occupied. The annual payments permit these farmers security and gives them the opportunity to continue to live in their home community and take part in the affairs of the locality. While some may seek employment in the vicinity, it is usually in the type of jobs for which it is difficult to secure adequate labor force. There is no evidence of a large-scale unemployment problem having developed in urban centers which can be correlated with the conservation reserve program.

8. QUESTION

What effect has the conservation reserve program had upon land availability and prices?

ANSWER

Since the purpose of the program is to divert land from agricultural production to conservation purposes, it is true that there is less land available for agriculture now that over 28 million acres are under conservation reserve contract. That is the purpose of the program. It is not true, however, that the conservation reserve has had any effect upon land prices. The price of agricultural land has been increasing ever since the advent of World War II. Between 1950 and 1959, this increase has averaged between 9 and 12 index points per year. During the last year, the rate of increase dropped to 5 index points.

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

(By unanimous consent, at the request of Mr. BYRNES of Wisconsin, Mr. LAIRD was permitted to proceed for 3 additional minutes.)

Mr. LAIRD. Mr. Chairman, the voluntary aspects of the conservation reserve approach provide the greatest freedom of choice for those farmers having difficulty with farming because of age or health, labor shortages, or other factors. These farmers have an opportunity to reduce or change their operations. Unlike the previous adjustment programs, it also provides equal freedom for those whose situation is best suited to continue an efficient operation.

I should like to emphasize that the production adjustment to the degree needed would be practically impossible to achieve through the conservation reserve unless the policy of bringing more land into the conservation reserve program is pursued with real vigor; nor can it be achieved without continuing to retire additional land to the reserve in an orderly manner. This can be done if we allow this program to continue on an efficient, effective basis. Unless this amendment is enacted into law, we have no assurance that the conservation reserve program will continue. I believe the task can be accomplished by this less costly manner, preserving the independence of our agriculture and guaranteeing the future food and fiber supply of this Nation through good stewardship of our soils.

Studies indicate that avoiding surplus production through a conservation reserve program costs much less than disposing of surpluses from the same land under present methods. The President has recommended that the conservation reserve authority should be extended as a means of helping to achieve the desired production adjustments and put the retired land to conservation uses. Placing

land not presently needed for production in the reserve is a practical means of meeting the surplus problem in agriculture.

Extending and expanding the program will result in a diminishing need for huge expenditures of public funds to support the prices of farm commodities for which there is no market and which pile up in Government warehouses.

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

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

Mr. COAD. If the gentleman's amendment is adopted it does not take away subtitle A or subtitle B?

Mr. LAIRD. It does not. The only method by which the conservation reserve program could be continued under subtitle A, and subtitle B, as the gentleman from Iowa, I am sure, well knows is for a vote to be taken, and if title A was adopted the conservation reserve, of course, would be destroyed. My amendment gives only a 3-year-extension.

Mr. COAD. In the event your amendment prevails and if subtitle A were adopted in a referendum, we would have the payment in kind on acreage reduction; would we not?

Mr. LAIRD. My amendment provides for a payment in kind, that is correct.

Mr. COAD. If we adopted subtitle A, there would be then two programs actually of conservation reserve; would there not?

Mr. LAIRD. My amendment provides for the conservation reserve program and it would be up to the individual farmer to make that decision on his own.

Mr. COAD. That would be in addition to subtitle A or subtitle B whichever one is adopted; is that correct?

Mr. LAIRD. My amendment does not amend subtitle A or subtitle B.

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

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

Mr. ALBERT. I believe under the language of subtitle A, any participation in the payment in kind would, to that extent eliminate that particular farmer.

Mr. LAIRD. It does not under the wording of my amendment because I put in the words "notwithstanding any other provision of law" and I have tried to provide for that through the amendment as drafted.

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

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

Mr. BELCHER. Do I understand that your payment in kind as far as wheat is concerned requires the farmer to reduce his present allotment? Or could he put his excess acres into the payment in kind program?

Mr. LAIRD. He could put any new acres that were devoted to the conservation reserve program under a contract and the payment could be made on the basis of certification for the particular production he was actually reducing.

Mr. BELCHER. If you take wheat out of the present storage under the market, above what is going to be produced on the 59,400,000 acres, you are going to completely depress the wheat market.

Mr. LAIRD. It would not have that effect.

The gentleman well knows this will only take into account the wheat acreage reduction which is brought about on each individual farm that cooperates.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sure all Members of the House must be taken by surprise by the amendment which has just been presented. I thought most of us wanted to forget all about the soil bank, especially when we realize how much money has been spent on the soil bank. I have the current figures showing that we have spent on the soil bank to date, that is as of April 19, 1960, $2,098,355,000 and we are obligated in outstanding conservation reserve contracts to spend another $2,060,000,000, making a total in round figures of $4,100,000,000.

Notwithstanding all of that gigantic expenditure and this tremendous obligation, the farm problem has been intensified and aggravated with the harvest of every crop, and we are accumulating surplus upon surplus. Everyone knows we must do something about it. Certainly, we should not go on with this expensive experiment which already has cost the taxpayers so much. I would like to ask the gentleman from Wisconsin if he can give the House any ideas as to what his proposal would cost the taxpayers of America.

Mr. LAIRD. Mr. Chairman, if the gentleman will yield, first, I would like to state that the provision I have introduced in this bill is contained in subtitle B of the committee bill. As you know, there is an extension of the conservation reserve under subtitle B in the committee bill. This is not any great departure from that. The only provision this amendment makes is to give temporary authorization for 3 years regardless of the voting on the two proposals contained in the committee bill. The committee bill that has been reported from your committee could contain the soil conservation program, you understand that. There is no additional cost involved under my proposal than there is under the committee bill in the event that subtitle B is adopted.

Mr. COOLEY. If I may interrupt my colleague, I think the gentleman has made the observation he wanted to make. The fact remains there has been an effort made here to knock out this alternative choice we are giving the wheat farmer—and not by the gentleman from Wisconsin, I grant you that.

As pointed out by the gentleman from Texas [Mr. POAGE] the vice presidential candidate, I think even the President himself, has indicated that he wanted the farmers to have a voice in the selection of the program they want. I think that the effort to strike this program down is prompted and motivated by fear on the part of advocates of this alternative program that the farmers will repudiate it in the referendum.

This business of giving the farmers freedom, freedom to plant all they want, does not appeal to me, because it only means the freedom to go into bankruptcy and to bury themselves underneath the abundance that will be harvested from the fields of America. We must be realistic here and give to the farmers the instruments which will enable them to control production adequately.

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

Mr. COOLEY. I yield.

Mr. LAIRD. My particular amendment is on a voluntary basis for each individual farmer. Subtitle A alternative provides for payment in kind, but your committee subtitle B provides only for cash payments.

Mr. COOLEY. You are talking about the alternative.

Mr. LAIRD. But under your alternative the only people who can vote on the conservation reserve program are the wheat producers.

Mr. COOLEY. I do not think our committee has expressed exclusive interest in any particular program. We submitted the programs that are provided in the bill, but I am willing to accept other workable alternatives.

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

Mr. COOLEY. I yield.

Mr. POAGE. Is it not a fact that this amendment would continue a program which has resulted in one-third of the entire available acreage of the State of New Mexico going into the soil bank and the State still growing more salable crops than ever in its history?

Mr. COOLEY. I think the gentleman is right.

Mr. Chairman, I ask that the amendment be defeated.

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would just like to point out to Chairman COOLEY that the President in his special farm message to the Congress did request an expansion of the conservation reserve program. I introduced a bill to implement the President's request for not to exceed a 60-million-acre expansion of the program.

Mr. COOLEY. The President recommended continuation of the soil conservation program in connection with the wheat program only. In his farm message to the Congress on February 9 the President said "if the Congress should so act" upon an effective wheat program, "I urge an orderly expansion of the conservation reserve program up to 60 million acres." I grant you that we have a bill before our committee that would take out 80 million acres of acreage.

Mr. HOEVEN. The President did not limit his recommendation to wheat. He asked for a general expansion of the conservation reserve program.

Mr. COOLEY. The President actually specified 60 million acres in his message.

Mr. HOEVEN. He did not set any special limitation as to wheat.

Mr. COOLEY. I do not think we should expand the soil conservation reserve that already is costing us $4 billion.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has been said that confession is good for the soul. I have a confession to make. I helped as one of the originators of the soil bank program which was introduced in the Congress. It was one of the first bills along the soil bank line that was introduced in this Congress. My good friend and colleague, Congressman ANDERSEN of Minnesota, joined with me in introducing the bill. We sent it to the Committee on Agriculture; and the Committee on Agriculture, always cooperative, sent down to the Department and asked for a report on my bill. The report on my bill came back adverse. Do you know what the adverse report said? It said that for this program to be workable it would cost $500 million annually. That is what it said.

So, because it cost that much money the Department recommended against it. It was not long after that, much to my surprise, the Department came out with a soil bank bill. The soil bank bill that the Department came out with was no more like the soil bank bill that my good friend and colleague from Minnesota [Mr. ANDERSEN] and I introduced than day is like night. There was no comparison at all. The only comparison you could make is you were saying they were both soil banks.

Mr. Chairman, when we introduced that bill we were in a much different situation than we are today. It was before we had this huge buildup of surplus. The surplus Commodity Credit stocks in those days was a drop in the bucket compared with what we have now.

What was the bill that my friend and colleague from Minnesota and I recommended? We recognized immediately that if the soil bank was going to bring about an adjustment in production that adjustment had to come from good, fertile acres. You do not cut out production by taking out the marginal acreage. You cannot take out enough marginal acres to more than dent the total production. That was driven home to me just a short time ago when we visited the great State of Illinois.

What was going on in the corn storage program? We went to one of the greatest corn-producing counties in the United States, McLean County, Ill. Those people who are interested in agriculture ought to go to McLean County, Ill., to see what they have out there. We saw corn stored in that area that amazed me. We saw a million bushels of corn stored in one location. We saw bin after bin after bin overflowing with corn. The farm rotation of crops in that area was being disrupted. Planting clover and oats in a crop rotation was greatly curtailed. Many were putting every acre of ground into corn. Do you know how many farms they had in the soil bank in that county? Six farms.

That is pretty much true in the Corn Belt. You are not going to bring production in line with that kind of program, particularly when you have the surpluses the way they are today.

I think we are making a big mistake when we talk about acreage control only. We have a serious problem in this country. I wonder sometimes how many realize how serious it is. One of the things that is fundamental in this agricultural situation that we have is that you do not control production any more through acreage control. We have found so many, many ways that we can step up production on the tillable acres that we have that I would not want to guess how much we could retire and still maintain present production. In fact, we are on the threshold of increasing production more. Our research people point that out to us in things we can do.

If we are going to face up to the matter of bringing production in line with demand, we are going to have to get away from acreage control. We are going to have to talk in controlled production terms of bushels, pounds, and bales. The Secretary of Agriculture made that statement to us in our committee.

There is another thing I would like to say while I am here, and I regret to say it. It seems to me that every time we get into a discussion of the agricultural program we are trying to switch around here to find a painless easy way out. If we are going to face up with the problem of making production meet demand and the amount of production our market will absorb, in my estimation there is no painless or easy way. Every person involved, farmers, consumers, processors, Department of Agriculture personnel, and the Congress will need to face hard facts and make difficult decisions. I hope the Congress is not reluctant in providing leadership and doing its share to solve the difficult problem.

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

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 10 minutes.

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

There was no objection.

Mr. SCHWENGEL. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, I hesitated to take this time to talk to you because I felt that I was completely inadequate to talk on this subject, but the more I hear of this argument and the more I see of what is going on in the Congress in an attempt to try to do something about this very serious and important problem for the farm economy, I have come to believe maybe a boy born on an Iowa farm might have an observation or two that would be worthwhile.

First, I would like to talk in a general vein, and I want to direct what I say to the opposition. I want to point out that the opposition that sits on this side of the aisle say they are not for flexible support. Yet, when it comes to presenting answers to the problem—and I underscore this—political answers to the farm problem, the record shows that they have been and are a most flexible and vacillating organization. If inconsistency is a jewel, they have in their midst some gems in an election year, more than ever has been presented by a political organization in the history of this Nation.

To prove this, let me point out that the flexible support was recommended by leaders on this side of the aisle and heralded as the real answer to the farm problem in 1938. Then when we had some real problems and a world war, we found this whole Congress agreeing that we had to do something to encourage production of agricultural products to help feed our own armies and to help feed the world, as we were contending with some forces that were challenging us in that very critical time. So, they adopted a 90 percent program to produce more, and the plan worked. Then they found themselves in bad shape several years after the war and it was difficult to get out of the mess, created by yearly extensions after the war, so year by year, 3 or 4 years—I do not know how many years—they extended the 90 percent plan until they could work out some better plan, and never allowed themselves to get into the plan that they said in 1938 was the real answer. So, finally the same group began arguing, as they now contend, many of them, that the 90 percent support plan to produce more during the war is also the answer to produce less. Obviously the record shows this is not true. Then finally, what do we find? A recommendation on this side described briefly as the Brannan plan production payments. Well, nobody talks too much about that now. And then last year we tried the Cooley plan, and nobody got too excited about it when it failed to pass. It did not seem to have any real answer. Then we started with the Brannan plan this session, and I understand we had the Poage bill No. 1. Leaders from all over the country came in and testified that this was the answer. Here is the answer to the problem that plagues the farm economy. Well, that did not go over too good, so we had the Poage bill No. 2. I do not know what happened to that, but they got into the Poage bill No. 3, and here we are on Poage bill No. 3.

Now, I contend that here is abundant evidence that somebody really does not know what the score is, and I think the farming public is going to find out pretty soon, too, that we do not know what the answers are; the real answers. I think it is about time we think about the economics of the problem rather than the politics of the problem.

Now, I said earlier that I wanted to rise in support of the amendment offered by the gentleman from Wisconsin. I do so after considerable thought and study of this problem, and I have come to believe that this is the real answer to the farm program in the long pull.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SCHWENGEL] has expired.

Mr. SCHWENGEL. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. SCHWENGEL moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. SCHWENGEL. Mr. Chairman, the adoption of farm legislation is important now. It is unfortunate that the provisions of my bill, which are similar to that which is being offered by the gentleman from Wisconsin, have not been considered by the committee. Therefore, I am glad it is before this body for your consideration now.

I would like to point out that the use of our cropland to produce agricultural commodities far in excess of the amount which can be satisfactorily marketed is not only a waste of one of the Nation's most priceless assets; it is the major cause of agricultural economic distress. The adoption of this legislation could do more in the long run to resolve the farm problem than any legislation we have had under consideration to date. It should be noted that the retirement into protective conservation status of the acreage presently unneeded is good insurance for the future of the 179 million and more people of our country.

Some 460 million acres of U.S. land are now in productive status, cleared and put under the plow by hardworking and devoted American farmers. These producing citizens have met every need for food and fiber for our people and for starving, fighting people all over the world, including the winning of two World Wars and, more recently, the Korean conflict. Without these farmers they would not have been won. Without them it would have been either Hitler or communism.

There can be no real defense for the continued use of any extensive acreage beyond that which is currently needed. Shortsighted and wasteful use of the soil and other natural resources should be discouraged.

And history books record many examples of the disintegration and disappearance of great Nations which permitted the ravaging of their soils and other natural resources. It is time that we learned from them.

Retiring the unneeded acreage into protective conservation use can only result in manifold benefits for posterity.

These include protection of the soil from deterioration; more adequate supplies of water for domestic, industrial, and recreational use; a return of large acreages to forests; and improved conditions for all forms of our diminishing wildlife resources.

During the short time that the conservation reserve program has been in operation, about 28.5 million acres of cropland have been retired from crop use into preserving conservation cover.

Under the program, nearly 7.7 million acres of the Great Plains area, including the Southwest Dust Bowl, have been restored to native and other adapted grasses, and protected from the recurring ravages of severe wind erosion—a tremendous accomplishment for an area where many temporary relief measures have been tried and vast sums of money expended in recognition of the seriousness of the problem.

Under the program, too, more than 2 million acres of cropland are being returned to forests—land which was forcibly wrested from forests and cultivated by our ancestors.

In addition to the improved wildlife conditions brought about by the retirement of cropland into forest trees and other protective cover, nearly one-third of a million acres are being devoted to specific wildlife habitat, such as food and cover, and water impoundment for waterfowl, fish, and other forms of wildlife. Sportsmen's and conservation organizations, which have been specifically concerned with our diminishing wildlife, are convinced that the decline has already been stopped in some areas as a result of the acreage retired into the conservation reserve.

Nor is the conservation of natural resources the only benefit resulting from the retirement of unneeded cropland.

Retirement of this land from production conserves all the factors of production, including capital, labor, machinery, fertilizer, and seed which would otherwise be wasted in the growing of unneeded agricultural commodities.

Continued use of this unneeded land also causes financial distress to farmers, with consequent adverse effects on the Nation's total economy.

The conservation reserve program provides an opportunity for the farmer to voluntarily reduce the size of his farming operation and to shift all or part of his energy and other resources to other fields of endeavor, thus providing a more favorable economic situation for himself while continuing to live in his farm home.

The adoption of a sound conservation reserve program would not only be a good public policy for the protecting of natural resources for the benefit of all our people, but would, by reducing the size of the agricultural plant, to provide a sound method of bringing about the needed downward adjustment in the production of agricultural commodities, with resultant and necessary improvement in the agricultural economy.

We will find, I am sure, that to the extent that such unneeded land is retired from production, the products of the remaining land will more readily respond to free market prices since the specter of ever-increasing surpluses will have been removed.

Continuing the production from unneeded acres promotes waste and only postpones the required adjustment.

Let us remember, too, that in the long run this plan will be less costly to the taxpayers.

Let us remember, too, that food stored this way becomes more valuable and food stored under the present plan becomes less valuable as we pay the storage cost from which the average farmer receives little or no benefit.

Mr. Chairman, to show that there is a ray of hope for some of the farmers in the corn-hog economy today, I should like to refer the membership to the recent pig crop report released by the USDA today:

PIG CROP REPORT

The 1960 spring pig crop totaled 49,103,000 head, down 16 percent from the 1959 spring crop, according to the Crop Reporting Board. Number of sows farrowing during spring months totaled 7,060,000, 15 percent below spring of 1959. Number of pigs saved per litter was 6.95, compared with 7.07 for spring of 1959. Reports on breeding intentions indicate 5,889,000 sows will farrow between June 1 and December 1 this year, drop of 4 percent from 6,138,000 litters during fall months of 1959. If these farrowing intentions are carried out and number of pigs saved per litter is equal to average, with allowance for upward trend, 1960 fall pig crop will be 41.5 million head. Combined spring and fall pig crops for 1960 would then be 90.6 million head, down 11 percent from 1959 pig crop and 1 percent below 1949–58 average. Number of hogs 6 months old and older on farms and ranches June 1 was 7 percent less than corresponding date year ago.

Mr. GOODELL. 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 New York?

There was no objection.

Mr. GOODELL. Mr. Chairman, I consider the Poage Democratic farm bill a legislative and constitutional monstrosity. It moves toward more regimentation of our farm economy and does not face reality. Let me read a letter I received from a respected farmer in my district recently. It is a breath of fresh air that all of you deserve in this stale atmosphere of "governmentitis" with which our whole farm economy is affected:

DEAR CHARLIE: It is no wonder you are dismayed over the farm problem. It has grown into such a mess that there is no sure cure except cutting out price supports and controls entirely. The potatogrowers are an example of what happens when governmental interference is removed. The potatogrowers asked to have the Government get out of their business and they have gotten along very well ever since. The price of potatoes this spring has given them a very nice return. It seems that the potatogrowers like a little speculation in their operations. Fixed prices take the zest out of agriculture. Good and bad years are expected and farmers have learned to live with it. The wheat, cotton and all the supported crops would naturally go down in price if all supports were removed but that would be temporary and growers would adjust their production to the market. During that process some would be hurt of course but there would be only comparatively few as compared with the thousands and thousands that are injured by the present system of supports.

Mr. Chairman, the Poage bill is an abdication of responsibility by the Congress. It would delegate to a nine-man group the determination of farm policy. We do not know what we are voting for today. Have we, the elected representatives of all the people, reached such a stage of intellectual and moral bankruptcy? We need a farm program which will bring freedom and good sense back into the farm picture, not this political poultice.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, certainly I wish to identify myself with my colleague from Minnesota [Mr. MARSHALL], who spoke earlier in connection with this amendment. I am in agreement with him that actually we will never solve the farm problem as long as we try to deal with it by acreage control.

In addition to the points the gentleman from Minnesota has made, I would point out that to limit acres is an incentive to get as much production per acre as possible. That leads to two very serious ill effects, in my opinion: First, instead of the farmer giving attention to the best type, the best quality, the best grade he can raise, we have followed for a number of years a policy which in effect is an invitation to the farmer to produce the most prolific variety to produce the greatest volume, at an increased cost to the Government, and actually to the detriment of foreign sales. The other really bad effect is that when you limit the number of acres you invite the farmer to increase greatly the amount of cash investment he makes which he must charge against himself at the end of the year, thereby pulling his net income down. So I have to say for the record that while the bill before us represents the best our colleagues can agree on, and we all differ among ourselves, it does represent a start in the right direction. But I would have to say for the record that as long as we approach it from an acreage standpoint we do not solve the problem and we do increase the farmer's outlay in cash; we decrease his net income position at the end of the year, and in addition to that we are inviting him to grow less desirable types and qualities in order to get volume.

I take this time to point out to you that if, as history has shown, you cannot control production by limiting the acres that can be used, it follows that you cannot control production by the acres you take out.

I have here some figures from the Department of Agriculture. We have spent and are committed to spend about $4 billion in this nefarious soil bank. It has served to inflame the American people against agriculture, because they say, with much basis, that you are paying the farmer for nothing. Many, many farmers think we have been ridiculous. After spending or committing ourselves to $4 billion, our total production has greatly increased and the Commodity Credit holdings have greatly increased. So I do not see how anyone in the world could think this would solve anything, except perhaps get the farmer's vote in November.

May I quote from our committee report on agricultural appropriations which cites the Department's figures:

In 1955, the soil bank was offered as a solution. Acreage was rented from farmers and taken out of production, though the record shows 23 percent had not been in production. The cost of the soil bank to date has been approximately $2.7 billion. It is estimated that an additional $1.6 billion will be required in future years to meet long-term conservation reserve commitments entered into under existing legislation. This estimated total cost of $4.3 billion would be further increased if this program were to be extended beyond the present year.

The production records of the Department show that the program has been relatively ineffective in bringing production in line with need (pp. 373–375, pt. 3, 1961 hearings). There seems to be little benefit from this program, unless considered as a means of offsetting loss of farm income at the marketplace. The past record proves conclusively that this program offers no future solution to the problem of overproduction, even if billions of dollars are spent each year.

As shown by the Department's testimony, 2.6 million farms are classified as small farms. These represent 56 percent of the total farms in the United States, which include about 275 million acres, but produce only 9 percent of the commercial production. Therefore, if all such farms were removed from production at an average of $10 per acre, it would cost $2,750 million a year and would reduce production only 9 percent—assuming large farms did not offset such reduction. These figures cannot be misunderstood.

You would be giving the farmers $2,700 million to be used for fertilizer to increase production on the rest of our acreage.

So I say to you that anybody who argues that we should rent 60 million acres, which is less than one-fourth of the small farms, you would be dealing with less than 2½ percent of the commercial production and farmers would take their money and increase commercial production on the rest of it. Whatever the answer is, and there is a wide variety of answers in this body, certainly this soil bank offers less than anything I know of.

May I say of this distinguished Committee on Agriculture that I have some different viewpoints from those they have. I can name you 12 people, in my opinion, who could write a farm bill, and my friend the gentleman from Minnesota [Mr. MARSHALL] would head the list, but I do not know that I could name 12 who could collectively agree on so many things. Do not go for any soil bank. It has almost ruined us now.

Really there is so much difference of opinion, fixed opinion, between farmers, farm groups, Congressmen, between Senators and House Members, that I truly believe we must have a period of adjustment and an outside study group to bring together all our various views if we are to solve this problem.

I quote here the statement of our Subcommittee on Agricultural Appropriations, which gives the views of our group as to what we think is necessary:

NEW APPROACH TO PRODUCTION CONTROL NEEDED

The most serious problem facing agriculture today is the continued overproduction of crops already in surplus supply. Yields per acre for nearly all crops have increased steadily in recent years. Total production has also increased, despite acreage controls and the soil bank.

When the present system of acreage controls was placed into effect over 20 years ago, it was fairly effective, since acreage yields were limited by this type of agriculture used at that time. In recent years, however, this means of control has become completely ineffective due to improved methods of cultivation and increased use of machinery, fertilizer, insecticides, and improved seed.

It is apparent to the committee that something has to be done. Correction must be made, both for the welfare of the farmer and the Federal Treasury.

In seeking a solution, several facts are evident:

(1) What we have been doing hasn't worked. After spending or committing ourselves to spend nearly $26 billion, the record shows the situation to be three to four times worse in terms of surplus inventories of CCC.

(2) Farm income is now so low, even with the sale of the overproduction to the Government, that farm purchasing power must be protected from a further drop.

(3) Any future farm program must provide that farm income shall come from the production of that quantity of product necessary for domestic and foreign markets. In the interest of the overall national economy, such production must reflect farm costs plus a reasonable profit. Such income should come from the marketplace.

(4) To bring about correction, we have one factor which should enable us to scale back overproduction without injury to farm income or further cost to the taxpayer during the period of adjustment. This is the $9.2 billion of CCC commodities on hand which are already paid for. Commodities from these stocks should be offered to farmers in consideration for cutting back farm production.

If such a plan were put into effect, there would be a number of important benefits to the national economy—(a) the Government would save storage costs, (b) price support costs would be reduced in line with production actually eliminated, (c) farmers would save the cost of producing extra units of production for which there is no market. Further, no additional outlays of funds would be required to accomplish this objective, since commodities to be used are in Government stocks and will otherwise be given away under Public Law 480.

Once production and demand are in reasonable adjustment under this program, it would appear that fair and reasonable price supports should be provided for the farmer's share of the domestic market. Any overproduction should be eligible for foreign markets at world prices. If this course were followed, the cost to the Government would be negligible.

The other course which might be followed would be to continue price supports on total production, limited to domestic and foreign markets. If this approach were used, the Government would continue to pay the cost of the difference between the support price to offset high American costs and the world market.

Whichever course is followed, or if some other answer is to be found, it is the belief of a majority of this committee that the

Department and the Congress should get together without delay on a plan to use surplus commodities on hand to get farmers to cut total production of wheat and feed grains—the area of greatest difficulty at the present time—which commodities must be considered together. Merely cutting acreage will not work, as shown by the record.

The Department should be authorized to immediately institute a program which will encourage each producer of wheat, corn, and feed grains to curtail his production up to 25 percent in any one year in return for the transfer to him from CCC stocks of an equal quantity of the commodity for which reduction was made.

Under such a plan, the Secretary of Agriculture would transfer from Government stocks of wheat, corn, grain sorghum, or other feed grains, which are otherwise available for shipment to foreign countries under Public Law 480 and similar programs, to any U.S. producer of said grains upon the following terms and conditions:

(1) The producer must reduce his total production of wheat, corn, grain sorghum, or other feed grain below his average production of all said grains for the 3 preceding years.

(2) The Secretary shall first enter into an agreement for a period of from 1 to 3 years with any such producer of wheat, corn, grain sorghum, or other feed grain, or any combination thereof, which will require upon the part of such producer that he reduce his total production of all of said grains below his average production of the 3 preceding years before such producer can qualify to receive Government stocks.

(3) The Secretary shall determine the amount of such transfer of said feed grains to be offered for transfer in any year to any one producer, but in no case shall the amount exceed 25 percent of the average production of said producer for the 3 years next preceding the date of such agreement. Such transfer may be made by transferring warehouse receipts.

(4) To obtain such Government stocks, each farmer must (a) file notice with the county committee that he expects to avail himself of such offer, (b) agree in writing to reduce his total production of all or any combination of such grains for the years included in such agreement, (c) submit a statement of his production of all of said crops for the 3 preceding years, together with such additional proof as may be required by the Secretary, (d) certify that he will not increase his production of other commercial crops, and (e) supply such proof of reduced production as the Secretary may require.

(5) Insofar as practical, grain so transferred shall be of the same type and kind as that for which reduction in production was made by such producer. When not practical, such transfer shall be in quantities of grains of equivalent monetary value.

(6) The Secretary of Agriculture would be authorized to issue such rules and regulations as may be essential to carry out this provision.

As a part of such a plan, a commission could well be appointed to study and prepare a farm plan for submission to the Congress after adjustment of production has been made. Such plan should be based on protecting farm income at the marketplace and keeping production in line with domestic and foreign markets. This approach is deemed necessary because of wide differences which now exist between farm organizations and between farm leaders, including those in the Congress.

It is believed by a majority of the members of the committee that this proposal is a start in the right direction, that is, toward a program of balancing production with market demand and the long time need to maintain soil and water resources. It would provide an effective means of controlling production through production quotas on the quantity of a commodity which may be produced and marketed. In addition, it would save farmers their present cost of production on that part of their production eliminated, and would save the Government the price support and storage and handling costs on the surplus which otherwise would be produced. It is to be noted that, under this plan, the Government would save storage costs of from 11.68 cents per annum for oats to around 16.5 cents for corn and 17.885 cents for wheat and flax, for each bushel removed from storage. Also, it should be remembered that it would cost the Government little, if anything, for commodities transferred to farmers in payment for reduced production, since such commodities are now on hand and will otherwise be given away under the "foreign aid" Public Law 480 program.

Whether you agree with that or not, for goodness sake do not place this albatross of a soil bank around the necks of American farmers once again.

The CHAIRMAN. The question is on the motion offered by the gentleman from Iowa [Mr. SCHWENGEL].

The motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

(By unanimous consent, the time allotted to Mr. WHITTEN was granted to Mr. SMITH of Iowa.)

Mr. SMITH of Iowa. Mr. Chairman, I wonder if the gentleman from Wisconsin would answer a couple of questions. Does your amendment provide for payment in cash as well as payment in kind?

Mr. LAIRD. The amendment provides for a payment of cash or a payment in kind, if a wheat farmer reduces his wheat acreage under this 3-year extension period and he could have his choice of receiving a wheat certificate or receiving cash. He could if he reduced corn have an opportunity to receive a corn certificate or receive cash.

Mr. SMITH of Iowa. But the program, as I understand it then, does not necessarily require a reduction of an acreage allotment before receiving cash or payment in kind?

Mr. LAIRD. He would have to reduce the acres.

Mr. SMITH of Iowa. He would have to reduce an acreage allotment that he is given.

Mr. LAIRD. He would have to reduce—it does not apply only to wheat or only to these particular commodities—he would have to reduce his acreage in order to get a contract, whatever the crop might be.

Mr. SMITH of Iowa. That is, his total tillable acres, but is he given an acreage allotment on corn, for example, and then permitted only to reduce those acres or can he just reduce any acres he has?

Mr. LAIRD. In order to receive payment in kind in corn, he would have to reduce his corn acres. Payment in kind would be based on the amount of average production that he got from those acres over the last 3 years.

Mr. SMITH of Iowa. But he could put land in the conservation reserve that would otherwise not have been corn, but he would not have to reduce his corn acreage.

Mr. LAIRD. It could be any one of the other agricultural commodities. But, payment in kind is tied up with the particular commodity and the reduction in acres of that commodity.

Mr. SMITH of Iowa. I just wanted to point out in this very brief period that there is a limitation here of 65 million acres. A recent publication of the Department of Agriculture, ARS 43115, shows according to their computation that about one-third of the acres that were put in the conservation reserve did not reduce the acreage of those crops. In other words, they figure the 14 million acres in 1959 would have been in corn or one of these crops, out of the total amount in the conservation reserve. This means there is a minimum of one-third of slippage in order to get 65 million acres out of grain production and this is what I said shows we need, as a minimum, in order to get that out you would have to put at least 100 million acres in the conservation reserve.

According to the studies made by our State university you will have to pay $20 an acre for that. That means a minimum of $2 billion. I am not necessarily against the program, but we should realize what it is going to cost.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, on yesterday I think the gentleman from Minnesota [Mr. NELSEN] put his finger on the basic problem, and that is that we have to start dealing in terms that it is arable acres that produce crops, that create the surplus. Until we start attacking that problem we will get no place.

It was amazing to hear the gentleman from Minnesota [Mr. MARSHALL] and the gentleman from Mississippi [Mr. WHITTEN] saying that acreage controls accomplish nothing, that you did not do anything with acreage, and yet I suspect we are going to vote for a bill which does just that, reduces acreage.

Mr. Chairman, to me the one basic program that makes some sense is taking acres out of production and putting them into conservation practices in reserve for future emergencies. That is what this amendment offered by the gentleman from Wisconsin proposes to do. Let me suggest to the gentlemen of the committee and others: You have 28 million acres now in the soil bank. You are letting that expire. What are you going to do with the surplus that will be produced on those acres when they again go into production?

Mr. Chairman, I hope we will adopt this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, this shows the difficulty of trying to pass agricultural legislation which will in some way control production. Many times in the past I have heard the statement made that certain commodity groups have controlled their production, that the tobacco people have controlled their production, that the cotton people have controlled their production. In reality they may be able to control production of a specific crop when they are restricted to that one crop but it never reduced total production. When the corn farmers were restricted in acreage they planted the restricted acres to wheat and soybeans. When the wheat farmers were restricted they planted other crops. When cotton farmers have their cotton acres reduced, they plant wheat or grain sorghums. They have never had cross compliance. The reason is that the principal business of the farmer is producing, and if his acres cannot be used to produce one crop which he likes, he will produce another crop; if he cannot produce wheat he will produce grain sorghums and so on with other so-called control programs. The farmers evidently are opposed to the control of total production. Town and city people do not like it. This is why there is so much opposition to cross compliance or the conservation reserve. The only control program acceptable to some so far has been the control program that didn't control. Subtitle A of this bill leaves many loopholes. The farmer would not have to completely idle his acres if he does not want to. If he plants a price-supported crop on the reduced acres he will not get price support on his wheat, for instance, but he can plant the rest to some other crops that are not price supported and get this higher price support on his remaining acres.

The only plan that offers hope of success is a payment in kind program which will induce a farmer to reduce production by paying him with some of the surplus.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, I have been a professional soil conservationist and forester, and I have been intimately concerned with the operation of the soil bank. Regardless of how this originated and with whatever good intentions, I can only report that it has been a tremendous boondoggle that has not achieved its objectives. It has not been based on sound principles in mathematics, economics, finance, or even in proper land use. As far as I am concerned it is something like building a bridge across a river that may be suitable for the passage of an automobile and then attempting to run a railroad train across it.

I cannot support the amendment to increase or expand the coverage of the soil bank program.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as having been read and printed in the RECORD and open to amendment at any point in the bill.

Mr. HOEVEN. Mr. Chairman, reserving the right to object, is it the purpose of the chairman to conclude debate today and have the vote on tomorrow?

Mr. COOLEY. Mr. Chairman, I would like to get this request out of the way, then I am going to make another unanimous consent request.

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

There was no objection.

The balance of the bill follows:

SUBTITLE A

SEC. 111. Title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the crops of wheat beginning with the 1961 crop and ending with the 1965 crop price support shall be made available as provided in this section. The support price for each such crop shall be 85 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in the first two of the immediately preceding three crop years, less an acreage equal to 25 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in each of the crop years to which this section is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for previous years may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceed the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the crops of wheat beginning with the 1961 crop and ending with the 1965 crop, if marketing quotas for the particular crop are in effect and the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm at least equal to the 25 per centum reduction in the farm acreage allotment required under section 334(c)(3) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat but not in excess of 40 per centum of such allotment or 15 acres, whichever is greater, and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to 55 per centum of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year in which the designation is made, adjusted for abnormal weather conditions as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which the Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate in accordance with regulations prescribed by the Secretary. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number two wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation at the point of delivery. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program shall be reduced by an amount equal to the required reduction of 25 per centum under section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year plus any acreage voluntarily retired pursuant to the provisions of this section. Price support at 85 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support shall be made available to cooperators at 50 per centum of parity.

SEC. 112. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the crops of wheat beginning with the 1961 crop and ending with the 1965 crop:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established

the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2), the rate of penalty on wheat of the 1961 crop and thereafter shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the crops of wheat beginning with the 1961 crop and ending with the 1965 crop:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)) is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on each of the crops of wheat beginning with the 1961 crop and ending with the 1965 crop shall be applicable to any farm on which wheat is planted.

SEC. 113. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)) shall not be applicable with respect to the crops of wheat beginning with the 1961 crop and ending with the 1965 crop.

SEC. 114. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding two new subparagraphs following subparagraph (c)(1) to read as follows:

"(2) In establishing farm allotments for the wheat crops of 1961 to 1965 inclusive any allotment determined under subparagraph (1) hereof which is less than fifteen acres shall be increased, if necessary, to equal the highest wheat acreage on the farm (planted acreage as adjusted pursuant to section 374(c)) for any one of the 1958, 1959, or 1960 crops or fifteen acres whichever is smaller: *Provided, however,* That no wheat acreage planted on a farm covered by an exemption under section 335(f) shall be taken into account in making such increases. The acreage necessary to make such increases shall be in addition to the national, State, and county allotments. The provisions of this subparagraph shall also apply to a farm having wheat acreage in 1958, 1959, or 1960 for which no allotment is determined under subparagraph (1). In such cases the farm shall be considered to have a zero allotment under subparagraph (1).

"(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the crops of wheat beginning with the 1961 crop and ending with the 1965 crop as determined on the basis of a minimum national acreage allotment of fifty-five million acres plus such other acres as may be necessary under subparagraph (2) above shall be reduced by 25 per centum. In the event notices of farm acreage allotments for the 1961 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the crops beginning with the 1961 crop and ending with the 1965 crop;".

(c) Section 362 is amended by deleting the second sentence thereof.

SEC. 115. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1961 crop of wheat.

SUBTITLE B

SEC. 121. The Congress hereby finds the present agricultural program to be inadequate to meet the present problems of wheatgrowers. Surpluses are continuing to mount despite the subsidized disposal of huge quantities of wheat abroad and the application over the past several years of the strictest production controls permitted by law; at the same time, markets for wheat are diminishing; domestic food use of wheat per capita has declined to the lowest level in recorded history; the market for wheat as livestock feed has been greatly reduced as the price differentials between wheat and other feed grains have widened. There is an urgent need to achieve a balance between the production of wheat and our ability to move wheat into domestic consumption and export. The alternatives are to reduce drastically the acreage of wheat, which would have serious consequences for traditional wheat areas, or to provide greater opportunity for market prices to guide the production and consumption of wheat. In order to solve the existing surplus without further impairing the right of traditional wheat areas to grow wheat, it is hereby declared to be the policy of Congress and the purpose of this Act to encourage the expansion of markets for wheat, reduce unrealistic production incentive, minimize the economic hardship of wheatgrowers, and avoid shifting the burden of making the necessary adjustments to the producers of other commodities.

SEC. 122. The Agricultural Adjustment Act of 1938, as amended, is hereby further amended by adding at the end of part III thereof the following new section:

"SEC. 99. Notwithstanding any other provision of law, acreage allotments and marketing quotas shall not be established for the 1961 and subsequent crops of wheat."

SEC. 123. Title I of the Agricultural Act of 1949, as amended, is hereby further amended by adding at the end thereof the following new section:

"SEC. 106. Notwithstanding any other provision of law, the level of price support for the 1961 and subsequent crops of wheat shall be based on the support level for corn for the same crop year, with reasonable adjustments, as determined by the Secretary of Agriculture, for differences in weight, nutritive value, and buyer preference, with the objective of restoring the pricing of wheat to market conditions as rapidly as possible: *Provided,* That the level of price support for wheat of the 1961 crop shall not be less than 120 per centum of the level of price support for corn of the 1961 crop."

SEC. 124. Section 407 of title IV of the Agricultural Act of 1949, as amended, is hereby further amended by adding the following at the end thereof:

"Notwithstanding the foregoing, the Secretary of Agriculture shall institute adequate measures to protect producers of wheat and feed grains from competitive sales of wheat owned or acquired by Commodity Credit Corporation, which measures shall include the following: (1) Effective July 1, 1961, and continuing in subsequent years or until Commodity Credit Corporation stocks have reached 'normal' as defined by law, the Corporation shall not make any net sales of wheat from stocks for domestic use at less than 150 per centum of the then current support price for wheat, plus reasonable carrying charges; (2) annual sales of wheat from Commodity Credit Corporation stocks under the provisions of Public Law 480, Eighty-third Congress, as amended, or similar export programs in the 1961 and subsequent marketing years shall not exceed the average level of such sales in the marketing years 1957, 1958, and 1959; (3) Commodity Credit Corporation stocks may be used for donations to friendly nations and to friendly people who are found by the President upon recommendation of the Secretary of Agriculture to be in urgent need of such wheat and unable to pay a substantial portion of its value."

SEC. 125. Section 108 of the Soil Bank Act is hereby amended by adding a new paragraph (d) as follows:

"(d) In addition to the acreage that might be placed in the conservation reserve pursuant to the above provisions, the Secretary is hereby authorized to enter into additional contracts with producers under subtitle B of the Soil Bank Act so that in the three-year period 1961–1963 the amount of land in the conservation reserve would be sixty million acres by the end of the year 1963, with the greatest emphasis on getting additional acreages contracted under the first year of this additional authorization."

TITLE II—NATIONAL STABILIZATION PROGRAM FOR FEED GRAINS

SEC. 201. As used in this part, the term "fair price" means a price not more than the

price defined in section 301(a)(1)(A) of the Agricultural Adjustment Act of 1938 and not less than 85 per centum of such price, as may be provided in any program established under the authority of this title, and the term "feed grains" means corn, barley, grain sorghums, oats, and rye.

SEC. 202. (a) Within ninety days after the enactment of this Act, the Secretary of Agriculture (hereinafter in this title called "the Secretary") shall conduct, pursuant to regulations issued by him, an election of a feed grain program development committee (hereinafter in this title called "the committee") to be composed of representative producers of feed grains. Only persons who are agricultural producers and who obtain more than 50 per centum of their income from production of feed grains (including feed grains fed on the farm) shall be eligible to serve on the committee.

(b) In order to assure appropriate regional representation on the committee, the production areas of feed grains in the United States shall be divided into not less than nine geographic districts to be designated by the Secretary. In designating such districts, the Secretary shall give consideration to (1) complete geographic representation of the production area or areas of feed grains in the United States, (2) the designation of districts so that districts will be areas having approximately equal annual production of the feed grains involved, and (3) representation of producers of each feed grain respectively in proportion to its economic importance.

(c) Each such district shall be assigned one place on the committee. The producers of feed grains in each district shall by ballot elect one member and one alternate member for its place on the committee. The Secretary shall prescribe the procedure for nomination of candidates and for their election and shall conduct the balloting for election of such members and alternate members. Members shall serve for a term of four years, except that prior to the first election the Secretary shall designate districts from which members shall at that election be elected for terms of one, two, three, and four years, respectively, in order to provide continuity of committee membership. The Secretary, or an official of the Department of Agriculture designated by him, shall meet and confer with the committee but shall not be entitled to vote or to receive compensation. If a vacancy occurs in the membership of a committee, the alternate member elected for such place shall serve the unexpired portion of the term, and in the event the alternate is unable to serve, the Secretary shall designate a qualified producer from the district to serve the remainder of such term.

(d) Each member of the committee, except the Secretary or his designee, shall receive a per diem of $40 for each day's attendance at meetings of such committee and while traveling to and from such meetings, together with actual and necessary travel, subsistence, and other expenses incurred in the discharge of his official duties without regard to other laws relating to allowances which may be made on account of travel and subsistence expenses of officers and employees of the United States, said per diem and expenses to be paid from Commodity Credit Corporation funds.

(e) The committee shall elect a chairman from among its members and shall meet at least once each year or on the call of the chairman. A majority of the members of the committee shall constitute a quorum, and action may be taken by majority vote of those present at a regular or special meeting at which a quorum is present.

(f) Elected members of the committee are hereby exempted with respect to their holding of such office, from the operation of sections 281, 283, 284, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes of the United States, except that this exception shall not extend—

(1) to the receipt or payment of salary in connection with the member's service on the committee from any source other than a private employer of the appointee at the time of his appointment, or

(2) during the period he is in office, and for the further period of two years after the termination thereof, to the prosecution or participation in the prosecution, by any such person, of any claim against the Government involving any matter concerning which the member had any responsibilities arising out of his holding such office during the period he held such office.

SEC. 203. The committee shall develop, with assistance provided by the Secretary, and recommend to the Secretary a proposed national stabilization program for feed grains in conformity with principles provided in this part and shall observe and evaluate the operation of such program and publicly report to the Secretary prior to the beginning of each production and marketing year and from time to time as it deems proper within any production and marketing year such adjustments in such program as it determines necessary to achieve the purposes of this part.

SEC. 204. (a) Whenever such program, which shall have a termination date not later than the expiration date of this title, has been recommended to the Secretary, he shall submit the proposed program to the Congress with such recommendation and comment as he may deem appropriate. Upon the expiration of the first period of thirty calendar days of continuous session of the Congress following the date on which the proposed program is received by the Speaker of the House of Representatives and the President of the Senate the Secretary shall proceed with the referendum as provided in subsection (b); but only if between the date of transmittal and the expiration of such thirty-day period there has not been passed by either of the two Houses a resolution stating in substance that that House does not favor the proposed program.

(b) If such proposed program is not disapproved by either House of Congress as provided in subsection (a), the Secretary shall conduct a referendum of the producers of feed grains to determine whether they favor effectuation of the proposed national feed grain stabilization program. Such referendum shall be conducted in accordance with regulations prescribed by the Secretary. The Secretary shall, by regulations issued by him, provide the opportunity and eligibility to vote in such referendum to all producers the value of whose annual production of feed grains, in at least three of the immediately preceding five years, as determined by the county farmer committee, has been not less than $500 or amounts to more than 50 per centum of the value of all commodities produced on the farm. Such referendum may be made effective for any number of production and marketing years not extending beyond the expiration date of this part.

(c) If two-thirds of the producers voting in such referendum vote in favor of such program, the Secretary shall declare the proposed program to be in full force and effect at the beginning of the next succeeding production and marketing year.

SEC. 205. Any national feed grain stabilization program effectuated under the provisions of this part shall—

(a) establish the necessary production or market supply adjustment procedures to balance supply and demand in accordance with the provisions of section 206 and necessary market stabilization procedures for the commodities concerned;

(b) establish regulations for adjusting quotas or goals among States, counties, and producers; and

(c) utilize, as may be necessary for the effective administration of such program, any alternative income stabilization methods, individually or in combination, in order to achieve a fair price to producers at the lowest possible cost to consumers and taxpayers, but shall include no provisions which will result in Government acquisition or storage of any agricultural commodities: *Provided*, That the cost to the United States as estimated by the Secretary in any production and marketing year for any such program established under this part, other than payments in kind for reducing the acreage of cropland as provided in subsection (d), shall not exceed an amount equal to 10 per centum of the estimated value of such commodity in such year;

(d) permit producers, at their option, to reduce by not to exceed 50 per centum the acreage on the farm normally devoted to the production of nonconserving crops, designate an acreage of cropland on the farm equal to such reduction to be devoted to conserving crops or uses or allowed to remain idle, and not harvest a crop from or graze such designated acreage except in the case of drought, flood, or other disaster, and receive as compensation therefor negotiable certificates entitling the producers to payments-in-kind from Commodity Credit Corporation's stocks of feed grains. The value and manner of redemption of such negotiable certificates and the designation of crops as "nonconserving" for purposes of this subsection shall be determined in accordance with provisions of such program.

SEC. 206. Any national marketing quota or other marketing supply adjustment program for feed grains for any production and marketing year for which a stabilization program is effectuated pursuant to section 204 shall be that quantity of feed grains which the Secretary estimates will supply domestic and foreign markets in such production and marketing year and leave a reasonable carryover for protection against less than normal production, less that amount which the Secretary estimates will be paid to producers in kind under the provisions of this title and less 10 per centum of the stocks of feed grains held by Commodity Credit Corporation at the time the stabilization program goes into effect. The Secretary is authorized and directed to establish and carry out such acreage allotments, marketing quotas, or other marketing supply adjustments as may be necessary to effectuate programs established under this part. Any such acreage allotment or marketing quota shall provide alternatives in direct ratio to the feed value of each feed grain.

SEC. 207. The Secretary shall use funds of the Commodity Credit Corporation or any other funds available to him for the purposes of implementing this part.

SEC. 208. Any provision of the Agricultural Act of 1949, as amended, or any other act, providing for acreage allotments or price supports for any feed grain shall remain in full force and effect until the effective date of a program established pursuant to the provisions of this title, and shall become ineffective with respect to any such feed grain on the effective date of any such new program.

SEC. 209. The provisions of this title shall terminate on December 31, 1965.

TITLE III—DISTRIBUTION OF PROTEIN FOOD

SEC. 301. (a) Title IV of the Agricultural Act of 1949 is amended by adding at the end thereof the following new section:

"SEC. 421. The Secretary of Health, Education, and Welfare (hereafter in this section called "the Secretary") shall undertake a program to increase the amount of

dairy, poultry, and meat products distributed to the needy, to institutions, and through the school lunch program. In carrying out such program, the Secretary shall purchase any of such products which are not in the stocks of the Commodity Credit Corporation through the Commodity Credit Corporation as his agent and in such manner that such purchases will help to effectuate the price policy goals of programs undertaken pursuant to title I. Such products may be purchased on the local market in accordance with regulations promulgated by the Secretary. The Secretary shall obtain such assurance as he deems necessary that recipients will not diminish their normal expenditures for food by reason of such donations. There are hereby authorized to be appropriated to carry out the purposes of this section such sums as the Congress shall from time to time determine to be necessary."

(b) The fourth sentence of section 407 of the Agricultural Act of 1949 is amended by striking out "and (H)" and inserting in lieu thereof the following: "(H) sales of feed grain, including wheat for feed, to the extent of one bushel of corn or a unit of other grain of the same comparable feed value for each $2 expended for increased purchases of dairy, poultry, and meat products under this Act; and (I)." The Secretary shall make certain that wheat sold for feed under this subsection is not used for human consumption.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 1 hour.

Mr. ANDERSEN of Minnesota. Mr. Chairman, reserving the right to object, what is the request?

Mr. COOLEY. That all debate on the pending bill and all amendments thereto close in 1 hour.

Mr. ANDERSEN of Minnesota. It is getting rather late in the day.

Mr. COOLEY. Well, we could use 30 minutes today and 30 minues tomorrow.

Mr. HOEVEN. It is the understanding that we will finish debate on all of the amendments submitted and any vote will be taken tomorrow?

Mr. COOLEY. No. The unanimous consent request was that debate be fixed at 1 hour on the bill, and all amendments thereto, and that we consume 30 minutes of that hour this afternoon and reserve 30 minutes to be used tomorrow. That means the Committee will rise at approximately 5 minutes after 6.

Mr. QUIE. Mr. Chairman, reserving the right to object, would this preclude the offering of the many amendments that are pending?

Mr. COOLEY. Oh, no. We will consider all of the amendments that are here within the hour that will remain.

Mr. QUIE. That does not give much time for each amendment.

Mr. COOLEY. Does the gentleman know how many amendments there are?

Mr. QUIE. There were about 18 up there, so I am informed.

Mr. COOLEY. I might say that the leadership on both sides of the aisle have conferred about the time limitation and I understand this is accepted on both sides of the aisle. We can dispose of many of these amendments this afternoon.

Mr. QUIE. There is no restriction on the time that can be spent on each amendment. There will be a half hour today and a half hour tomorrow.

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

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

The amendment was rejected.

Mr. ANDERSEN of Minnesota and Mr. QUIE rose.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 15, line 15, after the words "TITLE II", strike out the rest of line 15, lines 16 through 26, all of pages 16, 17, 18, 19, 20, 21, 22, and lines 1 through 15 on page 23, and insert in lieu thereof the following:

"FEED GRAINS

"SEC. 201. This Act may be cited as the 'Payment-in-Kind Act of 1960'.

"SEC. 202. Effective beginning with the 1961 crops, the Secretary is directed to formulate and carry out a payment-in-kind program with respect to wheat, corn, rye, oats, barley, grain sorghums, soybeans, and flaxseed. To be eligible for such payment-in-kind, the producer shall reduce the total acreage on the farm devoted to the production of such commodities in the aggregate by not less than 10 per centum below the average acreage devoted to the production of such commodities and diverted under this title during the previous three years. The producer shall also designate an acreage of cropland on the farm to be devoted to conserving crops or uses, in addition to the average acreage on the farm devoted to conserving crops and uses or allowed to remain idle during the previous three years, equal to the reduction in the acreage devoted to the production of the commodities included in this title. The producer shall be required to establish a protective vegetative cover or other conservation practice on the designated acreage. Nothing in this Act shall be construed to impair the eligibility of such acreage for agricultural conservation program payments. The producer shall not harvest any crop from or graze such acreage and shall take such steps as may be prescribed by the Secretary to prevent the designated acreage from becoming a source of spreading noxious weeds.

"SEC. 203. The payment-in-kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in the commodities included in this title, such commodities to be valued at their market price. The certificate shall have a value determined as follows:

"(1) First, determine the number of acres with respect to which the producer is eligible to receive payment, which shall be the smaller of (i) the number of acres by which the total acreage of the commodities included in this title is reduced below the average acreage devoted to the production of such commodities during the previous three years, or (ii) the number of acres devoted to conserving crops or uses as provided in section 202.

"(2) Next, determine the average yield per acre actually produced for the year of each commodity on which the producer applied for a payment-in-kind. The producer may elect to receive the payment on any one or more of the commodities produced by him which are included in this title.

"(3) Then, for each commodity on which the producer applies for a payment-in-kind, multiply the yield so determined for the commodity by the smaller of (i) the number of acres of such commodity produced for such year, or (ii) the number of acres for which the producer is eligible to receive payment as determined under (1) above (not used in the calculation of the payment on some other commodity). This is the quantity of the commodity for which a payment-in-kind will be made.

"(4) Multiply the quantity of each commodity so determined by a rate not less than the difference between (i) the basic county support rate for such commodity, and (ii) the parity price of such commodity nor more than the basic county support rate for such commodity. The resulting figure is the amount of the payment which will be made on such commodity.

"(5) The sum of the resulting figures for all of the commodities on which payment is made is the value of the certificate. The certificate may be redeemed in such commodities included in this title as the Secretary designates as being in surplus and such redeemed commodities shall not be eligible for price support. Notwithstanding any other provision of this title, certificates shall be issued only as long as the Secretary designates as being in surplus any one or more of the commodities included in this title.

"SEC. 204. The payment-in-kind program may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are necessary to effectuate the purposes of this title and to facilitate the practical administration of the program.

"SEC. 205. Section 407 of the Agricultural Act of 1949 is amended by adding, at the end of the third sentence, the following: '*Provided further*, That effective with the beginning of the marketing year for the 1961 crops of wheat, corn, rye, oats, barley, grain sorghums, soybeans, and flaxseed, the Corporation shall not sell any such commodity for less than 5 per centum above the parity price for such commodity, plus reasonable carrying charges.'

"SEC. 206. Notwithstanding any other provision of law as long as payment-in-kind certificates are issued price support shall be made available to individual producers of wheat, corn, rye, oats, barley, grain sorghums, soybeans, and flaxseed only if such producers voluntarily participate in the payment-in-kind program set forth in this title."

Mr. QUIE. Mr. Chairman, this amendment would delete the words of title II, and substitute the payment in kind for feed grain amendment, which my colleague from Minnesota [Mr. NELSEN] and I have developed. Under the present title II of the bill there would be no help to feed grain farmers, I believe, for at least 2 years. It would take time for development of regions, election of the committee, development of some program, acceptance by Congress and a final referendum. I have an amendment here which would have an immediate beneficial effect on feed grain farmers. This amendment would provide that a farmer who reduced his feed grain acres by between 10 and 50 percent voluntarily would be able to receive payment in kind. If he did not do this, he could not receive price supports. My amendment does not change the present price supports on feed grains. I believe this would be a tremendous help to the feed grain farmer. Many would be willing to do this if they could receive some

of these surpluses that are now lying in storage and use them on their farms to feed their livestock instead of raising those crops.

The Secretary of Agriculture under the amendment would be allowed to set the payment in kind at some level which would be an inducement to the farmers to take land out of production but not cause a feedback, which means to feed back more than he would have produced in the first place. Under this program it would be a great saving to the taxpayers of this country, because we already have a substantial volume of corn, for instance, and grain sorghums in storage, which is costing the taxpayers a considerable amount of money to store each year. This amendment would greatly reduce feed grain surpluses. This would not only aid the taxpayers but the farmers as well since it would enable them to secure higher prices. I believe it would be of immediate help to the feed grain farmers, because in another portion of my amendment it would not allow the Commodity Credit Corporation to sell stocks back onto the market for less than 105 percent of parity. The way the law reads presently, the CCC can turn back into the market feed grains as soon as they can receive 105 percent of the going support level plus reasonable carrying charges.

We have this situation in oats. Last year there was a tremendous reduction in oats production, but the price of oats did not increase as it should have because the CCC kept feeding back oats into the market and preventing the price from going up. I think the farmer should be allowed to bargain and get a higher price for his feed grain commodities if he can secure it in the marketplace, which the present law prevents. If my amendment is adopted, it will allow the price to go up, and the present support level prevents it going lower than it is now. I think it would be of tremendous help in the feed grain areas, and the farmers would soon be receiving a decent price for what they are raising. It would also help toward reducing this overproduction that is now in surplus and in CCC stock. Unless we do something like this, the production of feed grains will exceed demand each year, holding prices down, and we will have the same untenable position on feed grains as we do for wheat at the present time. The farmer will never be able to see his way clear until we get surpluses down to some controllable level. The people in deficit feed producing areas do not have to worry about this kind of a program, and the farmer can decide himself what crops he will raise, how much he should raise, whether he goes into the payment-in-kind program or not. No one can decide better than the farmer himself about how to manage his farm, and under the amendment it would be possible for the farmer to make all decisions himself.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSEN of Minnesota as a substitute for the amendment offered by Mr. QUIE: On page 15, after line 16, insert:

"SEC. 201. (a) As soon as practicable after the enactment of this Act, the Secretary shall conduct a referendum of producers of corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed to determine whether to offer such producers a choice between the program set forth in subtitles A and B of this title. To be eligible to vote in referendums under this title a producer must have produced one or more of such commodities in at least three of the years 1956–1960.

"(b) Notwithstanding any other provision of law, if less than a majority of producers voting in the referendum conducted pursuant to subsection (a) hereof favor a program provided by subtitle B, such subtitle B shall become inoperative, and as soon as practicable thereafter the Secretary shall conduct a referendum of producers of corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed to determine whether such producers favor a program as provided in this subtitle. If two-thirds or more of the producers voting in the referendum favor a program as provided in this subtitle, such program shall be in effect with respect to the 1961 and subsequent crops.

"(c) Notwithstanding any other provision of law, if less than a majority of producers voting in the first referendum conducted pursuant to such section (a) hereof favor a program as provided by subtitle A, such subtitle shall become inoperative, and the program as provided in subtitle B shall be in effect.

"SUBTITLE A

"SEC. 211. (a) Beginning with the 1961 crop, producers who have produced one or more of the commodities covered by this Act in at least three of the years 1956–1960 shall divert from the production of nonconserving crops, as determined by the Secretary 20 per centum of the total cropland on the farm (excluding cropland in the conservation reserve program). The land so diverted from production shall be devoted to conserving crops or uses, including wildlife practices, and shall be used only for hay or pasture (such acreage is hereinafter referred to as the 'green acres'). Any producer who knowingly fails to comply with the requirements of this section shall be subject to a marketing penalty on the entire production of nonconserving crops on the farm at a rate equal to 50 per centum of the average market price for such commodities for the immediately preceding marketing year. The production of crops on the farm shall be regarded as available for marketing and the amount of the penalty shall be computed upon the normal production of the acreage planted to nonconserving crops.

"(b) All penalties provided for in this section shall be collected and paid in such manner, at such times, and under such conditions as the Secretary may, by regulations, prescribe. The Secretary shall provide, through the county and local committees, for measuring farms and for ascertaining whether there has been compliance with this section. Notice of any marketing penalty due under this section shall be mailed to the producer. Any producer who is dissatisfied with his marketing penalty may within fifteen days after mailing to him of such notice have such marketing penalty reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary. Such committee shall not include any member of the local committee which determined the total cropland, the production of nonconserving crops subject to the penalty, or the marketing penalty for such farm. Unless application for review is made within such period, the original determination of the marketing penalty shall be final. If the producer is dissatisfied with the determination of the review committee, he may within fifteen days after a notice of such determination is mailed to him by registered or certified mail file a complaint against the review committee as defendant in the United States district court sitting in the county or the district in which his farm is located, for the purpose of obtaining a review of such determination. Bond shall be given in an amount and with surety satisfactory to the court to secure the United States for the costs of the proceeding. The complaint in such proceeding may be served by delivering a copy thereof to any one of the members of the review committee. Thereupon, the review committee shall certify and file in the court a transcript of the record upon which the determination complained of was made, together with its findings of fact. The review by the court shall be limited to questions of law, and the findings of fact by the review committee, if supported by evidence, shall be conclusive. The jurisdiction conferred by this section to review the legal validity of a determination made by a review committee pursuant to this section shall be exclusive. No court of the United States or of any State shall have jurisdiction to pass upon the legal validity of any such determination except in a proceeding under this section.

"SEC. 212. The Agrcultural Act of 1949, as amended, is amended by adding the following new section after section 105:

" 'SEC. 106. Notwithstanding the provisions of sections 101 and 105, beginning with the 1961 crop, the level of price support for corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed shall be not less than 75 per centum of the parity price.'

"SEC. 213. (a) Effective beginning with the 1961 crops and continuing until such time as the Secretary determines that the stocks of corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed have been reduced to a level required for carryover or reserve (1) to protect agricultural and consumer interests, (2) to meet export demands, and (3) for food for peace, the Secretary is directed to formulate and carry out annually a payment-in-kind program as provided herein with respect to such commodities. After stocks of such commodities have been reduced to the level specified above, a payment-in-kind program as provided herein shall be carried out by the Secretary as may be needed to correct any imbalances in production between such commodities. To be eligible for such payment-in-kind the producer shall reduce the total acreage on the farm devoted to the production of such commodities below the average acreage devoted to the production of such commodities and diverted under this Act during the immediately preceding 2 years. The producer shall specifically designate the land so withdrawn from production, shall establish a protective vegetative cover or other conservation practice, including wildlife practices, on the designated acreage, shall not harvest any crop from or graze such acreage (except that the Secretary may permit the designated acreage to be grazed or hay to be cut therefrom if the Secretary determines that such action is necessary to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster) and shall prevent the designated acreage from becoming a source of spreading noxious weeds. The acreage diverted under this subsection (a) shall be in addition to the green acres. The acreage diverted under this subsection

(a), together with the green acres, shall not exceed 50 per centum of the total cropland on the farm.

"(b) The payment-in-kind shall be made by the issuance of negotiable certificates which Commodity Credit Corporation shall redeem in the commodities included in this Act in accordance with regulations issued by the Secretary. The amount of such compensation shall be equal to 80 per centum of the average annual yield of the commodity or commodities being reduced times the basic county support rate for the commodity or commodities. The Secretary shall provide for the sharing of a certificate among the producers on the farm on a fair and equitable basis. The commodities redeemable for such certificates shall be valued at the market price thereof as determined by Commodity Credit Corporation. The commodities redeemed with such certificates shall not be eligible for price support. To the maximum extent practicable the commodities redeemed with such certificates shall be from Commodity Credit Corporation stocks in bin sites or other Government facilities before such commodities are redeemed from Commodity Credit Corporation stocks in commercial warehouse facilities.

"(c) A producer shall be eligible to receive payments-in-kind as described in subsection (b) on any or all of the green acres if, in addition to complying with the requirements for green acres under section 3, he also complies with the requirements against harvesting or grazing such acreage and of all the other requirements applicable to acreage eligible for payments-in-kind under subsection (a) of this section, except that the rate shall be 25 per centum of the average annual yield of the commodity or commodities being reduced.

"(d) Any producer who knowingly grazes or harvests any crop from any acreage for which a payment-in-kind is paid or payable shall be subject to a civil penalty equal to 50 per centum of the amount of the payment-in-kind. Such penalty shall be in addition to the amount of the payment-in-kind which shall also be forfeited or refunded, and shall be in addition to the amount of any marketing penalty required to be paid under section 3.

"SEC. 214. The acreage diverted under this subtitle shall be in addition to any acreage devoted to the conservation reserve program.

"SEC. 215. Nothing in this subtitle shall be construed to impair the eligibility of any acreage diverted hereunder for agricultural conservation program payments.

"SEC. 216. In administering this subtitle the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

"SEC. 217. The Secretary shall transmit to the Congress annually a report on the program for the preceding year including an evaluation of the operation of the program together with recommendations as to any necessary adjustments in the percentage of cropland acres required in the green acres program to assure a reasonable balance between annual production and annual demand and consumption. Any increase in the percentage of cropland acres required in the green acres program shall not be put in effect, however, without legislation by the Congress and approval of the increase by producers voting in a referendum as provided in section 201.

"SEC. 218. The activities authorized under this subtitle are supplementary to the acreage allotments and marketing quotas authorized under the Agricultural Adjustment Act of 1938, as amended.

"SUBTITLE B"

Mr. ANDERSEN of Minnesota (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in full in the RECORD.

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

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Chairman, this is the so-called green acres amendment.

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

Mr. ANDERSEN of Minnesota. I yield.

Mr. COOLEY. Do I understand that this amendment would give an additional alternative?

Mr. ANDERSEN of Minnesota. That is correct. This will give to the farmers of America an additional alternative under this particular title.

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

Mr. ANDERSEN of Minnesota. I yield to the gentleman.

Mr. KYL. At the outset, I hope the gentleman will point out to the Members of the House that the amendment he is proposing as a substitute comes closer to being a bushel and pound control than anything we have talked about in the House so far.

Mr. ANDERSEN of Minnesota. That is correct. That issue has been brought up today in payment-in-kind discussions. Mr. Chairman, I shall not go into the details of the green acres bill now because Members have heard me discuss it for 2 months.

Payment in kind under my proposal is based on the producing ability of the land taken completely out of production and retired under this additional 30 percent which is permissible under the green acres bill. It is based absolutely upon the average productive ability of the land and consequently this is based on bushelage.

Take the case of a farm on which the average production is 50 bushels to the acre. The county committeeman will say: "If you want to take out 60 acres and put it under the 30-acre provision, it is based on that average production of 50 bushels to the acre, which is a proven production." And as the gentleman from Minnesota [Mr. MARSHALL] says, it should be done and it must be done that way—take the actual production into consideration. The green acres provision will automatically take out 34 million acres of land, presently cultivated land, take it out of production, according to Department of Agriculture statistics. The green acres proposal will relieve the load of the taxpayers to the extent of $750 million below the present cost of the price-support system. It will protect the taxpayers all through America.

Remember, under green acres, the farmers will contribute that land. They are not getting a dime for that. The regular payment in kind comes under the 30-percent additional if and after they vote upon themselves mandatorily to take out the 20 percent green acres. Then they can offer to retire any or all of the additional 30 percent, but not to exceed 30 percent, because we do not want to make the mistake that was made by the present Secretary of Agriculture of insisting on whole farms going out of production.

Responsible farm leaders in the State of Illinois have been back of this. It has tremendous support in Iowa. I discussed the question with 400 producers in the State of Minnesota and as the gentleman from Minnesota [Mr. MARSHALL] well knows, it has general acceptance as being the kind of a commonsense proposal that we should have.

After all, it leaves it up to the farmers to say whether they want to do this or whether they want to do as the committee bill says, go along the line of appointing a committee of nine men nationwide to bring in a program. It gives the farmers alternatives. It will save the taxpayers hundreds of millions of dollars. It will utilize stocks that we have already paid for as the incentive for the farmers in order to get a fair price for what they do produce. It will give them an incentive to take land out of production, which all agree is absolutely essential. We are trying to lift up the general price level of agriculture throughout the great feed grain area. We are trying to and will through this proposal chisel away in 5 years' time the bulk of these tremendous Commodity Credit stocks that today hang like a dark cloud over all of us.

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

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I want to reiterate what my good friend has said. My good friend has talked this over with farm people, he has talked it over with people who have administered farm programs. It is a program that they have said to my friend will work. It actually has the approval of farmers, and I commend the gentleman from Minnesota [Mr. ANDERSEN] and the gentleman from Iowa [Mr. JENSEN] for the forthright manner in which they have presented this legislation.

Mr. ANDERSEN of Minnesota. I thank my good friend the gentleman from Minnesota [Mr. MARSHALL], who has himself done so much for agriculture and farm people during his service in the Congress.

Mr. WOLF. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLF to the substitute amendment offered by Mr. ANDERSEN of Minnesota: On page 5 of the Andersen substitute amendment, in line 4, change "75" to "80", and after the period add the following: "For the 1963 and 1964 crops, the level of support shall be not less than 85 per centum of the parity price. For the 1965 and subsequent crops, the level of support shall be 90 per centum of the parity price."

Mr. WOLF. Mr. Chairman, in the original green acres bill that was offered by the gentleman from Minnesota and the gentleman from Iowa [Mr. JENSEN] this 90-percent amendment was included. I wondered if at this point the gentleman from Minnesota might want to discuss why he removed that section from the pending amendment.

Mr. ANDERSEN of Minnesota. Basically I have always felt throughout the 22 years I have been in Congress that the farmers of America are entitled to 90 percent of parity for what they produce. I have examined this whole question carefully and, as the gentleman knows, we did have in our original bill a graduated scale from 80 to 85 percent after 2 years and to 90 percent thereafter. The gentleman from Iowa [Mr. JENSEN] and I figured that the disappearance of the stocks from the Commodity Credit Corporation would warrant it, and that the extra price support would not cost the Government too much, if anything. But I have very good authority to believe that if this 75-percent change is made in our original bill, a change which we are offering today, to 75 percent, we can get this bill signed. That is my only reason. I am afraid that with the 90-percent feature in it, much as I would like to have it in there, from a practical viewpoint it would not become law. We want a public law, not just an issue. Regardless of that, if we can raise it to 75 percent we have achieved a 10-percent increase for every farmer in America in the price level of his corn and 15 percent on his other feed grains. I think that would be a wonderful accomplishment. Furthermore, the able and distinguished conferees will have an opportunity to perfect what we do today.

Mr. WOLF. I thank the gentleman. I want to make it clear he has no emotional opposition to the amendment but that it is a matter of tactics, of getting the President's support of the amendment.

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

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

Mr. JENSEN. I rise just to say that I support the contention of the gentleman from Minnesota who has just spoken.

Mr. WOLF. I thank the gentleman.

May I point out that our job here, as I see it, is to face the question of whether we want to achieve 90 percent of parity eventually. By adding this section to it, we by 1965 will have achieved this goal. We do not do it directly, we do it over a period of time, so that this is a gradual increase. If we went to 90 percent directly, and I would like to do it, it would have a deleterious effect on the livestock producers.

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

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

Mr. KYL. In regard to the gentleman's amendment, if the provisions of this substitute were put into effect, there would be a natural increase in prices within the 3-year period that it would take under the gentleman's amendment.

Mr. WOLF. I am hopeful that this would be the case. I just want to be sure that it is not only natural but that it is legally set up and will take place. I would like to state I have introduced the amendment that the gentleman has offered as a bill this way on the floor. I think it is important when we talk in terms of 90 percent of parity and I, frankly, feel that any farm Congressman can support this in good conscience and I am hopeful that the conference committee will see fit to leave this in. I am hopeful that this amendment to the Andersen amendment will be adopted and then that the Andersen amendment will be adopted.

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

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

Mr. POAGE. I want to state I think the gentleman has offered a constructive suggestion here. I think the gentleman from Minnesota has offered a fair proposition to let the farmers determine for themselves what they want, and the gentleman from Iowa has offered to make it a more meaningful choice. I would like to see the gentleman's amendment adopted to the substitute and then see the substitute adopted.

Mr. WOLF. May I say I think what the gentleman from Minnesota [Mr. ANDERSEN] and myself, are doing here is being consistent with title I of the bill. We have given the wheat farmers a referendum choice and now we are giving the feed-grain farmers the same choice in title II.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa.

Mr. Chairman, I would like to ask the gentleman from Minnesota [Mr. ANDERSEN] a few questions about the impact of his amendment. Under your amendment, the farmers would have a choice between the committee title II and your green acres bill; is that correct?

Mr. ANDERSEN of Minnesota. That is correct.

Mr. QUIE. The choice they would have under the committee title II would enable them to choose whether they want to elect a committee to decide their program for them or take your program; is that correct?

Mr. ANDERSEN of Minnesota. The choice is between the green acres program and what is now in the bill.

Mr. QUIE. In other words, the choice is between your program and what is now in the bill, which just allows them to pick a committee of nine men to work out some program for them; is that correct?

Mr. ANDERSEN of Minnesota. The gentleman from Minnesota [Mr. ANDERSEN] is not defending what is now in the bill.

Mr. QUIE. You still offer an amendment giving them a choice to pick what is in the bill, if they so desire?

Mr. ANDERSEN of Minnesota. I still believe the farmers are entitled to a choice. I would be willing to see a still further choice put in here, if you can do so. In other words, a third alternative giving the farmers the right to vote upon the gentleman's suggestion along with the others.

Mr. QUIE. There is nothing enabling them to keep what they have right now either; is there?

Mr. ANDERSEN of Minnesota. I do not understand the gentleman's question.

Mr. QUIE. There is nothing in the bill which enables them to keep their present program, their present price support level allowing them to raise whatever they want to raise on their farm. My amendment will allow freedom of choice to the farmer to take my payment-in-kind program if he wants to.

It is completely voluntary.

Mr. ANDERSEN of Minnesota. I would suggest that the amendment offered by the gentleman from Minnesota [Mr. QUIE] would open wide the production of feed grains.

Mr. QUIE. Any farmer can raise all the feed grains he desires right now.

Mr. ANDERSEN of Minnesota. It would keep the support level as it is, that is my understanding.

Mr. QUIE. That is correct.

Mr. ANDERSEN of Minnesota. Of course, it has already been proven in the case of corn that that is disastrous. As the gentleman from Minnesota [Mr. QUIE] well knows, we produced 20 million acres of corn last year unnecessarily and I, certainly, cannot agree with the gentleman that we should open wide on all other grains and just use the Commodity Credit Corporation as a storage house. But I would like nevertheless to give the farmers a choice and let the gentleman shape up his language so that we can have a second alternate choice in a referendum.

Mr. QUIE. The gentleman knows that the payment-in-kind provision of his bill which is in addition to the green acres portion of his bill and my bill are practically the same.

Mr. ANDERSEN of Minnesota. The payment in kind of the green acres plan is on the additional 30 percent, above the 20 percent of green acres and is based on 80 percent of the average proven production of that particular land offered by the producer to be taken out of production.

Mr. QUIE. That is correct.

Mr. ANDERSEN of Minnesota. I do not recall whether the gentleman's amendment called for 80 percent also.

Mr. QUIE. My amendment gives the Secretary of Agriculture leeway up to 100 percent.

Mr. ANDERSEN of Minnesota. Yes, the gentleman gives the Secretary of Agriculture altogether too much authority in his amendment, and that I would have to oppose.

Mr. QUIE. Mr. Chairman, the choice we have before us right now, if we accept the amendment of the gentleman

from Iowa, is the choice between high price supports and the Brannon plan.

Under the proposal of the gentleman from Iowa, in 3 years we would have 90 percent supports on feed grains. Under title II of the bill no program could be initiated which would result in the Government purchasing or storing commodities as they presently do. About the only thing left for them to work out is some type of Brannan plan. So we have before us in this amendment a choice of whether they want high-priced supports with controls or the Brannan plan.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the Quie amendment, which unfortunately was not presented to either the subcommittee or to the House Committee on Agriculture during deliberation of this important matter. I doubt very much if any Member of the House except the author of the amendment knows what it is all about.

I have no objection personally, as I said during the course of the debate, to the green acres amendment offered by our distinguished friend from Minnesota [Mr. ANDERSEN]. I express this view as my own and do not, on this amendment, speak on behalf of the Committee on Agriculture. I have no objection personally to that amendment.

As to the pending Quie amendment there are three propositions before the House now, and I hope, Mr. Chairman, that we may have a vote at this time and then follow the regular procedure.

Mr. NELSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to support the Quie amendment. As I mentioned before, we have about 156 million acres of land in the United States on which crops are produced and fed on the farm. Seventy-five percent of the farms in Minnesota produce crops that are fed on the farm. In a referendum they would, in all likelihood, vote against being put in a straitjacket. They would cooperate in idling acres if they could do so on a voluntary basis; they would put land idle and take some crops out of surplus continuing with their dairy herd, steers, pigs, and chickens.

But now we have a situation where if the Green Acres proposal is lost in a referendum we then get the bill presently before the House. Seventy-five percent of farmers such as my neighbors have no opportunity to participate voluntarily in a program. I think it is a shame that we should limit debate on a program as important as this to such a short time. It is too important to run over lightly.

I would like to see a third alternative put in the bill if that could be done; I would like for my son and my neighbor, as well as myself, to have some say in whether or not they are forced to accept a plan that will give nine men such tremendous power and control. I believe we should have more thought given to voluntary participation. I believe in so doing we would have greater participation and would have more idle acres. We would reduce the surplus to a greater degree than we do now. I think the only way we can bring agriculture up is to get the surplus drawn down that hangs over our heads and depresses the market.

Mr. ANDERSON of Montana. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. ANDERSON of Montana. If there are three questions on the ballot would the 34 percent of the voters who voted for one program outweigh the 66 percent who voted for the other two?

Mr. NELSEN. The gentleman's question is getting rather complicated. I want the farmers to have a chance to participate voluntarily in the mechanics of this process that has already been started. I would like to have the point of view of 75 percent of the farmers in Minnesota considered and 156 million acres of productive land in the United States given due consideration.

The only thing I have ever done in my life is to farm. I would not like to see this thing lightly gone over, and some of the major problems of agriculture not considered at this session of the Congress.

Mr. JENSEN. Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from Minnesota [Mr. ANDERSEN].

Mr. Chairman, I know we can all agree that we must reduce acres in order to get a reduction in bushels. The Andersen-Jensen green acres bill provides not only for acreage reduction but, in effect, it also will tend toward a bushel reduction for this reason: Every ASC county office in America knows exactly how many bushels of grain was produced or have been produced on each farm during the past several years.

Our bill provides that the farmer shall be paid in kind for the number of bushels that his farm is capable of producing. So you have there a bushel allotment as well as the acreage allotment.

I do not think it necessary for me to take too much time to explain our bill. It has been explained many times on the floor of the House. I must say, however, that since we introduced the green acres bill I have had letters from all over America and, with rare exception, the letters that came from farmers, from merchants, from people interested in this vexing problem, have said "this looks like the plan that will really do a job for the farmers of America."

Mr. Chairman, when you help the farmers of America you help all of America. This is a plan which will take the necessary acres out of production. In the first year, according to the best expert advice we have had from the Department of Agriculture, if and when the green acres farm bill is put into effect, it will balance production with consumption, the first year it operates, and that is exactly what everyone wants to do. It will cost about exactly nothing compared to what the present program is costing, while it is greatly increasing our farmers' income.

Mr. Chairman, as I said before, the ASC office in every county knows exactly what the historical production record is of every farm in that county. So the administrative cost under our bill will be just about the same as now. When we use the commodities in storage to pay the farmers for their reduction in production in lieu of cash outlay, then, certainly, we are doing all the taxpayers of America a great service, including our farmers, for they too pay a lot of taxes, of every nature, especially when they make a profit. We can afford to pay liberally in kind, as our bill provides, because we are using a commodity to pay the bill.

Mr. BERRY. Mr. Chairman, with the production from a good many million acres of land in these United States being supplanted by the importation of agricultural products, and with the Government being faced with the choice of either protecting against imports through reciprocal tariffs, or by purchasing the production from these acres, I would like to give to the House a rundown on what the taxpayers have been required to pay in preference to reciprocal protective tariffs.

Since the House is involved in the wheat problem, let us take a look at several commodities under the purchase program, beginning with wheat.

Wheat: In its latest report the financial conditions of the Commodity Credit Corporation indicated there were 1,211,179,000 bushels of wheat valued at $3,084,512,000. During the past 10 years the Commodity Credit Corporation paid out in grower loans on wheat $5,924,900,000 and then went to Congress to be reimbursed for a loss of $871,691,000 after they disposed of the wheat and wheat flour they had processed, but they still have a peak inventory on hand valued at $3,084,512,000 in storage on which no loss is yet counted.

Corn: The last report showed there were 1,198,799,000 bushels of corn valued at $2,131,944,000. That net payment to producers during the past 10-year period has been $3,968,400,000 on corn loans. The Commodity Credit Corporation loss was $1,138,622,000 with a near record inventory as of today valued at $2,131,944,000.

Cotton: As of the last report there were 5,341,000 bales of cotton valued at $937,036,000. During the past 10 years the producers have been paid $7,835,200,000 with a loss during that period of $1,045,887,000, and with cotton valued at $937,036,000 in storage at the end of the period.

Tobacco: The Commodity Credit Corporation had on hand 2,041,000 pounds of tobacco valued at $1,417,000. During the past 10 years the net outlay to producers has been $360,800,000. The Commodity Credit Corporation loss has been $10,902,000.

Dairy products: At the last report, dairy products in storage included 59,101 pounds of butter valued at $34,674,000, 8,784,000 pounds of cheese valued at $3,146,000, and 239,133,000 pounds of dried milk at $34,150,000, for a total value of $71,970,000. During the past 10 years the Federal Government paid out $2,542,100,000 in dairy support programs.

Sugar: We produce a deficiency supply of sugar in the United States of America because of Government controls to permit foreign countries to share the United States market. Counting the mainland cane areas, including Louisiana, Florida, and the offshore areas of Puerto Rico, Hawaii and the Virgin Islands, plus our domestic areas, the United States produced 4,886,000 tons, raw value, during 1959.

That same year we imported a total of 4,474,000 short tons, raw value. Of this total 3,215,000 tons came from Cuba and 980,000 tons from the Philippines. Under the Sugar Act which expires at the end of 1960 we paid Cuba 5.35 cents a pound in Cuba before shipping, which is 2.38 cents a pound more than she got in the world market for her other sugar. Out of total exports last year, Cuba shipped 3,215,000 tons to the United States and 2,206,000 tons to other countries.

The way it multiplies out, the United States paid the Castro outfit a subsidy in Cuba of $153,034,000 over the world price, plus a $25,077,000 freight bill, to get it to the mainland, making a total of $178,111,000. American growers were prohibited from getting through American production at the price paid in the United States.

In 1959 we produced about 2.33 tons of raw sugar per average cane and beet acre in the United States mainland areas. That means that if the United States growers were to be allowed to produce the sugar for the United States mainland market, it would require more than 1,920,000 additional acres to supply the need. Cuban exports to the United States alone displace 1,380,000 potential United States sugar producing acres.

The latest United States Department of Agriculture figures show it takes approximately 77 man-hours per acre on the average to produce sugar on the mainland, at an average earning rate of 94 cents an hour—outside Louisiana, which is 69 cents. So imported sugar has not only displaced 1,920,000 acres but it has displaced a farm payroll of $138,969,600 annually. Cuban sugar alone keeps workers in the United States from getting a payroll of nearly $100 million.

SOIL BANK

In an effort to reduce the production from acres made surplus by foreign imports Congress has gone into a program of renting land and taking it out of production. There would, of course, be no need for this program if the American farmer were permitted to produce the food and fiber eaten and worn by the American people rather than importing it from abroad.

During the 5 years the soil bank program has been in effect my State of South Dakota has received $92,449,079. The rental program nationwide has cost the taxpayer $2,457,161,706.

The cost to the Department of Agriculture to administer the program between May 28, 1956 and June 30, 1960 was $146,376,480. If we compute the acres thus under soil bank control we find that it has cost the American taxpayer $1.22½ per acre just to administer this method of reducing production.

On a simple pro rata basis of figuring it means that the Federal Government has spent $8,363,993 to administer the land and take it out of production.

Mr. Chairman, these figures are presented today because this cost to the taxpayer is completely unnecessary if we simply stop competitive agricultural imports because, as of today, there are not acres in America to feed and clothe our people. We need no soil bank—we need have no surplus. American agriculture could be thriving if it were given an equal opportunity to meet foreign competition.

Mr. McDOWELL. Mr. Chairman, I rise in opposition to H.R. 12261, known as the Poage farm bill. This legislation is supposedly designed to alleviate the overproduction of wheat.

There are a number of reasons why I am opposed to this legislation, but my main opposition is because it is nothing more than a continuation of the present costly farm subsidy program. I can see no benefits to any farmer from this legislation and it would further aggravate the already excessive burden of the taxpayers in support of handouts to the big farm operators.

Provisions of the bill would create an unfavorable balance in the feed-grain ratio by dumping millions of bushels of wheat into the commercial market at a price lower than its market value due to the Government subsidy.

The legislation is detrimental to the best interest of Delaware farmers in every respect. The best which can be said for the legislation is that it is a last-ditch attempt at stop-gap legislation in the closing days of Congress. We have waited in vain for the past 2 years for Secretary of Agriculture Benson to recommend farm legislation to the Congress. In spite of his plea for time, time has now run out. Benson did not recommend any farm legislation to the Congress and the Committee's attempt to foster this bill, H.R. 12261, upon the Congress at this time is a farce and not acceptable to me. I am not in favor of any legislation at this time which will increase the cost of the farm subsidy program. Not a single national farm organization supports this legislation.

No legislative proposal will solve the basic problems of our farmers unless it encourages market expansion, reduces incentives for overproduction, minimizes economic hardships, and avoids shifting the burden of adjustment to producers of other farm commodities and to the taxpaying consumer. Any farm program which does not take into consideration the final cost of food to the consumer is unfair to both the farmer and the consumer. Falling farm prices and rising consumer prices require something more than this type of hastily conceived scheme to continue an already discredited farm subsidy program.

Section 101(a) of H.R. 12261 authorizes a referendum to determine whether wheat producers prefer a wheat program similar to the one vetoed by the President last year, but less than 40 percent of the farmers who grew wheat for harvest in 1960 would be permitted to vote.

The proposed referendum would go into such matters as production controls, land retirement, export subsidies, and farm program costs.

I do not think that a referendum of such vast national scope can be defended, particularly in view of the fact that under the terms of this bill it would be decided by a minority of the producers of a single commodity.

The American Farm Bureau Federation opposes H.R. 12261 because, among other reasons, under it—

> Eligibility to vote * * * would be restricted to the wheat producers who harvested more than 15 acres in 1960. This means that 823,412 of the 1,391,819 farmers who had wheat allotments in 1960 would be disenfranchised, even though important changes would be made in the wheat program for all producers—regardless of the outcome of the referendum.
>
> It is a well-known fact that the present 15-acre exemption was adopted as a means of justifying voting eligibility rules that were calculated to insure a favorable vote for marketing quotas on wheat. If the 60 percent of all wheatgrowers who are now exempt from marketing quotas are to be deprived of their exemption, the decision to do this should be made by the Congress and not by a bare majority of the 40 percent of all wheatgrowers who are now subject to quotas.
>
> I am particularly concerned with the provisions of title II of H.R. 12261, since this title would authorize a commodity committee to develop a new program for feed grains which I consider unsound and therefore unwarranted.
>
> It would be most unfair to the producers of livestock, poultry, and dairy products if the Congress were to turn responsibility for developing a feed grain program over to a committee of feed grain producers.

FARMERS NEED FREEDOM, NOT FEDERAL HANDOUTS

Mr. BROOMFIELD. Mr. Chairman, during the past 2 days of debate on these proposed plans for future wheat price supports, a great many thousands of words have been let loose upon the American public.

In fact, it would seem as if the surplus of words could almost match the surplus of farm goods which now jam storage facilities throughout the length and breadth of our Nation.

All of us, I am sure, wish that the bushels of wheat we have accumulated over the years in unsuccessful and unworkable farm programs would disappear as quickly as the words uttered on this subject today and yesterday.

These words might be forgotten after next November, but I am sure that the mountains of wheat will still be with us.

The main theme of almost all the plans advanced so far is a simple one. It is a case of telling the farmer how to solve his own private, personal problem of making a living as he sees fit. Some use the carrot approach to try to lure the farmer along a path lined with verbal primroses. Others use the stick approach to beat the farmer into submission and to stop any inclination toward

balking in his forced march toward a completely planned economy for himself and his family.

Other plans would accomplish their purpose through minority action, in which less than a majority of wheat farmers would be permitted to vote on a wheat plan, and this vote would be carefully limited to those who need help least and would stand to gain the most.

Still other schemes would absolve Congress from all responsibility from this problem, would turn over all future farm plans to a committee completely divorced from Congress. In this manner, Members of Congress could alternately point with pride or view with alarm as the situation demanded, with the happy prospect that Members of Congress could dodge all responsibility for any actions taken by the committee if it so desired.

All of us who are fathers, I am sure, have encountered situations in which one of the offspring has toppled over a jar of pickles or a bottle of root beer at the supermarket. The immediate reaction is to turn our backs and say, "that is not my baby." But as responsible individuals, we do not say it. We face up to the fact that this is our baby, and that we must take some responsibility for the creature we have helped to create.

Today, we are faced with the same sort of a problem, except that the baby is not a baby anymore. The farm program has grown to be the third largest expenditure in the Federal budget. It has been in existence for almost three decades. Yet, we intend to treat the farmer as a baby. We spoon feed him. We make his decisions for him. We shelter him from the cruel facts of economic life. If attempts are made to permit him to walk or even creep, they are met with rebuffs and admonishments that the child is a sickly one and that it is best to just let him lie there, spoon feeding him with funds from the Federal Treasury.

At the same time, we turn to our offspring and tell him how free he is, how wonderful he is, how strong he is, when the only freedom we permit him is to roll his eyes.

Would it not be much kinder, much more humane, to tell this 25-year-old offspring that it is time he stood on his own two feet, to tell him that he was free to make his own decisions? Would it not be saner to take away his bottle of Federal funds and tell him it is time he started to earn his own living?

I believe it would, for a number of reasons.

First of all, I do not believe that the American farmer is the weakling which some of his so-called advocates picture him to be. I believe he is capable of coming up with his own solutions to his own problems if Congress will but give him the chance.

Arguments have been put forth that freedom from restraint, from parental domination by Congress, will lead to chaos. I do not believe it will lead to any more chaos than Congress, as a well meaning but dictatorial parent, has already imposed upon the farmer.

Let us face the facts. The farmer and his problems is well past the voting age. Earlier this year, Congress passed and the President signed into law civil rights legislation designed to give the right to vote to all our citizens. Yet we are being asked today to deny equally basic economic rights to a large segment of our Nation's population, the farm population.

May I urge my colleagues to permit the farmer to step out in the world, to capture world markets through his own energy and initiative, to compete for domestic and world markets, to grow what he wants to grow when he wants to grow it.

If the farmer fails in the competitive world around him, then Congress, like a good parent, will always be around to give him a hand.

But let us at least give the farmer the chance to find out his strengths as well as his weaknesses. I believe that we, as proud parents, will be even more proud of his accomplishments if he stands as a free man among free men.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments do now close, and that we have a vote on the three amendments.

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

There was no objection.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Iowa.

Mr. WOLF. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLF. Is it my understanding this is my amendment, the 90 percent of parity amendment that has been supported by the committee?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa to the substitute.

The question was taken; and on a division (demanded by Mr. WOLF) there were—ayes 61, noes 29.

So the amendment was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Minnesota [Mr. ANDERSEN] as amended.

The substitute as amended was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Minnesota [Mr. QUIE] as amended by the substitute.

Mr. ANDERSEN of Minnesota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSEN of Minnesota. The vote here really is on green acres, is it not?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE] as amended by the substitute.

The question was taken; and on a division (demanded by Mr. QUIE) there were—ayes 68, noes 23.

So the amendment was agreed to.

Mr. QUIE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. QUIE. Would this now be known as the Quie green acres plan?

The CHAIRMAN. That is hardly a parliamentary inquiry.

Mr. ANDERSEN of Minnesota. Mr. Chairman, a parliamentary inquiry. I would be honored to have Mr. QUIE's name on green acres.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, 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. 12261) to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes, had come to no resolution thereon.

SUPPLEMENTAL VIEWS

Mrs. GRANAHAN. Mr. Speaker, I ask unanimous consent that I may file supplemental views to accompany House Report No. 1929 on the bill H.R. 12595.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS ON H.R. 12261

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks during consideration of the bill H.R. 12261.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until midnight tonight to file a conference report on the bill H.R. 10644.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON AGRICULTURE

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture have until midnight tonight to file a report on the bill H.R. 12759.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FEED GRAIN PRODUCERS

Mr. WOLF. 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 Iowa?

There was no objection.

Mr. WOLF. Mr. Speaker, I today introduced the bill, H.R. 12773, which is designed to do for the feed grain producers of America what we propose to do for the wheat producers; namely, to give them a choice in a referendum between alternative approaches to a solution to their problem. The bill I have introduced has as its objective: First, a reasonable balance between production and consumption at no cost to the public other than the costs of administration; and second, a surplus liquidation program through payments in kind for further voluntary reductions in production below the national market demand.

On the all-important question of prices, the bill proposes that price supports on all feed grains produced in the next crop year shall be supported at not less than 80 percent of parity and the bill further provides that as we balance production and liquidate price-depressing surpluses the level of price supports automatically goes up in successive steps to 90 percent of parity.

As a practical matter, if we bring prices up to 90 percent of parity immediately it would have a seriously disruptive effect on the feed grain users because at the present time the parity is 60 percent and they could not adjust immediately to a 50-percent increase. It is for this reason that we are readjusting this parity formula over a period of 4 years. For 1963 and 1964 crops it shall not be less than 85 percent and for the 1965 and subsequent crops the support shall be 90 percent.

I would like it clearly understood that from my point of view it was regrettable that the parity formula has dropped as low as it has and that we now have to use this method of returning it to the 90-percent level.

At the very least, we are attempting in 4 years to climb back up the economic ladder to the point from which we departed 7 years ago.

However, I hope that the next administration will propose a comprehensive farm program which will make unnecessary this 4-year wait.

May I remind our able colleagues from the livestock-producing feed-deficit areas that their concern over feed grain prices may be short-sighted because long-term inbalance in farm commodity prices will lead to expanded livestock production in the feed surplus areas which would be far more disastrous to the livestock interests on the east and west coasts than any moderate and fair increase in the price of feed.

May I also call to the attention of advocates of freedom and free enterprise that this approach guarantees to producers the greatest measure of freedom in the planning and operation of their farms of any proposal being seriously considered at this time.

This is, in my judgment, a progressive step in the direction of farmer participation in the development of the programs he believes to be not only in the best interest of himself and his family but also of the farm unit he operates.

This farm program will aid the national interests by serving the consumers as well as the farmer because it will protect the land, assure an abundant supply of food at reasonable prices to consumers, protect the competitive market, and, finally, will stabilize our rural economy.

A distinctive feature in this bill, Mr. Speaker, is the fact that it will not continue the soil bank suicide which is making ghost towns of our small communities in the rich farmlands of rural America because it has a maximum 50-percent retirement of any farm unit.

JANE ADDAMS AND INTERNATIONAL PEACE

Mr. MEYER. 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 Vermont?

There was no objection.

Mr. MEYER. Mr. Speaker, as we mature, the scope of our vision and the depths of our perceptions grow. It is significant that the last 20 years of Jane Addams' life were devoted to furthering the cause most urgently and universally needed by all peoples: Peace.

It became more and more obvious to her that social justice, civil rights, and liberties, for which she had been striving in her settlement work, could not be achieved without the permanent removal of war as a method for settling disputes between nations. She saw that to the extent that a nation engaged its youth and capital in warlike efforts, to that extent the youth learned fear, and went back to the basic necessity of self-preservation in a hostile atmosphere. So, too, the capital that was spent in preparing for war was lost, and with it the potential it had to encourage people to self-betterment and happiness.

Jane Addams' vision of a world at peace grew from her observations of people from all over the world learning to live peacefully in one section of her great city. Many of the immigrants in Chicago had escaped from warring states to find themselves living close to old national and cultural rivals. Often with difficulty, they made peace among themselves, learned to respect each other, while their pride in themselves grew.

Shortly after the outbreak of the First World War, Jane Addams presided over a conference of women at The Hague. The women came from 12 countries, including some belligerents, and met to try to work out a plan to end the war.

Of this group Jane Addams later wrote:

> A moment of great interest was the entrance of the two Belgian delegates, who shook hands with the German delegation before they took their places beside them on the platform, dedicated to "a passionate human sympathy, not inconsistent with patriotism, but transcending it."

In May and June 1915 the conference sent delegates to 14 nations, neutrals and belligerents, to press for peace, and arbitration. They were welcomed everywhere, but wherever they went they were met by a rigid sense of national honor. In "Peace and Bread," Jane Addams wrote:

> As women, it was possible for us, from belligerent and neutral nations alike, to carry forward an interchange of question and answer between capitals which were barred to each other. Everywhere we heard the same opinion expressed by these men of the governments responsible for the promotion of the war; each one said that his country would be ready to stop the war immediately if some honorable method of securing peace were provided; each one disclaimed responsibility for the continuance of the war; each one predicted European bankruptcy if the war were prolonged, and each one grew pale and distressed as he spoke of the loss of his gallant young countrymen; two of them with ill-concealed emotion referred to the loss of their own sons.

Yet they seemed to choose this way. Jane Addams returned home, the war still raging, and her mission of peace, with its bright vision still before her, unaccomplished.

As the war progressed, its fever grew higher. Propaganda took hold, planted the seeds of fear, and incited to militarism even people who had been pacifists before they were put to the test. With many of its old supporters gone, peace became a most unpopular cause. America joined the war, was caught up in the fever of this war to end wars. Jane Addams watched the sons of the immigrants who had made peace among themselves go to war.

She remained a pacifist throughout, and bore the insults and abuse of the militant. The newspapers attacked her, called her pacific views unpatriotic, un-American; and many of her friends, disagreeing with her, failed the test of friendship.

As the war continued, she was appalled by the reports of starvation and need in the European countries. She was greatly heartened at the setting up of the Food Administration. Sharing desperately needed food was an activity that could rebuild and unite a divided and shattered world. She threw all her efforts into this work. She soon saw the responsibility of peace as largely women's responsibility; women who envision bloodshed and hunger at the thought of war.

The Hague Conference of 1915, though unsuccessful in ending the war, was successful in that from it grew an organization of women devoted to the aim of eliminating war as a means of settling national disputes—the Women's International League for Peace and Freedom,

whose members have dedicated themselves to carry on the work that Jane Addams helped begin, substituting world disarmament and mediation for war.

GLOATING AND BOASTING?—HISTORIC A-BOMB MODELS FOR SMITHSONIAN

Mr. PORTER. Mr. Speaker, I ask unanimous permission 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 Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, the Atomic Energy Commission and the Department of State believe that the display at the Smithsonian Institution of the models of the Hiroshima and Nagasaki bombs would be contrary to the best interests of the United States.

So John A. McCone, Chairman of the Atomic Energy Commission, wrote me on June 11, 1960.

This confirmed an AEC decision which I received in 1958.

Such displays—

I was then informed by the AEC—

would give the appearance of gloating or boasting about the weapons side of atomic energy and use, and would afford an opening for anti-American propaganda around the world.

ONLY THE MISGUIDED WOULD GLOAT

I disagree with the AEC and the Department of State. It would be a rare and sadly misguided American who would be inclined to interpret such a display at the Smithsonian as gloating or boasting.

Such a conclusion tells more about the men in charge of the AEC and the Department of State than it does about the visitors to the Smithsonian. Perhaps they are projecting their own emotions.

MISSILES DESIGNED FOR ATOMIC WARHEADS ARE ON DISPLAY

Visitors right now can observe many displays of missiles at the Smithsonian, including the mighty Atlas. Almost all of these missiles on exhibition there are designed for atomic warheads.

Furthermore, the *Enola Gay*, the B–29 bomber that delivered the fateful atomic bombs at Hiroshima and Nagasaki, now sits at Andrews Field, a few miles from Washington, waiting for installation as a display at the Smithsonian. Will this also give the appearance of gloating or boasting? I think not.

It is shocking, I believe, that high officials in the AEC and the Department of State could consider that a display of the historic Hiroshima and Nagasaki bombs "would give the appearance of gloating and boasting." Who in the United States aside from these officials could have any such feeling about those bombs? How did the AEC and the Department of State officials arrive at any such opinion?

OFFICIALS ARE FAR OUT OF TOUCH

Their judgment was not a casual one. This makes my chagrin all the greater. These officials must be far out of touch with the average American.

The two pioneer bombs are very puny when compared to the multimegaton devices available today, but I am not conscious of any "gloating or boasting" by Americans or anyone else about the new ones. Rather the usual and rational response is deep apprehension merging quickly into cold fear. These weapons are too big for fallible, error-prone human beings to handle.

In these massive explosives the scientists today find a merciless monster that makes the scientist Frankenstein a piker. If anyone is on the verge of gloating or boasting about these bombs, he needs his head examined.

A PART OF HISTORY

I would like my children to look at models of the two "primitive" atomic bombs that were dropped on Japan by the American Air Force. It is no secret that we dropped them. The data on their physical appearance is no longer classified. The event belongs to history. Whether we honestly face up to it and its implications, in the Smithsonian Institution as well as in the White House, in the Congress and in the United Nations, will decide whether mankind will survive its terrible weapons. The genie will not go back in the bottle just because we turn our backs.

Under unanimous consent, I am including hereafter my correspondence with the AEC on this matter:

APRIL 28, 1958.

ATOMIC ENERGY COMMISSION,
Washington, D.C.

GENTLEMEN: It has come to my attention that the model of the Hiroshima atom bomb has recently been declassified. It occurred to me that this might be properly included in the Smithsonian collection and I am writing you to ask that appropriate arrangements be made.

Very truly yours,

CHARLES O. PORTER,
Member of Congress.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 30, 1958.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: This is in reply to your suggestion of April 28 that a model of the atomic bomb used at Hiroshima be given to the Smithsonian Institution for public display.

There have been earlier propasals for public display of our first atomic weapons. It is our belief that official inclusion of replicas of the Hiroshima or Nagasaki bombs in such displays would be detrimental to the interest of the United States. Such displays would give the appearance of gloating or boasting about the weapons side of atomic energy development and use, and would afford an opening for anti-American propaganda around the world.

I would not recommend that the members of the Commission support such showings in the Smithsonian Institution or in the other sites proposed.

Sincerely yours,

MORSE SALISBURY,
Director, Division of Information Services.

JULY 7, 1958.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

GENTLEMEN: On April 28 I suggested to you that a model of the Hiroshima atomic bomb be made a part of the Smithsonian collection and be put on public display. On June 30 Mr. Morse Salisbury, Director of your Division of Information Services, kindly replied. He said it was "our belief" that such a display would be "detrimental to the interest of the United States." Do I understand by that that this is the Commission's official policy or his personal opinion?

He goes on to say, "Such displays would give the appearance of gloating or boasting about the weapons side of atomic energy development and use, and would afford an opening for anti-American propaganda around the world." Does this represent the opinion of the Commission?

Finally, I should like to know whether it is a fact that the model of the Hiroshima bomb has been declassified and that there is no security question involved here, but merely one of policy on the basis alleged by Mr. Salisbury?

My own comment is that such a display need not give the appearance of gloating or boasting, but would tend to inform the American public and the world about the nature of the bomb at that time and that this is strangely contradictory to the Commission's official attitude with respect to making the United States look reckless and aggressive because of our secrecy about the Hardtack series of tests.

I hope that I may have an answer to these questions promptly and that your decision will be to reconsider Mr. Salisbury's decision.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., August 26, 1958.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: This is in reply to your letter of July 7, in which you refer to an Atomic Energy Commission communication of June 30, signed by Mr. Morse Salisbury, Director, Division of Information Services.

Mr. Salisbury stated in his letter that the inclusion of replicas of the Hiroshima or Nagasaki bombs in public displays of atomic weapons would be detrimental to the interests of the United States. You asked whether this statement was Mr. Salisbury's personal opinion or official Commission policy. This statement accurately reflected the opinion of the Commission at that time, and, after a recent review, this policy has not changed.

The bombing of Hiroshima and Nagasaki has evoked a more lasting emotional reaction throughout the world than the bombings of Rotterdam, Warsaw, London, Berlin, Bremen, and Tokyo and other cities in World War II. This is probably because Hiroshima and Nagasaki were each hit by a single new type bomb of unprecedented destructive power, and, in consequence, these new bombs—the so-called A-bombs—have been stigmatized, particularly in the minds of the people of Asia, as horror weapons the use of which resulted in the deaths of thousands of civilian inhabitants of the cities attacked. It is the Commission's judgment that public display of models of these two bombs at this time involves considerations different from those in the case of displaying conventional weapons and would arouse antagonisms abroad that would far outweigh any benefits that might accrue from informational or historical considerations.

Incidentally, these two bombs were not identical with the Trinity device which was used in the first atomic test explosion at Alamogordo, N. Mex., in July 1945. Therefore, neither has historical significance from the standpoint of being the first device used to produce an atomic explosion.

The second question you ask is—does the following quotation from Mr. Salisbury's letter represent the opinion of the Commission:

"Such displays would give the appearance of gloating or boasting about the weapons side of atomic energy development and use, and would afford an opening for anti-American propaganda around the world."

Although some of the Commissioners feel they might have chosen different words to express their views, this quotation does represent the sense of the Commission's current opinion.

The third question raised in your letter is whether the model of the Hiroshima bomb has been declassified and whether this is a question of security or merely a policy question as indicated by Mr. Salisbury.

It is a fact that the size, weight, and shape of the Hiroshima and Nagasaki bombs have been declassified. However, the Commission's policy is not based on security as it pertains to military information but rather on broader considerations of the national interest.

Sincerely yours,

PAUL F. FOSTER,
General Manager.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 12, 1959.

ATOMIC ENERGY COMMISSION,
Washington, D.C.

GENTLEMEN: I refer to your letter to me dated August 26, 1958.

I am astounded that you believe that public display of models of the Nagasaki and Hiroshima bombs would arouse antagonisms abroad that would outweigh any benefits that might accrue from informational or historical considerations. I point out to you that such display would not be a flaunting of these terrible weapons, nor certainly not give the appearance of gloating or boasting considering the information that we have concerning the progress of the Soviet Union along these lines. I marvel that you could hold such opinions. Certainly no one of you has any feeling of gloating or boasting about these terrible weapons, so why would you believe that any such appearance would result from the public display of these models?

It is my opinion that if there were a display of these models at the Smithsonian Institution, along with pictures of the devastation they wrought and perhaps reproductions of newspapers containing stories about their use, the average person would enter the room with feelings of wonder and curiosity and leave it without any feeling of boasting or gloating. I sincerely hope that the Commission will reconsider its opinion in this respect and agree to release these two models for public display as I have several times proposed.

I note that you state that the size, weight, and shape of the Hiroshima and Nagasaki bombs have been declassified. Will you please send me the information that has been declassified, including designs, pictures, and any other data about these bombs.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., April 15, 1959.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: This is in response to your January 12, 1959, letter again asking (1) for public display of models of the Hiroshima and Nagasaki bombs, preferably at the Smithsonian Institution, (2) information on size, weight, and shape of these bombs, and (3) as an alternative to (1), public display of the Trinity device which was detonated at Alamogordo, N. Mex.

The Atomic Energy Commission has reviewed your most recent request and the Commission's judgment, concurred in by the Department of State, is that, at this time, public display of the bomb models mentioned above and release of the information requested would be contrary to the best interests of the United States.

On point (1) of your request:

Nothing has occurred which would lessen the concern we expressed in our August 26, 1958, letter to you. On the contrary, since then the United States has started, and is continuing, negotiations with the Soviet Union and the United Kingdom on the question of a cessation of nuclear weapons testing. Such a display as you suggest could, and probably would, aid the anti-U.S. propaganda efforts of the Soviet Union, or its satellites, especially in Asia. Furthermore, publicity on the use and effects of these bombs, particularly when such issuances apparently would have Government sanction, could negatively affect the U.S. position in the Geneva negotiations and jeopardize the prospect for their success.

On point (2):

Release of data on size, weight and shape of the Hiroshima and Nagasaki bombs would make possible production of artists' conceptions, or even models, of the weapons for public display. Use of such representations could produce the same unfavorable results for the United States as are mentioned above.

On point (3):

The Trinity device detonated at Alamogordo was a device and not a weapon and therefore differed somewhat in appearance from the Hiroshima and Nagasaki bombs. However, all three are so closely associated in the public mind that, in our view, public display of the Trinity device would also be objectionable for the reasons stated above.

May we reiterate and reaffirm the Commission's judgment as expressed in our August 26, 1958, letter to you "that public display of models of these two bombs at this time involves considerations different from those in the case of displaying conventional weapons and would arouse antagonism abroad that would far outweigh any benefits that might accrue from informational or historical considerations."

If there should be any change in the Commission's views, we will be happy to so inform you.

Sincerely yours,

A. R. LUEDECKE,
General Manager.

MAY 11, 1959.

ATOMIC ENERGY COMMISSION,
Washington, D.C.

GENTLEMEN: With reference to your letter of April 15 and your refusal of other requests made in my letter of January 12, 1959, I am now inquiring as to the statutory basis for your refusal.

I can understand security classification but it seems to me that these matters are far afield.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

[No answer was ever received to this letter.]

MAY 9, 1960.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

GENTLEMEN: I should appreciate your attention to these two requests:

1. That I be advised whether the information contained in the following quotation is all right for me to use publicly:

"Some of the practice bombs dropped at Wendover, after previous secret testing at Inyokern, were called pumpkins by the men. They were fatter than the normal high explosive bombs then whistling down on Germany. Only Tibbets and a few scientists and weaponeers at Wendover know the reason. What the 509th bombardiers were dropping was the shell of the fat man, or plutonium bomb. Inside the bomb casing, blocks of plutonium were to be formed in a loose sphere, to be compressed by 64 detonators at the instant of implosion. The fact that no such bomb ever had been assembled, except on the drawing boards of theoreticians at Los Alamos, made no difference. The entire Manhattan project was that way: one section was always learning to use something that another section was still not sure it would ever be able to make.

"Actually the fat man was not shaped like a pumpkin, but like a teardrop. The bomb's forward end was bulbuous, tapering away gradually to the fins. Each bomb weighed about 13,000 pounds and wore a casing of such highly polished metal that crew members could use it as a mirror to comb their hair."

2. I should like to renew my request that models of the Hiroshima and Nagasaki bombs be made available for display at the Smithsonian Institution. Certainly these are historical items and, obviously, there is nothing secret about them anymore.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

[NOTE.—The quotation is from the book, "No High Ground," by Fletcher Knebel and Charles W. Bailey II, Harper & Brother, New York, 1960.]

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 11, 1960.

Hon. CHARLES O. PORTER,
House of Representatives,
Washington, D.C.

DEAR MR. PORTER: This is in response to your letter of May 9, 1960, renewing your request that models of the Hiroshima and Nagasaki bombs be made available for display at the Smithsonian Institution, and asking our views as to whether it would be appropriate for you to use publicly a statement quoted in your letter describing the "Fat Man."

As you know, data on the size, weight, shape, and external characteristics of these weapons are no longer classified. However, I must advice you that it is my judgment, concurred in by the Department of State, that public display of the bomb models or public description of their size, weight, shape, and external characteristics would still be contrary to the best interests of the United States.

Public use of your referenced statement concerning the "Fat Man" presents an additional problem which I will be glad to have Mr. Charles Marshall of our staff discuss with you at greater length at your convenience.

If there should be any change in our views, I will be happy to so inform you.

Sincerely yours,

JOHN A. MCCONE.

NEED FOR ADEQUATE SERVICE STANDARDS FOR LOCAL SERVICE CARRIERS

The SPEAKER. Under previous order of the House, the gentleman from Nebraska [Mr. BROCK] is recognized for 10 minutes.

Mr. BROCK. Mr. Speaker, the local service airline industry is composed of 20 carriers—13 operating within the

boundaries of the original 48 States and 7 operating in the States of Alaska and Hawaii.

These airlines were created by the Civil Aeronautics Board to provide a network of air service for small and medium-size communities which would connect these smaller communities with the large business and transportation hubs throughout the country. The feeder-line character of these carriers is described by the CAB in the certificate of public convenience and necessity which is the document that gives these airlines legal authority to operate:

The services authorized by this certificate, as amended, were originally established pursuant to a determination of policy by the Civil Aeronautics Board that in the discharge of its obligation to encourage and develop air transportation under the Civil Aeronautics Act, as amended, it is in the public interest to establish certain air carriers who will be primarily engaged in short-haul air transportation as distinguished from the service rendered by trunkline air carriers. In accepting this certificate, as amended, the holder acknowledges and agrees that the primary purpose of this certificate, as amended, is to authorize and require it to offer short-haul, local or feeder, air transportation service of the character described above.

The scope of local service operations is immense. These carriers in 1959 served 511 cities in the United States and 327 military bases. The importance of this coverage is heightened by the fact that 300 of the cities served and 59 of the military bases served rely exclusively on these feeder airlines for commercial air service.

The scope of local service operations is and has been expanding at a rapid rate. More than 6,000 route miles have been added to local carrier systems in the past 3 years, and the CAB is presently conducting further proceedings which will undoubtedly result in a substantial extension of local service routes.

The extension of local service routes has been attended by significant increases in all types of traffic. Passenger traffic on the feeder lines has increased fivefold in the decade 1949–59 and 25 percent in the period from 1958 to 1959. Mail, express and freight traffic has tripled during the past decade.

Despite these impressive strides the local service industry has required increasing amounts of Federal subsidy. In 1955 the feeder subsidy within the continental United States totaled $21.3 million. During the present session of Congress the CAB told the House Appropriations Subcommittee for Independent Offices that $66.8 million would be required in fiscal 1961 for the feeders—including the Alaskan and Hawaiian operators. Later, before the Senate Appropriations Subcommittee this figure was revised upwards, and the current estimate of the CAB is that approximately $77 million will accrue in fiscal 1961.

Mr. Speaker, I want to make it crystal clear that I am not quarreling with the payment of subsidy to help these feeder lines. I am completely convinced that subsidy is necessary to keep these services in operation, and I am confident that the public derives important, indeed indispensable, benefits from these services.

However, I am frankly alarmed at the rapid and substantial increases in the amount of this subsidy. I believe it is important to determine whether these increases are necessary or whether they represent inefficient management and waste.

I am familiar in detail with one feeder operation, that of Frontier Airlines which operates in the State of Nebraska and throughout the congressional district I represent. The subsidy for this company totaled $2.5 million in 1955—Service Mail Pay and Subsidy for U.S. Certificated Air Carriers, an official CAB publication. The Aviation Daily for June 2, 1960, indicates Frontier has requested a subsidy of $6.9 million for the year beginning May 1, 1960.

Undoubtedly part of this increase has been caused by the expansion of Frontier's routes throughout the State of Nebraska. But I am equally certain that a great part of this increase is the result of inefficiency and poor service which has discouraged patronage and lost incalculable amounts of revenue.

I do not intend to go into the details of the poor service and passenger hardship which have occurred in Nebraska. Rather, Mr. Speaker, I include at this point the following editorial published in the June 16 issue of the Norfolk Daily News, Norfolk, Nebr., which portrays a detailed account of the inadequacy of this service:

HOW FRONTIER SERVES ITS PATRONS

A copy of the State Aeronautics Department's latest report to the Civil Aeronautics Board relative to service in Nebraska by Frontier Airlines has been delivered to the Norfolk Chamber of Commerce office. The record would be a joke if it weren't that the joke is on us.

The report, nearly an inch thick, contains some 30 affidavits of personal experiences in trying to travel over Nebraska via Frontier. The prize exhibit is a 30-page documentation by Rush Clarke, special assistant attorney general for the State Aeronautics Department.

Mr. Clarke's job calls for him to travel the State by air and Frontier could hardly have been more irritating had it set upon a purposeful campaign of harassment. And he is the one man they should have on their side.

In 27 flights Mr. Clarke logged 73 separate incidents of poor service. There were late flights (almost inevitably), missed connections, lost baggage, canceled reservations, changed schedules, failure to confirm reservation, selling more tickets than seats, and uninformed and misinformed employees.

The line seemed to play no favorites. Among those stranded or given poor service were John Cooper, Republican candidate for governor; Federal Judge Richard Robinson, Joseph Brown of the State Railway Commission, the wife of the chairman of the State Aeronautics Board—dumped off in North Platte on her way to Scottsbluff—and three State senators, invited on the line's inaugural flight from Lincoln to Kansas City and ordered off the plane in Beatrice.

The affidavits are astonishing. And most of them come from passengers on the central and southern routes. This is significant to Norfolkans because the action before CAB involves abandonment only of the northern route, serving Norfolk. The fight started as an effort to preserve service in Norfolk but service is so poor in the other communities that they want relief, too.

Nebraskans should realize that Frontier's poor performance is more than something that may inconvenience a few hundred air passengers in 14 communities. It strikes at the very heart of our economy. Businessmen often must fly but so unreliable is Frontier that many gave up, according to the affidavits.

Out-of-State visitors must be amazed at the kind of service we Nebraskans are given as a matter of course. They can only conclude we are satisfied with poor service or don't know any better.

But Senator CARL CURTIS, Representative LARRY BROCK, and the State Aeronautics Department know better. They are urging the CAB to provide us with competent feeder airline service. The CAB hearing will take many months to complete but Nebraska's business climate requires the proper decision.

Nor do I intend, Mr. Speaker, to discuss the extent to which this service has discouraged travel and thereby increased the subsidy expense. The State of Nebraska and many of the cities affected by the substandard service have filed extensive proof with the CAB and have requested a prompt hearing and prompt relief. I sincerely hope the CAB will take prompt action in this particular case, and I emphatically urge them to do so.

Apart from any individual case, I believe that we face a broader question of national scope and importance. There can be no doubt that inefficient operations and poor service that discourage feeder-line patronage result in substantial amounts of unnecessary subsidy.

The question is: How do we insure that our subsidy dollar is well spent? What procedures can be instituted which will reasonably guarantee that adequate service will be rendered by the feeder-line carriers?

The Federal Aviation Act of 1958 contains certain provisions defining the duty of all air carriers with respect to adequate service for the public. Section 404 of this act provides:

(a) It shall be the duty of every air carrier to provide and furnish interstate and oversea air transportation, as authorized by its certificate, upon reasonable request therefor and to provide reasonable through service in such air transportation in connection with other air 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 rates, fares, and charges, and just and reasonable classifications, rules, regulations, and practices relating to such air transportation; and, in case of such joint rates, fares, and charges, to establish just, reasonable, and equitable divisions thereof as between air carriers participating therein which shall not unduly prefer or prejudice any of such participating air carriers.

(b) No air carrier or foreign air carrier shall make, give, or cause any undue or unreasonable preference or advantage to any particular person, port, locality, or description of traffic in air transportation in any respect whatsoever or subject any particular person, port, locality, or description of traffic in air transportation to any unjust discrimination or unreasonable prejudice or disadvantage in any respect whatsoever.

Under the authority of this section the CAB has recently issued a number of so-called service-adequacy decisions—the Toledo Adequacy Investigation, Docket No. 8851; the Washington-Baltimore Adequacy Investigation, Docket No. 7184; the Fort Worth Investigation, Docket No. 7382; and the Flint-Grand Rapids Adequacy Investigation, Docket No. 9177.

Apart from the fact that these cases are new developments and constitute an only recently evidenced interest on the part of the Board to enforce adequate service, and apart from the fact that none of these cases relate to feeder-line adequacy questions which are quite different, there is a severe inherent limitation on these section 404 cases which renders them relatively useless in the local service situation. I would like to explain in some detail why section 404 proceedings are relatively inefficient in most feeder-service situations.

The feeder-line air service authorized in the State of Nebraska is temporary. It was authorized on a use-it-or-lose-it basis. Under the terms of this CAB policy, a community is awarded air service and then after 6 months of preliminary operations the following year is used as a test period to determine whether the community generates a minimum traffic quota of five enplaned passengers per day, or an average of seven on the segment, this, of course, in the absence of unusual and abnormal circumstances. Also, the policy of the Board, following the policy of the Congress to establish an adequate air transportation system in the United States has been to take into account the isolation of communities and the inadequacy or total lack of other public transportation facilities.

Obviously the use-it-or-lose-it program can be easily defeated by the carrier providing inadequate service during the test period thereby discouraging or thwarting traffic development. This has actually happened in the State of Nebraska and in my congressional district.

Mr. Speaker, in these circumstances the normal section 404 adequacy of service proceedings are completely inadequate to cope with the problem. These cases take between 2 to 4 years to process and in the interval the inadequate service has killed any inclination to patronize air service on the part of the public. Long before the adequacy proceedings can be processed the experimental period has expired and the community is confronted with a certificate renewal case in which the outcome is a foregone conclusion by reason of the artificially depressed traffic record.

This is clearly inequitable. It contravenes the spirit and purpose of the Federal Aviation Act in which the interests of the public convenience and necessity are paramount.

However, there is a convenient and practical way to avoid this inequity. The CAB should augment their "use it or lose it" program by promulgating regulations that spell out in detail what constitutes adequate service on any given route for purposes of testing the traffic potential of the route. Such regulations would spell out such matters as the frequency of service required, the routings, connections, commuter service, its on-time performance, the practicability of its schedules, its dependability and other factors that relate to public service.

Failure to comply with these service precepts would automatically disqualify the period during which the inadequacies prevail and it would not constitute a portion of the test period. This would effectively compel the carrier to provide adequate service for the test period without resort to the cumbersome, expensive, and time-consuming proceedings under section 404. The carrier could no longer count on weeding out the small cities and keeping the terminals because the test period would not start until the carrier had provided adequate service for the requisite period. There is, unfortunately, a strong tendency on the part of some feeder lines to desire to change the nature of their operation by dropping small cities and seeking rich markets.

Mr. Speaker, I know of no reasonable objection to the proposal I am advancing. These local service carriers are heavily dependent upon Federal subsidy—indeed, without it they could not exist. The amount of that subsidy is directly affected by the quality of the service since commercial revenue that is lost due to bad service must be replaced by subsidy dollars. Consequently, these carriers cannot expect to exercise relatively unchecked discretion as to the quality of service they provide. Even the self-sufficient, nonsubsidized parts of the airline industry are held accountable to the public for the quality of service they provide. This is done by section 404 proceedings. Since—as I have demonstrated—the section 404 proceedings are inadequate to cope with the feeder use-it-or-lose-it services, then I see no alternative to the adoption of my proposal.

We in Nebraska have daily seen, at close range, the abuses and hardship that result when a feeder abdicates its duty to the small towns. I have read dozens of affidavits from passengers outlining unbelievably irresponsible and unreliable service provided by this subsidized airline. Cities that once had good traffic records have withered away to a fraction of their former patronage due to this treatment. It is not too much to say that the entire air service pattern in Nebraska is endangered. Not only the public but the Government which pays this subsidy is being shortchanged.

Of course, it may be too late to do any good in Nebraska even if my proposal were adopted. However, it is my hope that the CAB will give immediate consideration to setting a prehearing conference and an expedited hearing to provide relief for Nebraska before it is too late. I see no reason, legal, or otherwise, why as a part of the relief granted Nebraska, the CAB should not rule that no fair test has yet been accorded Nebraska under the "use it or lose it" program, then spell out service adequacy requirements, and then resume the experiment dating from the inauguration of adequate service.

Or, in the alternative, since public good will for Frontier has waned to the vanishing point, the CAB could substitute a new feeder line for Frontier and start the experiment over, only this time providing a full regulatory pattern of what constitutes adequate service so that a fair test can be assumed.

As a matter of national transportation policy I believe that this proposal is the only means by which Congress can be certain its subsidy dollars are being well spent. In view of the alarming increase in subsidy—which will have nearly quadrupled in the interval between 1955 and 1961—I can see no other reasonable course to pursue. Therefore, I am calling on the CAB to study this proposal and if legislation is required I will be glad to introduce it and have confidence that it would receive wide support in Congress.

ARGUMENTS FOR AND AGAINST THE ITEM VETO

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, during the past 3 weeks, I have had the privilege of taking the floor to present some background material in support of the three resolutions which I have offered to give the President the item veto authority.

On two previous occasions, I have dealt with the history of the item veto and the use of the item veto power in the States. Today, I wish to review the arguments, pro and con, concerning the item veto.

My own convictions about the need for this authority have led me to direct considerable research in this field. My legislative assistants at the State University of Iowa, under the direction of Dr. Russell Ross, have worked on all aspects of the issue for over a year.

They have provided me with the substance for these remarks and laid the groundwork for the three resolutions which have been offered to grant this authority to the President. I am particularly indebted to D. T. Doan for his work on the history of the veto power; to Robert Downer for this study of the item veto power as exercised in the 42 States which provide this authority; and to Tom Scheuerman for today's treatise on the pros and cons of the issue.

In offering these resolutions and in taking the floor to support them, it has been my hope that I can generate support—not only among the Members who should be concerned with this problem—but among their constituents. It is my feeling that we need an educational program before we are going to get the necessary action in Congress. If we can get the people aroused and encourage them to write and speak their own convictions about this obvious need, we will eventually get action at this level.

There have arisen many arguments both for and against the item veto since it was first requested by President Grant in 1873. The purpose of these remarks is to examine the most important of these arguments, and try to apply them to the present day situation. While many of these pro and con arguments attempt to rationalize for or against the item veto on the basis of some theoretical motive, it seems to be much more important to examine the item veto and see just what good or bad would actually result from its use.

There seem to be four basic arguments which have been advanced as concrete reasons why the Executive should have the power to veto certain items of a general appropriation bill. The first of these is that 42 of our 50 States have the item veto, and have used it with much success. No State has ever taken away this power once it has been instituted, a good indication that the Governors have used it with proper discretion. This point will not be labored, but should definitely be considered.

Second, the use of the all-inclusive general appropriation bill has resulted in many complications which could be avoided by the power of the item veto. Most appropriation bills are presented to the President very near the end of the session, and thus put unnecessary pressure upon him. He must either veto the bill in its entirety and prevent the passage of some very valid project, or he can pass the bill which may include many projects which are just thrown in with the more valid ones. There is no need for this type of situation. As exemplified by the last public works bill, the President can be forced to use his veto when he is known to support certain parts of the bill. The result of such veto is that these important projects may be held up until the next session. The item veto would allow the President to slow up the progress of the unnecessary items, and still pass those items which are of prime importance. We all know that our legislative process is very cumbersome, and the vetoing of an entire bill just adds to this problem. When Congress is faced with the possibility of an item veto, it would make them present their appropriation bills earlier in the session so that there would be an opportunity to override such veto if they saw fit. The practice of presenting appropriation bills at the latest possible time benefits no one when the entire bill is vetoed.

The third argument raised in favor of the item veto is that it would help to eliminate some of the unnecessary programs which often find their way into these all-inclusive general appropriation bills. It is no hidden secret that many items are added to these bills which could not possibly pass a majority of Congress if they were considered on their own merits. These "pork" or excess items are added to the general bill to gain support from Members by adding features which are favorable to them, with the knowledge that the President would have to veto the entire bill if he wanted to prevent such "pork" legislation. Many times these items are widely separated, either in their nature, or in the locality with which they are concerned. Looking at this problem realistically, this type of legislating is going beyond the function of Congress to make and pass those laws which are necessary to run the Government. While Congress may look upon this so-called logrolling as a secret weapon to get legislation past the President, it has often resulted in spending large sums of money on projects which would have little chance of being passed if considered alone. This should not be, and was not intended to be, within the power of Congress.

The fourth and, in my opinion, the most important argument for giving the President the use of the item veto is that this would be one positive step toward controlling our Government spending and keeping the budget within balance. It is very difficult to say just how effective the item veto would be in maintaining Government spending, but it would, at least in some instances, require Congress to reconsider those appropriations which are not absolutely necessary during the coming year. The use of the item veto by the California Governor in 1913 enabled him to cut 15 percent of the total appropriations, none of which was repassed by the legislature. With the right to override any use of the item veto by the President vested in Congress, it would not be a case of losing some projects which are valid and important. The difference in effect, would be that instead of the possibility of the President vetoing the entire bill and losing some valid and necessary projects or passing a bill which includes several or many items that are not in the public interest, the item veto would enable both the President and Congress to consider each item separately so that the needed ones remain and the others are weeded out.

The continued use of pork barrel legislation and the resulting increased Government spending without the item veto, allows Congress to place an undue burden upon both the President and the taxpayer. It is the President who shoulders the responsibility for a stable economy. He cannot afford to ignore the effect of continally increased Government spending, while the Congressman may ignore this as long as he gets his share of the "pork." When the taxes increase as they do with Government spending, the taxpayer looks to the President for help. With these two parties sharing in the adverse conditions which thus result, the use of the item veto would give the President the right to try and contain the Government spending for which he is primarily responsible. Again it must be reiterated that this item veto is not a complete cure for this problem, but it at least gives the President the right to consider each item separately and thus takes one positive step toward handling the problem. We must also consider the effect which these appropriations have upon the future Government spending. While the pork barrel legislation presents a very troublesome problem in and of itself, these appropriations are often 2- or 3-year projects, which means that more money must be appropriated next year. This further shows the need for a careful examination of the individual items, and an all-out effort to appropriate the taxpayer's money only where there is a valid and necessary project.

Many arguments have been raised in opposition to the item veto since President Grant first requested this power in 1873. In considering these arguments, it is important that they be viewed with respect to today's problem of increased Government spending and the resulting rise in taxes. One argument against the item veto is that it would lessen the responsibility of Congress to the voters, as they would depend on the President to veto all the unnecessary appropriations. As long as they receive their demands in the bill, they could tell the voters back home that they tried, even though the President vetoed the item. This argument seems to say that what Congress is presently doing through its pork barrel legislation illustrates a responsibility of Congress which cannot be taken away. It is difficult to see where Congress would lose any legitimate responsibility by the use of the item veto. If the Congressman has a valid project in the eyes of the rest of the Members, it will succeed if he presents this need in a proper manner not only to Congress but to the President. If it is necessary that the President take the responsibility to veto the unnecessary provisions in order to curtail Government spending, it should be done, as pork barrel legislation is a good indication that Congress is not always concerned with Government expenditures.

A second argument often raised against the item veto is that it would strengthen an already powerful Executive. There is no doubt but that the item veto would have to be used with much discretion by the President. It is doubtful that the use of the power could become abusive, as long as Congress made use of its right to override the veto. The threat of overriding would tend to keep the President from using the item veto, except when absolutely necessary. The reports of the States further show that the item veto has been very useful, with very little evidence of abuse by the Governors. Assuming, therefore, that the item veto is used with much discretion by the President, it would usually be confined to those projects which are unnecessary and could not stand in Congress if considered on their own merits. Since the President is held responsible to the people for the ever-increasing Government spending, this so-called increased power to the President would really be one small way in which he might be able to slow down Government spending, especially on projects which are unnecessary.

A third argument against the item veto is that it would destroy the checks and balances provided in the Constitution, in that Congress would lose its power to tack on measures to a bill which

the President would like to pass if considered separately. However, it should be remembered that Congress' check upon the President is through the right to override the veto. By presenting the appropriation bills earlier in the session, Congress could force the President to veto those items of which he disapproved and there would still be time for reconsideration by Congress. The truth of the matter is that most of those items which would be vetoed are those which Congress—and everyone else—knows could not pass if considered separately, and this is precisely the problem which the item veto seeks to cure. The only change in the real "check and balance" set up by the Constitution is that the item veto would allow the President to check those items which would probably not have been passed by Congress if considered separately.

One of the biggest problems confronting the United States right now is the control of Government spending and keeping the taxpayers happy. The need for the item veto must be considered in the light of today's problems. The responsibility for our budget lies primarily with the President, and yet he is deprived of a power which would help him to handle this responsibility. He should be allowed to consider each item on its own merits, subject, of course, to Congress right to override the vetoed items. The presence of the item veto would compel Congress to present the appropriation bills earlier in the session so that the items could be reconsidered if vetoed by the President. This seems to be a much faster way of legislating than by vetoing the entire bill and requiring a new bill to include only the acceptable items. This whole concept is predicated upon sound discretion by the President, so that the power is used only where it is absolutely necessary. If used with this idea in mind, this is a positive step toward handling one of the main problems confronting our Government, an ever-increasing budget which can only be balanced by increased taxes.

Before leaving the arguments which have been presented pro and con on the item veto, permit me to offer them in summary:

The arguments for the item veto are primarily concerned with giving the President some means of cutting down the unnecessary spending by our Government. By considering each item of an appropriation bill separately, the President could eliminate those items which would never be passed if examined on their own merits. The taxpayer is the one who suffers by the increased Government spending, and he looks upon the President to do something about it. Yet the President, who should be able to eliminate the unsound and unnecessary expenditures, is instead placed in a position where he is almost powerless. In considering a general appropriation bill, the President must either veto the entire bill and slow up the passage of some very valid items which must then be put in a new bill unless the veto is overridden by Congress, or he may sign the whole bill and thus put into effect many items which would never be passed if considered on their own merits.

The success of the item veto would depend upon the President. If he made use of it only on those items which are obviously unnecessary and invalid, the item veto would serve its purpose of eliminating those projects which are not needed and are included in the bill in order to keep a certain Congressman or a group of Congressmen happy. The check upon the President would obviously be by Congress right to override any veto of the President.

This right to override the President's veto would probably induce Congress to speed up its work on these appropriation bills so that they would still be in session to consider any possible veto by the President. Under the present system, these bills are presented at the end of the session so that the pressure is on the President to approve them in order to get the valid projects into effect. This, of course, brings with it those unnecessary items which the item veto seeks to eliminate and which results in increased taxes to the taxpayer.

The main arguments against the item veto are centered around Congress' unwillingness to relinquish any of its power to the President. If the item veto is used properly, however, the only thing Congress would be giving up is those projects which could not be passed if considered on their own merits. If the vetoed projects are needed, they could be passed by overriding the veto. The Congress, as well as the President, has a duty to the taxpayer to prevent unnecessary increases in taxes, and the use of the item veto would be a positive step toward solving such a problem.

Now, Mr. Speaker, as I stated at the outset, I have introduced three joint resolutions—House Joint Resolution 691, House Joint Resolution 692, and House Joint Resolution 693—which offer three approaches Congress might follow in authorizing the item veto for the President. One would permit him to approve or disapprove separate items in any bill; another would authorize him to disapprove or reduce items in general appropriation bills; and the other would permit the President to approve or disapprove separate items in bills except in those instances where the items had been approved by the interested departments and agencies of the executive branch and by the appropriate committees of Congress.

It is my contention that Congress could act favorably on any one of these resolutions, or a modification of them, without giving away any of its authority, because there is provided in each of them the right for Congress to act separately upon any of the items, disapproved or reduced by the President, and to reinstate them through a two-thirds vote of the House or Senate.

Each item would then be asked to stand on its own merit. This is what we require when anyone comes to us seeking an appropriation. We ask that they either have Bureau of the Budget approval, or that the proper committee weigh all the facts in hearings so that the items can be judged by the Members who are experienced in these matters.

This is the only way we can have any fiscal stability in the Federal Government. Pursuant to our system of checks and balances, whenever Congress deserts its responsibility and includes riders which are not in the public interest, the President should be empowered to exercise some control over these matters. By the same token whenever the Executive requests items which the Congress does not feel are in the public interest, they can be adjusted or eliminated accordingly.

People tell me that I am butting a stone wall in trying to get Congress to grant the item veto authority. I admit that it is not the easiest thing in the world to get recognition for the obvious, but I am convinced that we can get people at the grassroots level thinking about this just as they did about inflation and a sound dollar during the 1st session of the 86th Congress. When they start making their position known, Congress will listen and we will get this needed reform on the books. I assure you that I am going to keep the pressure on and I welcome any and all support my colleagues and the taxpayers want to give me.

COMMENCEMENT ADDRESS AT MILTON ACADEMY BY MRS. FRANCES P. BOLTON

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. BOLTON] may extend her remarks at this point in the RECORD and may include extraneous matter.

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

There was no objection.

Mrs. BOLTON. Mr. Speaker, it was my pleasure and privilege to give the commencement address at Milton Academy, Milton, Mass., on June 11.

It follows:

ADDRESS OF HON. FRANCES P. BOLTON, BEFORE THE GRADUATING CLASS, MILTON ACADEMY, MILTON, MASS., JUNE 11, 1960

Mr. Perry, members of the board, of the wonderful teaching staff of Milton, alumni and friends, and above all others, the graduating class of 1960.

I say with St. Matthew, "It is good for us to be here."

It is a peculiarly challenging assignment given me for this June morning. To have two grandsons in the graduating class and two others coming up is exciting in itself. And then to realize that Boltons have been at Milton over long, long years gives one a deeper sense of what it means to have such a school as this, implanting in one generation after another traditions whose roots go deep, representing as they do the very cornerstones of this great land of ours.

The first generation of Bolton Miltonians sent the twins Irving and Newell who confused everyone. Then Julian—an utterly beguiling creature who sang and danced and generally gayed up the place. The second generation brought Charlie (according

to his housemaster, the freshest boy that ever came to Milton) and Kenyon II who never learned much from books but had a terrific way with him. I seem to remember that there were growls: "Why he's just ruining the school," when the glee clubs got together a bit. And then Ollie. He wasn't here but a few weeks before he was on close bounds—and he stayed on them rather indefinitely that first year.

Nor has the distaff side been without its Boltons. There was Julia who graduated and Polly who didn't. Perhaps there will be others—who can tell?

And now in this generation, Tom and Charlie graduating with KC III and Phil hot on their trail. All these are just one family into which Milton traditions have found their way, and as the matriarch of the lot, I am glad to have opportunity to thank this school here and now for the job done.

And there are many such families represented here today, some larger, some not yet so large, and I am certain that all are deeply grateful for the physical, mental and spiritual disciplines this school has been and still is able to give. For myself, I am proud of every one of my ever-growing group of Milton Boltons.

At one time a very wonderful physician, Dr. Zinsser, worked at the Peter Bent Bingham Hospital with Dr. Harvey Cushing. The two of them could be found in the noon hour at the end of a long and winding cellarway playing violin and flute duets by the light of a candle. It was some 30 years ago that Dr. Zinsser walked up to this place as I have done just now, a bound speech to which he had given much care in his hand. He reached this spot and very quietly laid his manuscript down. Looking about him with a wonderful smile, he spoke of the beauty of the June day with its soft fragrance-laden breeze, of the bird-songs, and the humming of the bees. And he spoke of the hundreds of commencement addresses that so many thousands of boys were having to listen to and then he suggested that we might well find a better season than the exquisite days of spring in which to confine our young people within walls with books and examinations, for spring, said he, is a season when a lad should be free to dream. And then he said something like this: Don't let anyone make you think that your dreams are not true—for verily, they are the essence of truth. It is but for you to make them visible.

Gentlemen of the graduating class, this is a wonderful day and age to have been born into—to my mind the most wonderful in all known history, for everything is so on the move. The glaciers of the polar icecaps are melting far faster than the wisemen of 50 years ago anticipated. So what? you say. The oceans must of necessity rise and encroach unduly rapidly upon the land mass. Will Florida be under water in 20 years, or will it take 5 years or a hundred? And what of all our seacoasts with their great cities? I shan't be here to see but most of you will be. Are you beginning to think about the implications of such changes of the very earth on which we live? I hope so, for you will have to contend with the hardest part of such a period: the actual changes. You will have to find ways to deal with them, will you not? Ways based upon the certainty that there is one changeless law of our universe: the law of change.

And this amazing space age, we are catapulting ourselves into. What of that? Here we are sending missiles of all sorts and sizes into the blue up yonder—piercing the various layers of protection given to earth, and increasing the density of others. Is it not true that the gases we are exploding into our atmosphere accumulate, forming denser ceilings which of necessity hold heat in? And isn't it probable (as some of the scientists tell us) that every time we pierce these surrounds that lie about us there is leakage that brings into our atmosphere bits and pieces of the immeasurable still little known or understood cosmic force which both creates and destroys under universal laws of which we as yet know next to nothing?

You must surely have become aware that the external physical world is demanding more knowledge from you than it did from my generation. Your eyes must be sharper, more observing and the mind to which they bring their observations must be more alert to the implications. Your horizons can no longer be limited by what you actually see. They must expand to the unlimited areas of all those implications.

In the 15th century men looked at the sea's rim and said: "There it ends." It took a Columbus to dream of what might lie beyond and then to inspire a few to build him ships and make it possible for him to finance his voyage. To be sure, others had talked of a passage to India, but Christopher took the chance and as is so often the case, found something very different from his expectations. But his dream was made visible.

We know too that far to the north such men as Leif Ericson, with an equal curiosity and a spirit of bold adventure crossed the seas and found the new world. And there New France was born to the north of us, and along the Gulf of Mexico. And Spaniards settled in Florida and the Southwest and on the Pacific coast. While Russia had outposts in the Alaska we bought from her, making it first a territory and now a State even as the cluster of islands we know as Hawaii has become an integral part of this amazing Union of many States, a Nation conceived in a dream and born of a vision.

Let me ask you, what is a nation? Surely it is not something built of bricks and mortar that will crash to ruins at the first strong blow. Rather, is it an echo from the past and a whisper from the future, the whole bound together by the hopes and fears, the dreams and endeavors, the joys and the anguish in the lives of millions of men and women. It is never static. It is constantly evolving, changing, moving now out, now in, now up, now down, but moving, moving, moving.

We have believed that this Nation of ours came into being with a great destiny. That our Declaration of Independence and especially our Constitution and the Bill of Rights are documentary written under the inspiration of great, overshadowing spiritual forces.

We like to think of ourselves as worthy of all that was given us to do. We like to believe we have upheld the principles laid down in those documents. Yet, "it is for us to prove," as Mr. Lincoln said, "whether that nation, or any nation so conceived and so dedicated, can long endure."

Nearly a century has passed since he spoke those words. How much have we proven? How true have we been to those profound principles that were expressed so all embracingly in our great documents? How true are you and we going to be in the onrushing future? Dare you be true? Or have the words upon your shield had little meaning? Surely it is such schools as Milton that help keep the torch of freedom alight as one class after another meets the challenge here given and steps over the threshold of boyhood into the maturer years of college life.

You have been bits and pieces of the process of the preparation for the living of life as you are going to find it which we call education. You will continue in that process for yet a few years. You still have a little time when you can gather into your minds such knowledge as seems useful to you to fill the need only your own heart knows to be vital to you, the individual, responsible for your actions and above all for the thoughts and dreams which you will transform into action as life opens before you.

You today are closing the door of your childhood and opening the gateway to manhood. Four years of college lie ahead of most of you, years when you still have the opportunity to seek the knowledge you instinctively know you will need if you are to play the part your Milton forebears have played in the many areas of your country's progress. What have you made your very own? For that is all you have to take with you.

Gentlemen of the graduating class of 1960 you come into your manhood at a moment when everything your forebears believed in, every principle they tried to express is being challenged. We are a Union of States, one Nation under God with freedom as our watchword. Once we fought for it and won. Now one fears we take it all too much for granted, though when the freedom of the world was in danger we fought again and again and once again. Nor is the battle won—only the field has been moved to the minds of men and to their economic needs.

What is this freedom that we take so much—too much—for granted?

Back in 1944 when millions of our young men joined up to fight for it again—the Milton roster is a part of the background of your life here—there was written by Russell W. Davenport a poem of America which he called "My Country." I bring you bits and pieces of what he says of freedom.

"Freedom as we live it here in America is
an inheritance from ages past;
Freedom is a spark, whose origin is lost in
ancient times,
A spark that was nourished in Athens,
A spark that was fanned to flame in Galilee
by Him who announced the great and
single law of freedom, that men
should love each other.

Thereafter this flame survived through dark
and dangerous centuries,
And emerged in England, where common
men like you and me learned how
to assert their rights against the
power of kings;
From England this flame was carried across
the Atlantic and lighted in the great,
dark forests of the New World.

Freedom is not an empty word: it springs
From lands in Arkansas and Illinois.
Its being is in men and thoughts and
things.
Forever borne on keels and silver wings.

Freedom is not to limit, but to share;
And freedom here is freedom everywhere."

These are tense days in and through which we are living—testing the mettle of our very souls—testing the quality of the men in government—days of great anxiety not just for ourselves, but for all the free world. So it was good to have a southerner, the dynamic majority leader of the Senate say on May 10 just after the U-2:

"Mr. President, this is certainly a time in which Americans—and people everywhere—must keep their heads. We cannot afford hysteria, panic, or hasty and ill-advised action. There are many unanswered questions about the incident of the American plane that was shot down (not proven) over the Soviet Union. These are serious questions that will have to be considered very carefully by the Congress and by the American people."

On that same day in the House of Representatives, the distinguished gentlemen from Missouri [Mr. CANNON], chairman of

the Committee on Appropriations said in part as follows, and I quote:

"Mr. Chairman, on May 1 the Soviet Government captured, 1,300 miles inside the boundaries of the Russian Empire, an American plane, operated by an American pilot, under the direction and control of the Central Intelligence Agency, and is now holding both the plane and the pilot. The plane was on an espionage mission authorized and supported by money provided under an appropriation recommended by the House Committee on Appropriations and passed by the Congress.

"Although the Members of the House have not generally been informed on the subject, the mission was one of a series and part of an established program with which the subcommittee in charge of the appropriation was familiar, and of which it had been fully apprised during this and previous sessions.

"The appropriation and the activity had been approved and recommended by the Bureau of the Budget and, like all military expenditures and operations, was under the aegis of the Commander in Chief of the Armed Forces of the United States, for whom all members of the subcommittee have the highest regard and in whose military capacity they have the utmost confidence.

"The question immediately arises as to the authority of the subcommittee to recommend an appropriation for such purposes, and especially the failure of the subcommittee to divulge to the House and to the country the justifications warranting the expenditure and all details connected with the item at the time it was under consideration on the floor.

"The answer of the subcommittee is—absolute and unavoidable military necessity, fundamental national defense."

Since then we have been subjected to a shocking exhibition of falsehood and anger from the head of the Communist state. But in our President's dignity and restraint we have seen strength and decency and honor. It was he who said a bit ago:

"The peace we seek is nothing less than the practice and fulfillment of our whole faith among ourselves and in our dealings with others.

"More than an escape from death, it is a way of life.

"More than a haven for the weary, it is a hope for the brave.

"If this be our faith, I humbly believe that we may ask the blessing of God upon our labors."

Many will say to you: We are on the brink of a war which will bring annihilation. But I say to you with great earnestness that this is not so. I say to you that man will not be permitted to destroy the kingdoms of earth in his madness. I would remind you again very quietly that "the earth is the Lord's and the fullness thereof. The world and they that dwell therein." At most we are here but a little while. If we read history as it is written in the rocks, the forests, the plains, the jungles, the deserts, the great river valleys, the mountain chains, man becomes a very tiny part of God's universe, his life but a breath, his death the opening of a door. Yet man builds his own tomorrow. Build well, men of Milton, build well.

But I would say to you on this June morning when you leave your school years behind you: These dark prophecies can, and I believe will be blown away by such as you who will say such things do not have to be. Let us find better ways, certain that the desire of men's hearts and minds differs little and that a bit of commonsense combined with mutual understanding can and will see us through.

Back in the early forties when Europe was bathed once more in blood a young partisan of Yugoslavia whose name was Peter left his wife to fight in the woods against the Nazis. On his body several weeks later was found a letter he had written to his unborn son:

"May you seek always and strive always in good faith and high courage, in this world where men grow so tired.

"Keep your power to receive everything; only learn to select what your instinct tells you is right.

"Keep your love of life but throw away your fear of death. Life must be loved or it is lost; but it should never be loved too well.

"Keep your delight in friendship; only learn to know your friends.

"Keep your intolerance; only save it for what your heart tells you is bad.

"Keep your wonder at great and noble things like sunlight and thunder, the rain and the stars, the wind and the sea, the growth of trees and the return of the harvests, and the greatness of heroes.

"Keep your heart hungry for new knowledge; keep your hatred of a lie; and keep your power of indignation.

"Now I know I must die, and you must be born to stand upon the rubbish heap of my errors. Forgive me for this. I am ashamed to leave you an untidy, uncomfortable world. But so it must be.

"In thought, as a last benediction, I kiss your forehead. Good night to you—and good morning and a clear dawn."

You will not remember much of what I have said, but I hope there may be planted within your hearts and minds a tiny seed that will become a strong tree of understanding as you reach out for more and more knowledge of this earth which is indeed the Lord's of which every one of you is a steward. I hope you will become more and more aware of its magnificence.

I find myself impelled to give you (with one word changed) words spoken by Pericles about 440 B.C.

"Fix your eyes on the greatness of America (Athens) as you have it before you day by day. Fall in love with her, and when you feel her great, remember that this greatness was won by men with courage, with knowledge of their duty."

These men dared to be true even as you will dare, God keeping you.

THE 330TH ANNIVERSARY OF DORCHESTER, MASS.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, this year marks the 330th anniversary of the settlement of Dorchester, Mass. The group destined to settle Dorchester gathered in Plymouth, England, and organized a church fellowship with the Reverend John Warham and the Reverend John Maverick as their ministers. On March 20, 1630, they boarded the *Mary and John*, a vessel of 400 tons, and set forth across the Atlantic.

Between May 30, the date of the landfall, and June 6, the settlers landed with their belongings to the south of the neck called Mattapannock by the Indians. Crossing to higher land they raised crude huts of boughs and canvas to serve them as shelter through the summer, and they were already building their new homes when Winthrop in the *Arbella* reached Salem Harbor.

In 1631, as soon as the settlers had erected simple thatch-roofed cabins, they built their first meetinghouse. This meetinghouse, located on a section later known as Allen's Plain, in the heart of Old Dorchester, served as a place of worship, a civic center, a school, a place for the storage of valuables, and a powder magazine. In 1645 a larger and more comfortable meetinghouse was built on the same spot. The first houses were built along a road running from the meetinghouse to the Rock Hill of the settlers, the Savin Hill of today, where a fort was located.

On September 7, 1630, the colonial authorities ordered that the community at Mattapan should be called Dorchester. The settlement was no longer nameless but it still lacked any organized local government. The clergymen, with the advice of the magistrates, Roger Ludlow and Edward Rossiter, settled the strictly local problems that arose. On October 8, 1633, however, it was ordered that "the men of the colony should meet on every Monday evening, at the meeting house, there to settle and set down such orders as may tend to the general good, and every man to be bound thereby without gainsaying or resistance." On this evidence is based Dorchester's claim to having founded the system of local government by town meeting which has so strongly influenced the development of our American system of government.

A source of pride to citizens of Dorchester is the leading part taken by the town in the development of public education. According to the explicit directions of the Reverend John White, the settlers provided for the education of their youth as soon as possible. In 1639, close to their first meetinghouse, they built their first school. By vote of the town on May 30, 1639, it was provided that the salary of the master be paid by the town from the income derived from fees assessed upon the freemen who pastured sheep on Thompson's Island. As over 70 freemen were affected by this ordinance, Dorchester has a valid claim to having established the first school in America to be supported by a direct tax upon the inhabitants. As the town's appropriation was not sufficient to meet all the expenses of maintaining a school, a small sum was charged each pupil for tuition, payable in either money or firewood. Girls were not admitted until 1784, although the original law left to the discretion of the town officials the question of "whether maids shall be taught with the boys or not." The first master was the Reverend Thomas Waterhouse, who later became headmaster of a school in Colchester, England.

The people of Dorchester, although strongly attached to the mother country, were determined to defend the liberties sought by their ancestors in the New World. The town records show that in 1765 Representative John Robinson was instructed to work for the repeal of the Stamp Act, and in 1770 resolutions pledging the townspeople to refrain from

using goods of British origin were adopted. When armed resistance became a possibility, a committee of correspondence was appointed to consult with committees of other towns. In 1774 Dorchester played an important part in the drawing up of the Suffolk Resolves, which anticipated by their tone the more famous Declaration of Independence adopted at Philadelphia 2 years later. In all, 350 Dorchester men fought in the Revolution. Dorchester militia joined the patriot army after Lexington, fought at Bunker Hill, were furloughed the following autumn, but were mustered into service again in February 1776, in time to take part in the masterly maneuver by which Washington drove the British from Boston. With the British menace gone, the town continued its loyal support of the Revolutionary cause, and on May 23, 1776, passed a resolution pledging its aid if the Continental Congress saw fit to declare the independence of the colonies.

Dorchester's first industry was a mill for grinding corn erected on the Dorchester side of the Neponset in 1634. A powder mill built on the south side of the Neponset in 1675 was later expanded to the Dorchester side. The manufacture of paper, chocolate, tinplate, britanniaware, and textiles were other early industrial enterprises of the area.

During the Civil War, Dorchester's sons rallied nobly to the flag. With a population of only 10,000, the town sent 1,342 men to war, 97 of whom lost their lives. Company K of the 11th Massachusetts was recruited in the town and saw 3 years of service.

In 1869 the people of Dorchester voted, 928 to 726, for annexation to Boston, and on January 4, 1870, the political existence of the town ended. But spiritually Dorchester lives on. In its contribution to the development of the rest of our country and in its own steadfast devotion to education and to representative government, Dorchester represents all that is finest in our American heritage.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. RIVERS of Alaska.

Mr. DADDARIO in two instances.

Mrs. KEE.

Mr. KING of Utah.

Mr. MASON.

Mr. HOSMER.

Mr. FORAND, to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. CURTIS of Missouri, also to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. FLYNN.

Mr. PORTER (at the request of Mr. McCORMACK) and to include tables with his remarks on H.R. 12580.

Mr. KARTH (at the request of Mr. McCORMACK), his remarks on H.R. 12580 and to include tables.

(At the request of Mr. CHAMBERLAIN, and to include extraneous matter, the following:)

Mr. SCHWENGEL.

Mr. SPRINGER.

(At the request of Mr. McCORMACK, and to include extraneous matter, the following:)

Mr. BOWLES.

Mr. JOHNSON of Colorado in five instances.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 765. An act making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 762. An act for the relief of Manuel Alves de Carvalho;

S. 2089. An act for the relief of Henry K. Lee (Hyun Kui);

S. 2106. An act for the relief of Emiko Nagamine;

S. 2528. An act for the relief of John Lipset;

S. 2639. An act for the relief of Mo Tong Lui;

S. 2646. An act for the relief of Lloyd C. Kimm;

S. 2681. An act for the relief of Yi Young An;

S. 2768. An act for the relief of Frederick T. C. Yu and his wife, Alice Siao-Fen Chen Yu;

S. 2822. An act for the relief of Low Wing Quey (Kwai);

S. 2886. An act for the relief of Nikolija Lazic;

S. 2918. An act for the relief of Boris Priestley;

S. 2942. An act for the relief of Eugene Storme;

S. 2964. An act for the relief of Kang Sun Ok;

S. 2991. An act for the relief of Ah See Lee Chin;

S. 3016. An act for the relief of Walter F. Beecroft;

S. 3038. An act for the relief of Jung Hi Pak;

S. 3049. An act for the relief of Oh Chun Soon;

S. 3091. An act for the relief of Pasquale Mira;

S. 3130. An act for the relief of Anne-Marie Stehlin; and

S. 3235. An act for the relief of Cecilia Rubio.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 1543. An act for the relief of Angela D'Agata Nicolosi;

H.R. 2007. An act for the relief of May Hourani;

H.R. 3242. An act for the relief of Mrs. Virginia Lee Sage;

H.R. 5530. An act for the relief of Leila Bernstorff Grauert;

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;

H.R. 5850. An act for the relief of the borough of Ford City, Pa.;

H.R. 6149. An act for the relief of Wesley C. Newcomb;

H.R. 6456. An act concerning payment of debts out of compensation for trust land on the Lower Brule Sioux Reservation taken by the United States;

H.R. 6498. An act concerning payment of debts out of compensation for trust land on the Standing Rock Sioux Reservation taken by the United States;

H.R. 6529. An act concerning payment of debts out of compensation for trust land on the Crow Creek Sioux Reservation taken by the United States;

H.R. 7480. An act to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil;

H.R. 7847. An act to make the uniform law relating to the record on review of agency orders (Public Law 85-791) applicable to the judicial review of orders issued under the Federal Aviation Act of 1958 and the Food Additives Amendment of 1958;

H.R. 8457. An act for the relief of Richard Schoenfelder and Lidwina S. Wagner;

H.R. 9028. An act to provide that certain funds shall be paid to the Kickapoo Tribal Council of Oklahoma;

H.R. 9226. An act for the relief of Pietro Mela;

H.R. 9652. An act for the relief of Lt. Col. Alonzo C. Tenney;

H.R. 10631. An act for the relief of George T. Moore, Carl D. Berry, and Dr. Harold J. Heck;

H.R. 10639. An act to amend section 3(b) of the act of May 9, 1958 (72 Stat. 105), relating to the preparation of a roll of the members of the Otoe and Missouria Tribe and to per capita distribution of judgment funds;

H.R. 10840. An act to amend Public Law 85-626 relating to dual rate contract agreements;

H.R. 11161. An act to donate to the pueblos of Zia and Jemez a tract of land in the Ojo del Espiritu Santo grant, New Mexico;

H.R. 11615. An act to amend section 4 of the Watershed Protection and Flood Prevention Act;

H.R. 11706. An act to authorize an extension of time for final proof under the desert land laws under certain conditions;

H.R. 11952. An act to repeal the act of May 29, 1958, which authorized and directed the Administrator of General Services to provide for the release of restrictions and reservations contained in an instrument conveying certain land by the United States to the State of Wisconsin;

H.R. 11985. An act to make American nationals eligible for scholarships and fellowships authorized by the National Science Foundation Act of 1950;

H.R. 12115. An act to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop;

H.J. Res. 696. Joint resolution to provide for the designation of the month of September 1960, as "National Wool Month"; and

H.J. Res. 765. Joint resolution making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 19 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, June 23, 1960, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2287. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal Housing Administration, Housing and Home Finance Agency, for the fiscal year ended June 30, 1959 (H. Doc. No. 430); to the Committee on Government Operations and ordered to be printed.

2288. A letter from the Acting Secretary of the Interior, transmitting a report on the Western Division, The Dalles project, Oregon, pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 431); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

2289. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "a bill to amend the act of June 19, 1948, relating to the workweek of the Fire Department of the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

2290. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in the cases of certain aliens who have been found admissible to the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

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. BROOKS of Louisiana: Committee on Science and Astronautics. Report on Army lunar construction and mapping program (Rept. No. 1931). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Seventeenth report pertaining to electric power contract for Yellowstone National Park; without amendment (Rept. No. 1932). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARDEN: Committee on Education and Labor. H.R. 12677. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; without amendment (Rept. No. 1933). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARMON: Committee on Post Office and Civil Service. H.R. 11531. A bill to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty," approved March 17, 1882, as amended, and for other purposes; with amendment (Rept. No. 1934). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee of conference. H.R. 5888. A bill to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Mass., in exchange for certain other lands (Rept. No. 1935). Ordered to be printed.

Mr. FORRESTER: Committee on the Judiciary. H.R. 12622. A bill to amend chapter 85 of title 28 of the United States Code relating to the jurisdiction of the U.S. district courts, and for other purposes; without amendment (Rept. No. 1936). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H.R. 12705. A bill to delay for 60 days in limited cases the applicability of certain provisions of law relating to humane slaughter of livestock; without amendment (Rept. No. 1937). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of Illinois: Committee on Ways and Means. H.R. 9240. A bill to amend the Tariff Act of 1930 to authorize informal entries of merchandise where the aggregate value of the shipment does not exceed $400; without amendment (Rept. No. 1938). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLL: Committee on the Judiciary. S. 1321. An act to authorize the Attorney General to consent, on behalf of the Library of Congress Trust Fund Board, to a modification of the terms of a trust instrument executed by James B. Wilbur; with amendment (Rept. No. 1952). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee of conference. H.R. 10644. A bill to amend title V of the Merchant Marine Act, 1936, in order to remove certain limitations on the construction differential subsidy under such title (Rept. No. 1953). Ordered to be printed.

Mr. COOLEY: Committee on Agriculture. H.R. 12759. A bill to amend title V of the Agricultural Act of 1949, as amended, and for other purposes; without amendment (Rept. No. 1954). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 598. An act for the relief of Anthony Di Giovanni; without amendment (Rept. No. 1939). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1409. An act for the relief of Donald B. Thurston and other employees of the Fish and Wildlife Service; without amendment (Rept. No. 1940). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1600. An act for the relief of Grace L. Patton; without amendment (Rept. No. 1941). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 2548. An act for the relief of Henry C. Larson; without amendment (Rept. No. 1942). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2585. An act for the relief of Josephine Lue Fan (also known as Josephine Fook-Lau), Joseph Lue Fan (also known as Joseph Lew-Fan), and Aura Joan Lue Fan; with amendment (Rept. No. 1943). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2689. An act for the relief of Hwachii Lien; without amendment (Rept. No. 1944). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2855. An act for the relief of Brenda Nicholson Miller; without amendment (Rept. No. 1945). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 3105. An act for the relief of William Y. Allen, Jr., Donald Baldwin Quintero, Johann Friedrich Stapelfeld, and Kenneth Gordon Woods; without amendment (Rept. No. 1946). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 3125. An act for the relief of Robert William Neal, Robert J. Naumann, Charles LeRoy Van Slyke, and Franklin Jordan; without amendment (Rept. No. 1947). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5284. A bill for the relief of Christine Fahrenbruch, a minor; without amendment (Rept. No. 1948). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6767. A bill for the relief of Raymond Baurkot; without amendment (Rept. No. 1949). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7035. A bill for the relief of Hattie and Joseph Patrick, Sr., and for the legal guardian of Betty Ann Smith and the legal guardian of Stanley Smith, and for the legal guardian of James E. Harris, Jr.; with amendment (Rept. No. 1950). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 12617. A bill for the relief of Robert Finley Delaney; without amendment (Rept. No. 1951). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BASS of New Hampshire:

H.R. 12769. A bill relating to the reporting by Members of the House of Representatives of expenditures from the contingent fund of the House of Representatives and of expenditures of counterpart funds by Members of Congress; to the Committee on House Administration.

By Mr. FARBSTEIN:

H.R. 12770. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for loss of earnings resulting from jury duty; to the Committee on Ways and Means.

By Mrs. MAY:

H.R. 12771. A bill for the allocation of costs on the Wapato-Satus unit of the Wapato Indian irrigation project; to the Committee on Interior and Insular Affairs.

By Mr. OLIVER:

H.R. 12772. A bill creating a commission to be known as the Commission on Noxious Printed and Pictured Material; to the Committee on Education and Labor.

By Mr. WOLF:

H.R. 12773. A bill to authorize a program of balanced agricultural production, to assure producers a fair economic return and consumers an adequate supply of commodities at fair prices, to conserve soil, water, and wildlife resources, and for other purposes; to the Committee on Agriculture.

By Mr. BECKWORTH:

H.R. 12774. A bill to amend title II of the Social Security Act to permit the payment of disability insurance benefits to an individual otherwise qualified therefor, from the beginning of such individual's disability; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H.R. 12775. A bill to increase the relief or retirement compensation of certain former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and of their widows, widowers, and children; to the Committee on the District of Columbia.

By Mr. MITCHELL:

H.R. 12776. A bill to authorize the enlargement of the Arlington National Cemetery and to provide that land therein shall be reserved for the interment of persons who have served with greatest distinction and valor in the Armed Forces of the United States as a memorial to the preservation of our freedoms and the ideals of democracy, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ZELENKO:

H.R. 12777. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes; to the Committee on Education and Labor.

By Mr. CLARK:

H.R. 12778. A bill relating to the application of section 481 of the Internal Revenue Code of 1954 to taxable years to which the Internal Revenue Code of 1939 applies; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H.R. 12779. A bill to increase the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, the U.S. Park Police and the White House Police, and for other purposes; to the Committee on the District of Columbia.

By Mr. FASCELL:

H.R. 12780. A bill to expand and extend the saline water conversion program under the direction of the Secretary of the Interior to provide for accelerated research, development, demonstration, and application of practical means for the economical production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H.J. Res. 768. Joint resolution to provide for the determination of U.S. participation in the New York World's Fair to be held at New York City in 1964 and 1965; to the Committee on Foreign Affairs.

By Mr. DELANEY:

H.J. Res. 769. Joint resolution to provide for the determination of U.S. participation in the New York World's Fair to be held at New York City in 1964 and 1965; to the Committee on Foreign Affairs.

By Mrs. KELLY:

H.J. Res. 770. Joint resolution to provide for the determination of U.S. participation in the New York World's Fair to be held at New York City in 1964 and 1965; to the Committee on Foreign Affairs.

By Mr. MILLER of New York:

H.J. Res. 771. Joint resolution to provide for the determination of U.S. participation in the New York World's Fair to be held at New York City in 1964 and 1965; to the Committee on Foreign Affairs.

By Mr. BARING:

H. Res. 567. Resolution expressing the sense of the House of Representatives with respect to the administration by the Secretary of Commerce of the Federal-aid highway program; to the Committee on Public Works.

By Mr. THOMPSON of New Jersey:

H. Res. 568. Resolution expressing the sense of the House of Representatives with respect to the administration by the Secretary of Commerce of the Federal-aid highway program; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MADDEN:

H.R. 12781. A bill for the relief of Dinko Dorcik; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 12782. A bill for the relief of Ido Enrico Cassandro; to the Committee on the Judiciary.

Mr. MADDEN:

H.R. 12783. A bill for the relief of Janiana Tekla Gruszkos; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

504. By Mr. MONAGAN: Petition of Veterans of Foreign Wars of the United States, Department of Connecticut, recommending the continued support of an identifiable veterans' employment service and that Congress appropriate sufficient funds to continue this program; to the Committee on Veterans' Affairs.

505. By the SPEAKER: Petition of Alan G. Freeland, Lions International District No. 50, Lahaina, Maui, Hawaii, relative to applauding the State Department for its selection of Hawaii as the site for an international center known as the East-West Center, and requesting sufficient appropriations to provide for the operation, administration, scholarships and grants, and capital improvements thereof; to the Committee on Foreign Affairs.

506. Also, petition of Peter Petrusaitis, secretary, Lithuanian American Council, Inc., Racine, Wis., relative to protesting the forcible occupation of Estonia, Latvia, and Lithuania by Soviet Russia 20 years ago; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Alaska Shipping

EXTENSION OF REMARKS

OF

HON. RALPH J. RIVERS

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1960

Mr. RIVERS of Alaska. Mr. Speaker, my purpose is to submit for the consideration of my colleagues a much needed clarification of the extension of remarks of Hon. THOMAS M. PELLY of Seattle, Wash, published in the CONGRESSIONAL RECORD on Tuesday, June 21, under the title of "The Alaska Shipping Crisis." In speaking of the proposal contained in S. 2669 to extend for 2 years existing provisions of law which exempt from Coast Guard inspection and manning requirements certain vessels operated by a merchants' cooperative association between Seattle, Wash., and Alaska, Mr. PELLY creates the impression that the exempted ships operate throughout the Alaska trade and are ruining the principal common carrier in the Alaska trade, to wit: his constituents, the Alaska Steamship Co. of Seattle, Wash.

In fact, these small vessels are operated to accomplish only two round trips weekly through the inland waters of the Pacific coast from Seattle to Alaska and serve only the communities of the southeastern panhandle of Alaska, wherein live from 15 percent to 20 percent of the people of Alaska. As regards the southeastern portion of the Alaska trade, the Alaska Steamship Co. is without competition from any other common carrier except a minor amount of air freight delivered by airplane. As to these small boats operated by the merchants' association, such competition as they can afford is limited within their small capacity to a few principal ports in southeastern Alaska. The most important function of these small vessels is to deliver cargo to many small towns and villages which are not given any service by Alaska Steam, or only infrequent and intermittent service, thus relieving Alaska Steam of many calls which would be uneconomical for its big freighters.

The bulk of the Alaska trade is to the westward, including the railbelt, and covers about 80 percent of the people of Alaska, and is served by Alaska Steam and two barge lines. This major portion of the trade is not affected in the least by the small vessel operations in question. I can, therefore, say positively that these small boat operations to southeastern Alaska have had very little to do with the fact that Alaska Steam has increased its freight rates 26 percent throughout the Alaska trade during the last 2½ years.

As further clarification, I wish to point out that the first editorial from the Anchorage Daily Times included by Mr. PELLY in his extension of remarks on the subject of a possible widespread cur-