I am perfectly willing to give the Soviets all the recognition they deserve in scientific accomplishment, but I, as one Member of Congress, have no intention of letting the Communists deceive me, particularly when I am reminded of their long history of deception since the very founding of the Communist Party.

I trust you will order a complete investigation as quickly as possible.

Sincerely yours,

ROMAN C. PUCINSKI,
Member of Congress.

Congress Should Remove the Shackles From the Nation's Railroads

EXTENSION OF REMARKS
OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1961

Mr. VAN ZANDT. Mr. Speaker, Congress should take immediate action to unshackle the railroads from burdensome ICC regulations. It is felt by many experts in the field of transportation that the unfavorable trends in railroad traffic, earnings, and employment will then reverse themselves.

At the 1960 level of economic activities, if railroads were able to regain as much as 50 percent share of intercity freight traffic, the added rail traffic at the present rate of productivity would make it possible for the roads to restore more than 90,000 railroad jobs. Still another 10,000 railroad jobs might be added if railroad participation in commercial intercity passenger traffic were increased to 35 percent of the total.

The shackles listed below constitute probably the greatest and most unjust burden ever imposed upon a major industry in the United States and represent serious handicaps to the Nation's railroads in their effort to remain solvent and maintain railroad jobs:

RAILROAD SHACKLES

1. Interest and other costs of capital for building or improving highways, inland waterways, and the Federal airways system of navigation and traffic control used by railroad competitors are borne by Government; capital costs for building and improving railroad lines are borne by railroads.

2. The publicly owned "ways" used by railroad competitors are not subject to property or "ownership" taxes; railroad right-of-way is taxed in thousands of taxing jurisdictions throughout the United States.

3. Railroad competitors benefit from the use of signal and traffic control systems provided by Government; railroads must provide and pay taxes on their own signal and traffic control systems.

4. Hundreds of costly airports required by airlines in providing passenger service are provided, operated, and maintained by the Government; railroads must build, operate, and maintain their own stations and terminals.

5. Airports, being publicly owned, are tax-free; railroad stations and terminals not only are subject to local taxation, but in most taxing jurisdictions are taxed at a higher rate than other property subject to the same tax rates.

6. Railroad taxes are used to help build and maintain the publicly provided "ways" of other carriers, but railroads' use of public transportation facilities is either prohibited or severely restricted. Motor carriers may own and operate railroads and inland water carriers; inland water carriers may own and operate any form of transportation except airlines; and airlines may own and operate any form of transportation.

7. Besides the enormous advantage of using publicly provided facilities, airlines have this enormous added advantage over railroads: They remain eligible for direct dollar subsidy from the Government and, in fact, the smaller lines are receiving subsidy payments in ever-increasing amounts.

8. There are Government agencies for the promotion at every form of transportation, except railroads. For airlines, there is the Civil Aeronautics Board, the Federal Aviation Agency, and the aviational promotional activities of the Department of Defense; for motor carriers, the Bureau of Public Roads and State highway departments; for inland carriers, the Army Corps of Engineers. (The Interstate Commerce Commission regulates railroads, but has no promotional function or authority.)

9. Federal tax laws assign unduly long depreciable lives to railroad plant and equipment with the result that funds are not recovered in time to take advantage of technological advances as they become available.

10. Before they may abandon unprofitable lines and facilities, the railroads must obtain approval of the Interstate Commerce Commission or State regulatory commission, or both. But railroad competitors, excepting only airlines, are free to abandon unprofitable facilities as desired.

11. Persons who wish to use railroads and other for-hire carriers for travel are penalized by having to pay the Government a tax amounting to 10 percent of the fare; there is no such tax on those who travel by private automobile, which now accounts for 90 percent of all U.S. travel.

12. Although railroads are 100 percent regulated by the Interstate Commerce Commission, their highway competition is only 33 percent regulated and their competition on inland waterways is only 10 percent regulated.

13. All carriers, except railroads, may transport commodities which they own or in which they have an interest; a railroad may transport nothing which it owns or has an interest in except timber, timber products, and commodities used in its business as a common carrier.

14. Numerous agricultural commodities, aggregating vast tonnages, are exempt from ICC regulation when they move by truck, but are subject to ICC regulation when they move by rail.

15. Bulk commodities moving on inland waterways are exempt from regulation when not more than three such commodities are carried in a single barge or tow, and it is estimated that virtually all bulk commodity traffic on inland waterways moves under this exemption. But bulk commodities, like all others, are fully regulated when they move by rail.

16. Railroads are subject to the long-and-short-haul clause of the Interstate Commerce Act; trucks are not.

SENATE

TUESDAY, APRIL 18, 1961

The Senate met at 10 o'clock a.m., and was called to order by THOMAS H. KUCHEL, a Senator from the State of California.

Canon Lockett Ford Ballard, rector, Trinity Episcopal Church, Newport, R.I., offered the following prayer:

Almighty God, who hast given us this good land for our heritage: We humbly beseech Thee that we may always prove ourselves a people mindful of Thy favor and glad to do Thy will. Bless our land with honorable industry, sound learning, and pure manners. Save us from violence, discord, and confusion, from pride and arrogancy, and from every evil way. Defend our liberties, and fashion into one united people the multitudes brought hither out of many kindreds and tongues. Endue with the spirit of wisdom those to whom in Thy name we entrust the authority of government, that there may be justice and peace at home, and that, through obedience to Thy law, we may show forth Thy praise among the nations of the earth. In the time of prosperity, fill our hearts with thankfulness; and in the day of trouble, suffer not our trust in Thee to fail; all which we ask through Jesus Christ, our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 18, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. THOMAS H. KUCHEL, a Senator from the State of California, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

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

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, April 14, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 2457. An act to amend title V of the Merchant Marine Act, 1936, in order to clarify the construction subsidy provisions with respect to reconstruction, reconditioning and conversion, and for other purposes;

H.R. 3507. An act to provide for the withdrawal and reservation for the Departments of the Air Force and the Navy of certain public lands of the United States at Luke-Williams Air Force Range, Yuma, Ariz., for defense purposes;

H.R. 6100. An act to amend title VI of the Merchant Marine Act, 1936, to authorize off-season cruises by American-flag passenger vessels; and

H.R. 6169. An act to amend section 201 of the National Aeronautics and Space Act of 1958.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 2457. An act to amend title V of the Merchant Marine Act, 1936, in order to clarify the construction subsidy provisions with respect to reconstruction, reconditioning and conversion, and for other purposes; and

H.R. 6100. An act to amend title VI of the Merchant Marine Act, 1936, to authorize off-season cruises by American-flag passenger vessels; to the Committee on Commerce.

H.R. 3507. An act to provide for the withdrawal and reservation for the Departments of the Air Force and the Navy of certain public lands of the United States at Luke-Williams Air Force Range, Yuma, Ariz., for defense purposes; to the Committee on Interior and Insular Affairs.

H.R. 6169. An act to amend section 201 of the National Aeronautics and Space Act of 1958; to the Committee on Aeronautical and Space Sciences.

PROPOSED FARM LEGISLATION—COMMUNICATION FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a draft of proposed legislation relating to agriculture, which was referred to the Committee on Agriculture and Forestry.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the communication from the President, relating to agriculture, be printed in the RECORD.

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

The communication is as follows:

THE WHITE HOUSE,
Washington, D.C., April 17, 1961.

Hon. LYNDON JOHNSON,
President of the Senate of the United States, Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith, for consideration by the Congress, is a draft of a bill which would carry out the principal recommendations set forth in my message to the Congress on March 16, 1961. I believe that the legislation will provide the basis for a sound and healthy agricultural economy.

It will enable the farmer, in cooperation with the Government, to adjust his production to meet our domestic needs and our international commitments for food and fiber. It is directed toward assuring that the farmer has an opportunity to achieve an income comparable to that enjoyed by other segments of our economy for comparable investments in labor and capital. At the same time, it makes provision for the consideration and protection of the interests of consumers. The programs established under the legislation should gradually reduce the burden imposed by large storage costs and high surpluses.

Included in the bill is an extension of the Agricultural Trade Development and Assistance Act of 1934, together with additional amendments to enable us to correlate our programs in agriculture more effectively with our foreign aid programs. This will permit us to make maximum use of our agricultural productivity to further economic development, peace and freedom in the world. Other provisions in the bill are directed toward the encouragement of farm cooperatives, the expansion of commercial exports of agriculture products, and the liberalization and extension of farm credit services.

This legislation will offer the farmer an opportunity to share directly in the framing of the programs that determine the marketing of his products. It permits the producers of food and fiber to assert their views upon the management of their production. Final authority over the policies and programs to be adopted continues to reside in the Congress.

Although the proposed legislation deals with agricultural problems, it will have beneficial effects upon both agriculture and industry, both the farmer and the city dweller, both rural and urban workers. The interrelation between prosperity on the farm and economic health of the city has never been more apparent. I urge that the Congress give these proposals prompt consideration.

Sincerely,

JOHN F. KENNEDY.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

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

COMMITTEE MEETINGS DURING SENATE SESSION

On the request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet until 12 o'clock noon during the session of the Senate today:

The Antitrust and Monopoly Subcommittee of the Judiciary Committee.

The Committee on Commerce.

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

The Committee on Interior and Insular Affairs.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

DEPARTMENT OF URBAN AFFAIRS AND HOUSING

A communication from the President of the United States transmitting a draft of proposed legislation to establish a Department of Urban Affairs and Housing and for other purposes (with accompanying papers); to the Committee on Government Operations.

ASSISTANT SECRETARY OF HEALTH, EDUCATION, AND WELFARE

A communication from the President of the United States, transmitting a draft of proposed legislation to establish a position of Assistant Secretary of Health, Education, and Welfare (with accompanying papers); to the Committee on Post Office and Civil Service.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES IN FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting, pursuant to law, a report on the backlog of pending applications and hearing cases in that Commission, as of February 28, 1961 (with an accompanying report); to the Committee on Commerce.

REPORT ON EXAMINATION OF PRICING OF FALCON MISSILES UNDER DEPARTMENT OF THE AIR FORCE CONTRACTS

A letter from the Assistant Comptroller of the United States, transmitting, pursuant to law, a report on the examination of the pricing of Falcon missiles under Department of the Air Force contracts with Hughes Aircraft Co., Culver City, Calif., dated April 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF RESEARCH ACTIVITIES OF FEDERAL-AID HIGHWAY PROGRAM

A letter from the Assistant Comptroller General of the United States, transmitting, pursuant to law, a report on the review of research activities on the Federal-Aid highway program, Bureau of Public Roads, Department of Commerce, September 1960 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF TITLE 23, UNITED STATES CODE, RELATING TO INDIAN RESERVATION ROADS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend title 23 of the United States Code with respect to Indian reservation roads (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PROPOSED CONCESSION CONTRACT IN GLEN CANYON NATIONAL RECREATION AREA, ARIZ., AND UTAH

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract at or near the Wahweap site, Glen Canyon National Recreation Area, Ariz., and Utah (with accompanying papers); to the Committee on Interior and Insular Affairs.

DELIVERY OF WATER TO LANDS IN CERTAIN IRRIGATION DISTRICTS IN STATE OF WASHINGTON

A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation authorizing the Secretary of the Interior during the calendar year 1962 to continue to deliver water to lands in certain irrigation districts in the State of Washington (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT OF DIVISION OF COAL MINE INSPECTION, BUREAU OF MINES

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report of the activities of the Division of Coal Mine Inspection, Bureau of Mines, for the calendar year January 1, 1960, through December 31, 1960 (with an accompanying report); to the Committee on Labor and Public Welfare.

INCREASE OF LIMITATION ON NUMBER OF POSITIONS IN TOP GRADES OF CLASSIFICATION ACT OF 1949

A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to increase the limitation on the number of positions that may be placed in the top grades of the Classification Act of 1949, as amended, and the limitation on the number of research and

development positions of scientists and engineers for which special rates of pay are authorized; to fix the compensation of hearings examiners; and for other purposes (with accompanying papers); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Armed Services:

"ASSEMBLY JOINT RESOLUTION 24

"Joint resolution relative to chemical warfare

"Whereas the present balance of power in the world today makes the threat of localized war greater than the threat of nuclear war; and

"Whereas there is a great possibility that the United States would suffer inestimable losses in such small conflict; and

"Whereas in these small conflicts it is exceedingly difficult to strike the enemy armed forces without also severely harming the civilian population, which may well include people friendly to our side; and

"Whereas such conflicts may involve many of the underdeveloped countries of the world and as a result require the United States to feed the population and rebuild the economy of these countries; and

"Whereas there is one form of warfare known as chemical warfare, which can suppress a Communist advance without causing widespread loss of life and property; and

"Whereas the scientists working in the field of chemical warfare have developed amazing chemical agents which cause temporary incapacity without causing dangerous or lasting effects; and

"Whereas the United States is not a party to any major treaty which forbids the use of chemical warfare; and

"Whereas the American public and many of its elected representatives know little about the science of chemical warfare and propagandists have given the false impression that chemical warfare is vicious and inhuman; and

"Whereas recent world events may lead to an urgent need for utilizing this type of military operation and there is a strong possibility that the United States has not developed the science of chemical warfare to its great capacity: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Congress of the United States be urged to give serious consideration to taking such steps as may be necessary to weld the Chemical Warfare Corps into an effective operating force in the use of nonlethal gases, and to inform the American people as to the true value and the humane nature of the use of chemical agents in limited warfare; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, the President pro tempore of the Senate, the Secretary of Defense, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION 15

"Joint resolution relating to the importation of agricultural products

"Whereas increasing costs of production for American farmers and vintners pose a serious problem; and

"Whereas the importation of foreign wines and of low-cost agricultural products into the United States at times for certain crops creates competition which adversely affects the salability and price level of our own production; and

"Whereas this situation has been of special concern to fruit and vegetable growers and vintners in recent years because of increased imports of competitive fruits, vegetables and wines imported from areas where costs and standards are much below those in comparable domestic areas; and

"Whereas this import problem is particularly acute for vegetable growers in the Imperial Valley of California particularly as to tomatoes, cantaloups, watermelons and squash and as to all producers of California wines and as to all California fruit producers: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress of the United States is hereby respectfully requested to take immediate action to properly protect the domestic producers of fruits, vegetables, and wines which action should include as minimum measures requirements that such imports be of the same quality, grade, sanitary and other standards applicable to similar domestic production and that seasonal or other import duties be established to insure a cost basis for such imports equal to comparable domestic production; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Labor and Public Welfare:

"ASSEMBLY JOINT RESOLUTION 16

"Joint resolution relative to facilities for the treatment of narcotics addicts

"Whereas there exists in California a deplorable and tragic situation caused by the use of, and addiction to, narcotics; and

"Whereas the unfortunate victims of narcotic addiction find that the cost of private care is prohibitively expensive and the public care is, in general, unavailable; and

"Whereas the United States, at present, has but two hospitals of the U.S. Public Health Service which provide treatment for narcotic drug addicts, namely, at Lexington, Ky., and Fort Worth, Tex.; and

"Whereas there is an urgent need for a U.S. Public Health Service Hospital in this State, particularly in southern California, which will provide treatment for narcotics addicts: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to establish a hospital of the United States Public Health Service in southern California which will provide treatment for narcotics addicts; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to prepare and transmit suitable copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"ASSEMBLY JOINT RESOLUTION 32

"Joint resolution relative to air pollution

"Whereas California has made significant progress in its battle to conserve air as a natural resource; and

"Whereas the State has established the first standards in the United States for air quality and motor vehicle emissions which serve as guidelines for control programs; and

"Whereas local air pollution control districts in 12 of the State's 58 counties embracing 79 percent of the State's total population have made appreciable progress in controlling pollution from stationary sources; and

"Whereas California became the first State to establish a program for the control of pollution from mobile sources, the motor vehicle, when it created the Motor Vehicle Pollution Control Board; and

"Whereas this progress in California has been made possible by the research and technical assistance of both private and governmental agencies on a Federal, State and local level including the U.S. Public Health Service; and

"Whereas in spite of the progress made, air pollution in California continues to spread and become more intense in ever-widening areas of the State and its effects have now been detected in 26 of California's 58 counties; and

"Whereas photochemical air pollution is not solely a California problem but a problem of national concern, as evidenced by the fact that its manifestations have been detected in the District of Columbia and in 19 States including Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Indiana, Maryland, Massachusetts, Missouri, North Carolina, New Jersey, New York, Ohio, Pennsylvania, Utah, Washington, and West Virginia; and

"Whereas there is in California and the rest of the Nation a continuing and increasing need for research and technical data on the causes and effects of air pollution and particularly on the causes and effects of motor-vehicle-created air pollution and its relation to total air pollution: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the Congress of the United States to make provision for an increase in the air pollution research programs of the U.S. Public Health Service to provide the technical information necessary for the establishment, improvement, and implementation of air quality and motor vehicle emission standards in California and other States, and specifically to provide technical and research resources to California to assist with the State's program for the control of motor-vehicle-created air pollution; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of Alaska; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 14

"Joint resolution relating to an additional Federal judge for Alaska

"Whereas an overloaded judicial system is inimicable to a fair and efficient administration of justice; and

"Whereas Alaska has but one Federal judge for an area roughly one-fifth the size of the entire United States; and

"Whereas at least one additional Federal judge is urgently needed for efficient administration of justice in Alaska; and

"Whereas Representative EMANUEL CELLER, of New York, has introduced in the Congress a bill, H.R. 2226, which makes provision for additional Federal judgeships, including one additional Federal judge for Alaska: Now, therefore, be it

"Resolved by the Legislature of the State of Alaska in second legislature, first session assembled, That the legislature strongly advocates the passage of H.R. 2226; and be it further

"Resolved, That copies of this resolution be sent to the Honorable SAM RAYBURN, Speaker of the House of Representatives; the Honorable LYNDON B. JOHNSON, President of the Senate; the Honorable EMANUEL CELLER, chairman of the House Committee on the Judiciary; the Honorable JAMES O. EASTLAND, chairman of the Senate Committee on the Judiciary; and the Alaskan delegation to Congress.

"Passed by the senate February 24, 1961.

———— ————,
"President of the Senate.

"Attest:

"EVELYN K. STEVENSON,
"Secretary of the Senate.

"Passed by the house March 17, 1961.

"WARREN A. TAYLOR,
"Speaker of the House.

"Attest:

"ESTHER REED,
"Chief Clerk of the House.

"Approved by the Governor March 23, 1961.

"WILLIAM A. EGAN,
"Governor of Alaska."

A resolution of the Senate of the State of Vermont; ordered to lie on the table:

"SENATE RESOLUTION 5

"Senate resolution expressing Vermont Senate feelings for GEORGE D. AIKEN

"Whereas Vermonters by unique and unprecedented voting majorities, of ever increasing dimensions, have since 1933 continuously elected the Honorable GEORGE AIKEN to successive high public offices of great trust, namely, speaker of the house of representatives, Lieutenant Governor, Governor, U.S. Senator; and

"Whereas the Senator has consistently throughout the course of his long and faithful career dedicated his full fidelity and energies to service to the Nation and to his beloved State of Vermont, above and beyond mere partisan considerations; and

"Whereas in this most critical time in world history, the Nation and the world are each day more aware and needful of the wise leadership of GEORGE AIKEN: Now, therefore, be it

"Resolved, That the Senate of the sovereign State of Vermont herewith expresses to the Nation at large and to the Senate of the United States in particular, the extreme and high degree of regard and the unshakable confidence which we have for our senior U.S. Senator GEORGE DAVID AIKEN, his integrity, constancy, humility, leadership and wisdom.

"Asa S. Bloomer, E. G. Janeway, John J. O'Brien, George C. Morse, William J. Burke, Marshall Dunham, Frank D. Jones, John H. Boylan, Mildred Brault, Harold M. Brown, Graham S. Newell, Robert C. Spencer, Robert A. Willey, Pearl I. Keeler, Olin D. Gay, Clyde M. Coffrin, Willard C. Bruso, Robert B. Eldredge, George Cook, Charles L. Delaney, D. L. Garland, Lawrence Jackman, Reid Lefevre, George R. J. McGregor, James Oakes, Loren R. Pierce, Blanche M. Stoddard, Noel Viens, Aline H. Ward, Hazel M. Wills.

"Attest:

"EARLE J. BISHOP,
"Secretary of the Senate,
"State of Vermont."

The petition of George Washington Williams, of Baltimore, Md., relating to school integration; to the Committee on the Judiciary.

The petition of Lew Wallace, of Staten Island, N.Y., praying for a redress of grievances; to the Committee on the Judiciary.

A resolution adopted by the Democracy Club of Galveston County, Galveston, Tex., favoring the appointment of C. Mann Gregg to be U.S. Federal district judge for the southern district of Texas; to the Committee on the Judiciary.

A resolution adopted by the Detroit Monthly Meeting of Friends (Quakers), protesting against the enactment of legislation to provide aid to any sectarian schools; to the Committee on Labor and Public Welfare.

By Mr. SCHOEPPEL:

A concurrent resolution of the Legislature of the State of Kansas; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION 33

"Concurrent resolution memorializing the Congress of the United States to propose an amendment to the Constitution of the United States relative to balancing the expenditures and the income of the Government of the United States

"Whereas the U.S. Government is presently indebted in an approximate sum of $295 billion and the debt increases each year; and

"Whereas the U.S. Government now pays approximately $9 billion in interest on the present indebtedness each fiscal year; and

"Whereas the value of a dollar continues to decrease, particularly since World War II, largely due to the inflationary fiscal policy of the Federal Government; and

"Whereas the people of the United States are already bearing a practically confiscatory and excessive burden of taxes, particularly from the Federal Government; and

"Whereas the power to tax is the power to destroy, and the present level of taxation on the people has reached the point of diminishing returns: Now, therefore, be it

"Resolved by the Senate of the State of Kansas (the House of Representatives concurring therein), That the Legislature of the State of Kansas hereby urges and memorializes the Congress of the United States to propose to the States an amendment to the Constitution of the United States as provided by article V of the Constitution, to read as follows, to wit:

" 'ARTICLE—

" 'SECTION 1. On or before the 15th day after the beginning of each regular session of the Congress, the President shall transmit to the Congress a budget which shall set forth his estimates of the receipts of the Government, other than trust funds, during the ensuing fiscal year under the laws then existing and his recommendations with respect to expenditures (including so much for reduction of the public debt as he deems feasible) to be made from funds other than trust funds during such ensuing fiscal year, which shall not exceed such estimates of receipts. The President in transmitting such budget may recommend measures for raising additional revenue and his recommendations for the expenditure of such additional revenue. The Congress shall not authorize expenditures to be made during such ensuing fiscal year in excess of the estimated receipts. In case of war or other grave national emergency, if the President shall so recommend, the Congress by a vote of three-fourths of all the Members of each House may suspend the foregoing provisions for balancing the budget for periods, either successive or otherwise, not exceeding 1 year each.

" 'SEC. 2. This article shall take effect on the first day of the calendar year next following the ratification of this article.

" 'SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission to the States by the Congress.'; and be it further

"Resolved, That the secretary of state is hereby directed to transmit a copy of this resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and to each member of the Kansas delegation in the Congress of the United States.

"Adopted by the senate April 4, 1961.

"HAROLD H. CHASE,
"President of the Senate.

"RALPH E. ZARKER,
"Secretary of the Senate.

"Adopted by the house April 7, 1961.

"WILLIAM L. MITCHELL,
"Speaker of the House.

"D. E. ANDERSON,
"Chief Clerk of the House."

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Kansas, identical with the foregoing, which was referred to the Committee on the Judiciary.

RESOLUTION OF COMMON COUNCIL OF SOUTH MILWAUKEE, WIS.

Mr. PROXMIRE. Mr. President, the Common Council of the City of South Milwaukee recently passed a resolution expressing concern about the serious water pollution around Milwaukee which has made it necessary to forbid swimming at a popular beach at Grant Park. The council observes that the loss of this beach works a distinct hardship, especially on the youngsters who otherwise would spend many happy hours at the beach. They ask that technical and financial aid be provided to halt and abate the water pollution, so that the beach may be reopened.

I ask unanimous consent that the text of the resolution, adopted April 5, 1961, by the South Milwaukee Common Council, be printed in the RECORD, and that it be referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Public Works, as follows:

Whereas South Milwaukee citizens have at their doorstep one of the most beautiful bathing and swimming beaches in the area; and

Whereas the Milwaukee County Park Commission in the past two summers has forbidden public swimming at the Grant Park Beach because of pollution; and

Whereas the loss of this beautiful swimming beach works a distinct hardship on the people of South Milwaukee, and especially on youngsters who otherwise would spend many happy hours at the beach; and

Whereas every effort should be made to see that the source of pollution is determined so that an effective means may be found to stop this contamination: Now, therefore, be it

Resolved, That the Common Council of the City of South Milwaukee call upon its representatives in the Wisconsin State Legislature, the U.S. Senate and the House of Representatives for all assistance available in making it possible to reopen the Grant Park Beach to public use by providing such technical and/or financial aid as may be necessary.

Adopted April 5, 1961.

LOUIS J. MOSAKOWSKI,
City Clerk.

Approved April 6, 1961.

W. P. ATKINSON,
Mayor.

RESOLUTION OF CITY COUNCIL OF NEW BEDFORD, MASS.

Mr. SMITH of Massachusetts. Mr. President, a remarkable, protein-rich food product called fish flour has been developed by the New Bedford, Mass., branch of the Viobin Corp. of Illinois. This inexpensive foodstuff is made from fish which are available in abundance but are ordinarily not considered worth catching.

This flour can and should be of enormous benefit both to New Bedford, which produces it, and to the underdeveloped countries of the world which consume the major part of it. Representatives of the President's food for peace program have expressed an interest in it. Despite, however, the unqualified approval of the Bureau of Commercial Fisheries and several groups in other countries, the Food and Drug Administration has refused to approve it for consumption in the United States for esthetic reasons.

It is difficult, to say the least, to market a product abroad which has been labeled "unfit for human consumption" at home. I have asked Secretary of Health, Education, and Welfare Ribicoff to look further into this matter with the hope that this unfavorable ruling can be reversed.

The City Council of New Bedford has also passed a resolution which effectively states their and my feelings on this matter. I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, as follows:

Whereas the economic climate of the city of New Bedford would be greatly improved if the Federal authorities were to approve the marketing of New Bedford-made fish flour for human consumption; and

Whereas humanity as a whole would profit by the consumption of this protein-rich food, not only in this country, but also in those countries which are recipients of aid from the United States; and

Whereas the U.S. Bureau of Commercial Fisheries has given its unqualified endorsement to the product; and

Whereas it is imperative that no time be lost in securing the necessary approval; and

Whereas the New Bedford City Council, who are the duly elected representatives of this community, whose future is so intricately tied to the fishing industry, vigorously request that their representatives in the Federal Government exert all the power at their command: Therefore be it

Resolved, That the city council record itself as wholeheartedly in favor of seeking approval for the marketing of New Bedford-made fish flour; and be it further

Resolved, That copies of this resolution evidencing our desires be forwarded to U.S. Senator Saltonstall, U.S. Senator Smith, Representative Hastings Keith, Welfare Secretary Ribicoff, Secretary of the Interior Udall, and Secretary of Agriculture Freeman.

Adopted in city council April 13, 1961.

CHARLES W. DEASY,
City Clerk.

Attest:

ELLEN M. GAUGHAN,
Assistant City Clerk.

RESOLUTIONS SUPPORTING COLD WAR GI BILL (S. 349)

Mr. YARBOROUGH. Mr. President, I wish to bring to the attention of the Senate the swelling tide of determined and informed support for the cold war GI bill as introduced by 37 Members of this body in January of this year.

It is extremely gratifying to see this interest in the cold war bill that would open the door to education and job-training assistance to some 4 million young men who have served their country honorably since the end of the Korean conflict.

One of the most gratifying evidences of this growing interest and enthusiasm are five State resolutions favoring the cold war bill. These come from the States of Georgia, New Mexico, Kentucky, Hawaii, and Arkansas.

These States can take pride in being among the first officially to support the cold war bill that will aid in giving more educational and vocational opportunities to our young men who march away to the cold war.

These States are among the first, and we trust there will be many others, who see the great need for such a bill..

Georgia, New Mexico, Kentucky, Hawaii, and Arkansas have seen the justice in the cold war bill that will help the 45 percent of our young men who see military service regain some of the lost time and lost educational opportunity, which may otherwise be lost forever.

These States have recognized the importance of the bill that will aid our young veterans in securing a higher education and a firmer vocational background at a time when education and job proficiency are so important in the free world's struggle against forces bent on destroying us.

They have seen the logic in studies that show the cold war GI bill will be a sound, self-liquidating investment. For, by providing increased educational and vocational benefits for our cold war veterans, we will help them find greater earning power. And this greater earning power will mean increased income tax revenue that will more than pay the costs of the program within a few years. These five States remember the World War II GI bill is already worth more than a billion dollars a year more in taxes than without that training, and this means a cold war GI bill will not be an overall expense of the taxpaying public, but rather a debt the veterans will pay themselves over the years.

The bill provides an educational allowance of $110 a month, and today that will buy only as much as $75 could purchase in 1952. It must also be remembered that college tuitions have gone up as much as 86 percent in the last 10 years. The average veteran will still have to find a part-time job or get a loan in order to go to college.

May I say in conclusion that Georgia, New Mexico, Kentucky, Hawaii, and Arkansas are to be commended for their favorable action on bill S. 349. And I ask unanimous consent that the State resolutions be printed in the RECORD.

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

HOUSE MEMORIAL 7

Memorial memorializing the Congress of the United States to extend educational benefits to veterans who entered or who enter military service after February 1, 1955, and to extend educational benefits to all who enter so long as the provisions of the draft law exist

Whereas millions of veterans of World War II and of the Korean conflict have been educated under the provisions of the veterans' education program established by the Federal Government; and

Whereas many veterans were able to obtain further education through the benefits of the veterans' education program which would not otherwise have been possible; and

Whereas the education of millions of veterans has contributed to an increase in the educational level of this country and has produced a major national asset which has contributed much to the economy of this country; and

Whereas reliable statistics have proved that increased income to veterans arising out of their higher education level will more than reimburse the Treasury of the entire cost of the training program by 1970; and

Whereas the President of the United States, by Executive order on January 31, 1955, stopped the educational benefits for persons serving in the Armed Forces of the United States after February 1, 1955; and

Whereas such Executive order has deprived millions of Americans serving in the Armed Forces of the educational benefits previously extended to veterans; and

Whereas it is believed that as long as the draft is continued that all persons serving in the Armed Forces should be extended the educational opportunities enjoyed by veterans serving prior to February 1, 1955; and

Whereas it has been demonstrated that the investment in the education of such veterans will be more than repaid to the Public Treasury through increased taxes resulting from higher income of such veterans: Now, therefore, be it

Resolved by the House of Representatives of the 25th legislative session of the State of New Mexico, That the House of Representatives of the State of New Mexico does hereby memorialize the Congress of the United States to extend veteran educational benefits to all veterans who entered, or who enter, military services from and after February 1, 1955, and that such educational benefits be extended so long as the provisions of the draft law exist; and be it further

Resolved, That upon adoption of this resolution that a copy thereof be mailed by the chief clerk of the house of representatives, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each Member of the Congress from the State of New Mexico.

HOUSE RESOLUTION 16

Resolution memorializing the Congress of the United States to extend Public Law 550, 82d Congress, relating to education and training benefits, to service men and women as long as the draft continues

Whereas the Congress of the United States, expressing the will of the citizenry by the enactment of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong.) and Veterans' Readjustment Act of 1952 (Public Law 550, 82d Cong.) recognized the justice, equity, and general value of a sound education and training program for the veterans of our country; and

Whereas the legislation enacted to provide such education and training benefits was for the purpose of restoring lost educational opportunities to those men and women who served in the Armed Forces of our country and has accomplished this purpose and has been an immeasurable factor in contributing to the economic security of our veterans and their families as well as to the security of the Nation as a result of the increase in our general educational level and in the professional and technical skills of the veterans; and,

Whereas the increased earning power of the veterans directly attributable to the program is resulting in payment of increased income taxes which will more than repay the total cost of the program; and

Whereas notwithstanding the continuing involuntary military service program, Public Law 7, 84th Congress, denies entitlement to education and training benefits to all veterans who first entered service after January 31, 1955, which is grossly inequitable: Now, therefore, be it

Resolved by the House of Representatives of the Commonwealth of Kentucky:

SECTION 1. That the Congress of the United States extend education and training benefits similar to the benefits provided by Public Law 550, 82d Congress, as amended, to all veterans of our country who served during any period in which involuntary military service is authorized, and urges the Congress of the United States to enact legislation to accomplish this objective;

SEC. 2. That the clerk of the house send attested copies of this resolution to the President of the U.S. Senate, the Speaker of the House of Representatives, the chairmen of the Education Committee of each House and to each Member of the Kentucky delegation in the Congress of the United States.

Attest:

TROY B. STURGILL,
Chief Clerk of the House.

SENATE CONCURRENT RESOLUTION 11

Whereas millions of veterans of World War II and of the Korean conflict have been educated under the provisions of the veterans' education program established by the Federal Government; and

Whereas many veterans were able to obtain further education through the benefits of the veterans' education program which would not otherwise have been possible; and

Whereas the education of millions of veterans has contributed to an increase in the educational level of this country and has produced a major national asset which has contributed much to the economy of this country; and

Whereas reliable statistics have proved that increased income to veterans arising out of their higher educational level will more than reimburse the Treasury of the entire cost of the GI training program by 1970; and

Whereas the President of the United States, by Executive order on January 31, 1955, stopped the educational benefits for persons serving in the Armed Forces of the United States after February 1, 1955; and

Whereas such Executive order has deprived millions of Americans serving in the Armed Forces of the educational benefits previously extended to veterans; and

Whereas it is believed that as long as the draft is continued that all persons serving in the Armed Forces should be extended the educational opportunities enjoyed by veterans serving prior to February 1, 1955; and

Whereas it has been demonstrated that the investment in the education of such veterans will be more than repaid to the Public Treasury through increased taxes resulting from higher incomes of such veterans: Now, therefore, be it

Resolved by the Senate of the 63d General Assembly of the State of Arkansas (the House of Representatives concurring therein), That the Arkansas General Assembly does hereby memorialize the Congress of the United States to extend GI educational benefits to all veterans who entered, or who enter, military services from and after February 1, 1955, and that such educational benefits be extended so long as the provisions of the draft law exist; and be it further

Resolved, That upon adoption of this resolution that a copy thereof be mailed, by the secretary of state, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each Member of the Congress from the State of Arkansas.

Concurrent resolution requesting the Congress of the United States to extend GI educational benefits to all veterans who entered, or who enter, military services from and after February 1, 1955, and that such educational benefits be extended so long as the provisions of the draft law exist

Whereas millions of veterans of World War II and of the Korean conflict have been educated under the provisions of the veterans' education program established by the Federal Government; and

Whereas many veterans were able to obtain further education through the benefits of the veterans' education program which would not otherwise have been possible; and

Whereas the education of millions of veterans has contributed to an increase in the educational level of this country and has produced a major national asset which has contributed much to the economy of this country; and

Whereas reliable statistics have proved that increased income to veterans arising out of their higher education level will more than reimburse the Treasury of the entire cost of the GI training program by 1970; and

Whereas the President of the United States, by Executive order on January 31, 1955, stopped the educational benefits for persons serving in the Armed Forces of the United States after February 1, 1955; and

Whereas such Executive order has deprived millions of Americans serving in the Armed Forces of the educational benefits previously extended to veterans; and

Whereas it is believed that as long as the draft is continued that all persons serving in the Armed Forces should be extended the educational opportunities enjoyed by veterans serving prior to February 1, 1955; and

Whereas it has been demonstrated that the investment in the education of such veterans will be more than repaid to the Public Treasury through increased taxes resulting from higher incomes of such veterans: Now, therefore, be it

Resolved by the Senate of the First Legislature of the State of Hawaii, regular session of 1961 (the House concurring), That the Congress of the United States be and is hereby respectfully requested to extend GI educational benefits to all veterans who entered, or who enter, military services from and after February 1, 1955, and that such educational benefits be extended so long as the provisions of the draft law exist; and be it further

Resolved, That duly authenticated copies of this concurrent resolution be sent to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States and to the Senators and Representative to Congress from Hawaii.

H.R. 137

Resolution memorializing Congress to extend education benefits to certain veterans; and for other purposes

Whereas millions of veterans of World War II and of the Korean conflict have been educated under the provisions of the veterans' education program established by the Federal Government; and

Whereas many veterans were able to obtain further education through the benefits of the veterans' education program which would not otherwise have been possible; and

Whereas the education of millions of veterans has contributed to an increase in the educational level of this country and has produced a major national asset which has contributed much to the economy of this country; and

Whereas reliable statistics have proved that increased income to veterans arising out of their higher education level will more than reimburse the National Treasury of the entire cost of the GI training program by 1970; and

Whereas the President of the United States, by Executive order on January 31, 1955, stopped the educational benefits for persons serving in the Armed Forces of the United States after February 1, 1955; and

Whereas it is believed that as long as the draft is continued that all persons serving in the Armed Forces should be extended the educational opportunities enjoyed by veterans serving prior to February 1, 1955; and

Whereas it has been demonstrated that the investment in the education of such veterans will be more than repaid to the Public Treasury through increased taxes resulting from higher incomes of such veterans: Now, therefore, be it

Resolved by the General Assembly of Georgia, That this body does hereby memorialize the Congress of the United States to extend GI educational benefits to all veterans who entered, or who enter, military services from and after February 1, 1955, and that such educational benefits be extended so long as the provisions of the draft law exist; be it further

Resolved, That the clerk of the house is hereby instructed to transmit a copy of this resolution to the presiding officers of both branches of the U.S. Congress and a copy to each Member of the Georgia congressional delegation.

REPORT ENTITLED "JUVENILE DELINQUENCY"—REPORT OF A COMMITTEE (S. REPT. NO. 169)

Mr. DODD. Mr. President, from the Committee on the Judiciary, pursuant to Senate Resolution 232, 86th Congress, 2d session, as extended, I submit a report entitled "Juvenile Delinquency," which I ask may be printed.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Connecticut.

REPORT ENTITLED "NATIONAL PENITENTIARIES"—REPORT OF A COMMITTEE — SUPPLEMENTAL VIEWS (S. REPT. NO. 170)

Mr. JOHNSTON. Mr. President, from the Committee on the Judiciary I ask unanimous consent to submit a report entitled "National Penitentiaries," pursuant to Senate Resolution 226, 86th Congress, 2d session, as extended, together with supplemental views.

I ask unanimous consent that the report, together with the supplemental views of the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Nebraska [Mr. HRUSKA] be printed.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from South Carolina.

REPORT ENTITLED "THE FEDERAL JUDICIAL SYSTEM"—REPORT OF A COMMITTEE—SUPPLEMENTAL VIEWS (S. REPT. NO. 171)

Mr. JOHNSTON. Mr. President, from the Committee on the Judiciary I submit a report entitled "The Federal Judicial System," pursuant to Senate Resolution 231, 86th Congress, 2d session, as extended, together with supplemental views.

I ask unanimous consent that the report, together with the supplemental views of the Senator from Nebraska [Mr. HRUSKA], and the Senator from New York [Mr. KEATING] be printed.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from South Carolina.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Dr. Noah N. Langdale, Jr., of Georgia, to be a member of the U.S. Advisory Commission on Educational Exchange;

Walter P. McConaughy, of Alabama, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State;

Robert F. Woodward, of Minnesota, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Chile;

James Loeb, of New York, to be Ambassador Extraordinary and Plenipotentiary to Peru;

Teodoro Moscoso, of the Commonwealth of Puerto Rico, to be Ambassador Extraordinary and Plenipotentiary to Venezuela.

Leon B. Poullada, of California, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Togo;

Thomas C. Mann, of Texas, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Mexico; and

Phillips Talbot, of the District of Columbia, to be an Assistant Secretary of State.

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

William P. Daniel, of Texas, to be Governor of Guam.

By Mr. BUTLER, from the Committee on Commerce:

Philip Elman, of Maryland, to be a Federal Trade Commissioner.

Mr. BUTLER. Mr. President, I ask unanimous consent that a biographical sketch, relating to Mr. Elman, be printed in the RECORD.

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

PHILIP ELMAN

Born March 14, 1918, Paterson, N.J.

A.B., College of City of New York, 1936; LL.B., Harvard, 1939 (member of editorial board, Harvard Law Review).

Married: Ella M. Shalit of Fargo, N. Dak., December 21, 1947.

Children: Joseph, 11; Peter, 9; Anthony, 6.

Residence: 6719 Brigadoon Drive, Bethesda, Md. (domiciled in Maryland since 1951).

Admitted to bars of District of Columbia, New York, and U.S. Supreme Court.

Memberships: D.C. Bar Association, American Bar Association, Federal Bar Association, Harvard Law School Association.

Editor, Of Law and Men (papers and addresses of Felix Frankfurter, 1939–56).

Employment:

Years 1939–40: Law clerk to Judge Calvert Magruder, U.S. Court of Appeals, Boston, Mass.

Years 1940–41: Attorney, Federal Communications Commission.

Years 1941–43: Law clerk to Mr. Justice Frankfurter, U.S. Supreme Court.

Years 1943–44: Assistant chairman, Balkan Area Committee, Office of Foreign Economic Coordination, State Department.

Years 1944–45: Attorney, Solicitor General's Office, Department of Justice.

Years 1945–46: Legal adviser, Office of Military Government, Berlin, Germany (on temporary detail from Department of Justice).

Year 1946 to date: Assistant to the Solicitor General.

Has had principal staff responsibility in the Solicitor General's Office for handling of antitrust and trade regulation cases in the Supreme Court, and has argued and briefed a large number of such cases before the Court, including *Federal Trade Commission* v. *Anheuser-Busch, Inc.* (363 U.S. 536); *Maryland & Virginia Milk Producers Association* v. *United States* (362 U.S. 458); *Klor's, Inc.* v. *Broadway-Hale Stores* (359 U.S. 207); *International Boxing Club* v. *United States* (358 U.S. 242, 348 U.S. 236); *Federal Maritime Board* v. *Isbrandtsen Co.* (356 U.S. 481); *United States* v. *Shubert* (348 U.S. 22); *United States* v. *Morton Salt Co.* (338 U.S. 632).

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of the executive reports of the Committee on Foreign Relations made today.

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

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations which have been reported today from the Committee on Foreign Relations.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Robert F. Woodward, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary to Chile.

Mr. HUMPHREY. Mr. President, we in Minnesota are very honored and pleased that Mr. Woodward has received this recognition. He is a Foreign Service officer of career status. He is very competent, very able, and a personal friend of mine.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a biographical sketch relating to Mr. Woodward.

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

ROBERT F. WOODWARD

Present position: Ambassador to Uruguay.

Considered for: Ambassador to Chile.

Born: October 1, 1908, Minneapolis, Minn.

Education: A.B., University of Minnesota, 1930; student, George Washington University, 1941.

Marital status: Married.

Experience:

Non-Government:

1921–25: Office boy, Lindsay Bros. Co., Minneapolis.

1926–27: Part-time printer's apprentice, Lindsay Bros.

1927–28: Part-time manager, printing plant.

1929: Assistant editor, farm machinery catalog.

Government:

1931: Appointed Foreign Service officer, unclassified vice consul of career and secretary in diplomatic service.

1932: Vice consul, Winnipeg.

1933: Foreign Service School; vice consul, Buenos Aires.

1935: Vice consul: Ascuncion; vice consul, Buenos Aires.

1936: Third secretary and vice consul, Bogotá.

1937: Vice consul, Rio de Janeiro.

1939: Foreign Service officer, class 8; to Department.

1941: Foreign Service officer, class 7; Acting Assistant Chief, Division of American Republics.

1942: Assistant Chief, Division of American Republics; consul; second secretary and consul, La Paz.

1943: Foreign Service officer, class 6.

1944: To Department; Acting Assistant Chief, Division of North and West Coast Affairs; second secretary, Guatemala.

1945: Foreign Service officer, class 4; first secretary, Guatemala; counselor of Embassy, Havana.

1946: Foreign Service officer, class 3.

1947: To Department; Deputy Director, Office of American Republics Affairs.

1948: Foreign Service officer, class 2.

1949: Detailed to National War College.

1950: Foreign Service officer, class 1; counselor of Embassy, Stockholm.

1952: To Department; Chief, Division of Foreign Service Personnel.

1953: Special assistant to Assistant Secretary of State for Inter-American Affairs; Deputy Assistant Secretary for Inter-American Affairs.

1954: Ambassador Extraordinary and Plenipotentiary to Costa Rica; Foreign Service officer, career minister.

1956: Member of U.S. delegation to attend inaugural ceremonies of President-elect of Panama.

1957: Member of U.S. delegation to attend inaugural ceremonies of President-reelect of Dominican Republic.

1958: Ambassador Extraordinary and Plenipotentiary to Uruguay.

Legal residence: Minneapolis, Minn.

The legislative clerk read the nomination of Teodoro Moscoso, of the Commonwealth of Puerto Rico, to be Ambassador Extraordinary and Plenipotentiary to Venezuela.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a biographical sketch relating to Mr. Moscoso be printed in the RECORD.

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

TEODORO MOSCOSO

Present position: Economic Development Administrator of Puerto Rico.
Considered for: Ambassador to Venezuela.
Born: Barcelona, Spain, November 26, 1910.
Education: B.S., University of Michigan, 1932.
Marital status: Married.
Experience:
Non-Government:
Private industry, 1932–39.[1]
Municipal government, 1939–42.[2]
State government, 1942–61.[3]
Legal Residence: 880 Fifth Avenue, New York, N.Y.

The legislative clerk read the nomination of Thomas C. Mann, of Texas, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Mexico.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a biographical sketch relating to Mr. Mann be printed in the RECORD.

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

THOMAS C. MANN

Present position: Assistant Secretary for Inter-American Affairs.
Considered for: Ambassador to Mexico.
Born: Laredo, Tex., November 12, 1912.
Education: B.A. from Baylor University, Waco, Tex., 1934; LL.B., 1934.
Marital status: Married.
Experience:
Non-Government:
1934–42: Practiced law in firm of Mann, Neel & Mann, Laredo, Tex.
Government:
1942: Entered Foreign Service and assigned to Montevideo.
1943: Returned to Department as Assistant Chief of Economic Division; Special Assistant to Assistant Secretary for American Republics Affairs; Chief, Division of River Plate Affairs.
1947: Assigned to Caracas in charge of political and petroleum affairs.
1950: Director, Office of Middle American Affairs, State Department.
1950: Deputy Assistant Secretary of State for Inter-American Affairs.
1953: Counselor of Embassy, Athens, Greece.
1954: Counselor of Embassy, Guatemala, City, Guatemala.
1955: Ambassador to El Salvador.
1957: Assistant Secretary for Economic Affairs.
1960: Assistant Secretary for Inter-American Affairs.
Legal residence: Laredo, Tex.

U.S. ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

The legislative clerk read the nomination of Dr. Noah N. Langdale, Jr., of Georgia, to be a member of the U.S. Advisory Commission on Educational Exchange.

[1] President, Moscoso Hns. & Co., Ponce, P.R., wholesale druggist.

[2] Vice chairman and executive director, Ponce Housing Authority.

[3] Administrator, Economic Development Administration, San Juan, P.R.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a biographical sketch relating to Mr. Langdale be printed in the RECORD.

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

NOAH LANGDALE, JR.

Present position: President, Georgia State College of Business and Administration.
Considered for: Member, U.S. Advisory Commission on Educational Exchange.
Born: Valdosta, Ga., March 29, 1920.
Education: A.B., University of Alabama, 1941; LL.B., Harvard Law School, 1948; M.B.A., Harvard Graduate School of Administration, 1950; LL.D., University of Alabama, 1959.
Marital status: Married.
Experience:
Non-Government:
1954–55: Instructor of economics and social sciences at Valdosta State College.
1955: Founded department of accounting, economics, secretarial science and business administration; served as departmental chairman.
1955–57: Assistant professor, economics and social sciences, Valdosta State College.
1957: President, Georgia State College of Business and Administration.
Military: 1942–46: Served in U.S. Navy. Taught Navy mathematics at University of Georgia, and was an instructor in Navy subjects at other Navy installations.
Legal residence: Georgia.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Walter P. McConaughy, of Alabama, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a biographical sketch relating to Mr. McConaughy be printed in the RECORD.

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

WALTER P. MCCONAUGHY

Present position: Ambassador Extraordinary and Plenipotentiary to the Republic of Korea.
Considered for: Assistant Secretary of State.
Born: Montevallo, Ala., September 11, 1908.
Education: A.B., Birmingham-Southern College, 1928; graduate student, Duke, 1930.
Marital status: Married.
Experience:
Non-Government:
1928–30: Teacher, Pike City High School, Brundidge, Ala.
1929: Alabama College summer school, Montevallo.
Government:
1930: Appointed Foreign Service officer, unclassified, vice consul of career, and secretary in diplomatic service, vice consul at Tampico, temporary.
1932: Foreign Service school; vice consul at Kobe.
1934: Vice consul at Taihoku, temporary.
1935: Vice consul at Kobe.
1937: Foreign Service officer, class 8; consul; consul at Kobe.
1938: Consul at Osaka.
1939: Foreign Service officer, class 7; consul at Nagasaki, temporary; consul at Osaka.
1941: Second secretary at Peiping.
1942: To Department; second secretary and consul at La Paz; Foreign Service officer, class 6; commercial attaché at La Paz.
1944: To Department; second secretary and consul at Rio de Janeiro.
1945: Foreign Service officer, class 5.
1946: Foreign Service officer, class 4; first secretary at Rio de Janeiro in addition to duties as consul; Foreign Service officer, class 3.
1947: Detailed to National War College.
1948: Consul at Shanghai.
1949: Consul general; Commendable Service Award.
1950: Foreign Service officer, class 2; consul general at Hong Kong; also consul general, Macau.
1952: Director, Office of Chinese Affairs, Department.
1954: Foreign Service officer, class 1.
1957: Ambassador Extraordinary and Plenipotentiary to Burma.
1959: Ambassador Extraordinary and Plenipotentiary to the Republic of Korea.
Legal resident of: Montevallo, Ala.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of James Leob, of New York, to be Ambassador Extraordinary and Plenipotentiary to Peru.

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

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent that following the confirmation of the nomination of Mr. Leob a letter I had written to the chairman of the committee concerning the nominee's qualifications be printed in the RECORD.

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

APRIL 15, 1961.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I regret that I will not be able to attend the meeting of the Foreign Relations Committee on Monday, April 17. I must be in New York City to participate in the Africa Freedom Day program, a commitment that I made several weeks ago.

One of the nominations in which I have a particular interest is that of Mr. James Leob of Saranac Lake, N.Y. I have known Mr. Loeb for about 15 years and regard him as an able and thoughtful student of international affairs and American foreign policy.

Mr. Leob has given particular attention to our political and economic relationships with Latin American countries. He is well known and highly respected by many of the progressive and democratic leaders of the Western Hemisphere. His ability to speak Spanish and his knowledge of the economic and social patterns of the Latin American countries add to his qualifications for the important assignment as Ambassador to Peru.

Mr. James Leob is known as an effective anti-Communist and a dedicated and vigorous exponent of liberal democracy. His wide acquaintanceship with leaders in the trade union movement, the farm cooperatives, the universities, and the business and professional communities of several Latin American countries will surely add to his effectiveness as our Ambassador.

The President has selected a good and able man in Mr. Leob. I strongly support this nomination and urge favorable action by the committee.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a biographical sketch relating to Mr. Loeb be printed in the RECORD.

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

JAMES LOEB

Present position: Newspaper publisher.

Considered for: Ambassador Extraordinary and Plenipotentiary to Peru.

Born: August 18, 1908, at Chicago, Ill.

Education: A.B. degree from Dartmouth College in 1929; M.A. degree from Northwestern University in 1931; Ph. D. from Northwestern University in 1936.

Marital status: Married.

Experience:

Non-Government:

1930–34 and 1935–36: Faculty, Northwestern University.

1937–41: Faculty, Townsend Harris High School which was affiliated with the City College, New York, N.Y.

1941–51: National secretary of Americans for Democratic Action.

1952: Executive assistant to Averell Harriman.

1953 to present: Coowner of Adirondack Daily Enterprise of Saranac Lake, N.Y.

1960 to present: Coowner of weekly, Lake Placid News.

Government:

1951–52: Consultant to the President's Counsel, Charles Murphy.

Legal residence: 146 Riverside Drive, Saranac Lake, N.Y.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Phillips Talbot, of the District of Columbia, to be an Assistant Secretary of State.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a biographical sketch relating to Mr. Talbot.

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

PHILLIPS TALBOT

Present position: Consultant, Bureau of Near East and South Asian Affairs.

Considered for: An Assistant Secretary of State.

Born: Pittsburgh, Pa., June 7, 1915.

Education: B.A. and B.S.J., University of Illinois, 1936; School of Oriental Studies, University of London, 1938–39; Ph. D., University of Chicago, 1954.

Marital status: Married.

Experience:

Non-Government:

1936–38: Reporter, Chicago Daily News.

1946–48: Foreign correspondent in Asia.

1949–50: Brief term as foreign correspondent in Asia.

1948–50: Visiting assistant professor of political science, University of Chicago.

1951–52: Visiting lecturer at Columbia.

1959: Visiting professor of Asian studies, summer session, University of Hawaii.

1951–61: Executive director, American Universities field staff.

Government: 1951–52: Brief consultant period with ECA.

Military:

1936–38: First lieutenant, Illinois National Guard, 33d Division.

1941–46: USNR, lieutenant, junior grade, to lieutenant commander.

Legal residence: District of Columbia.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Leon B. Poullada, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Togo.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a biographical sketch relating to Mr. Poullada be printed in the RECORD.

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

LEON B. POULLADA

Present position: Deputy Director, Office of South Asian Affairs, Department of State.

Considered for: U.S. Ambassador to the Republic of Togo.

Born: April 13, 1913, at Santa Rosa, N. Mex.

Education: Southwestern University, LL. B., 1940; University of Hawaii (oriental studies), 1945; American University, 1946–47; University of Pennsylvania (south Asian regional studies) M.A., 1955.

Marital status: Married.

Experience:

Non-Government:

1933–40: Legal assistant and U.S. representative for a Latin American law firm (Romero & Rosas).

1939: Admitted to the bar of California.

1945: Admitted to the bar of the U.S. Supreme Court.

Military: After his graduation, Mr. Poullada joined the U.S. Army, serving with a combat unit from 1940 to 1943. From 1943 to 1945 he was Chief of the Army Library Service for the Pacific Theater of Operation. Late in 1947 and during 1948 he was chief counsel at the war crimes trials in Dachau, Germany. Mr. Poullada left the Army in 1948 after having attained the rank of lieutenant colonel.

Government: Mr. Poullada entered the Foreign Service in 1948. After a brief tour in the Department, he was assigned to Colombo in September of 1948. Two years later he returned to the Department, and in June of 1951 was detailed for special south Asian language and area studies to the University of Pennsylvania, from which he received his M.A. degree. Following the completion of his course work in 1952 Mr. Poullada was reassigned abroad as consul in Lahore. He was transferred to Kabul, Afghanistan, in 1954 where he served as economic counselor until 1957. Returning to the Department once more, Mr. Poullada served as Officer in Charge of Economic Affairs for South Asia. After 2 years in that post he was appointed Deputy Director of the Office of South Asian Affairs.

Legal residence: 4829 Topeka Drive, Tarzana, Calif.

Mr. KUCHEL subsequently said: Mr. President, I take particular pride in the nomination by the President and the confirmation by the Senate of Leon B. Poullada, of California, to be American Ambassador to the Republic of Togo. I have the pleasure of calling Ambassador Poullada my friend. He is an excellent example of a young American who, having served in the Armed Forces of our country, dedicated his lifetime to a career of public service to the people of the United States. Leon Poullada brings to his new responsibilities a great accumulation of knowledge and experience gained abroad, where, in varying capacities, he represented our Government.

Several years ago I recall his telling me that when he was a member of our diplomatic staff in Afghanistan, his children were born in the same thatched hut which housed natives in the area where he lived.

I believe the service which Americans render to their country abroad in official capacities many times constitutes a rather unsung labor. So on the occasion of the Senate giving its unanimous approval to the nomination by the President of Leon B. Poullada, of California, to represent us in that relatively new country, the Republic of Togo, I take great pleasure in saluting not only Ambassador Poullada particularly, but those dedicated men and women who make the Foreign Service the excellent agency of freedom which it continues to be.

I ask unanimous consent that my comments appear in the RECORD at the time the Senate was in executive session and approving the nomination of Ambassador Poullada.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

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

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

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. CLARK (for himself, Mr. HUMPHREY, Mr. WILLIAMS of New Jersey, Mr. PELL, Mr. SMITH of Massachusetts, and Mr. ENGLE):

S. 1633. A bill to establish a Department of Urban Affairs and Housing, and for other purposes; to the Committee on Government Operations.

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

By Mr. CASE of South Dakota:

S. 1634. A bill to authorize the payment of pension to certain veterans of World War I; to the Committee on Finance.

By Mr. CARLSON:

S. 1635. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct expenses paid during the taxable year for repair, maintenance, alterations and additions to his residence; to the Committee on Finance.

S. 1636. A bill for the relief of Cleo A. Dekat; to the Committee on the Judiciary.

(See the remarks of Mr. CARLSON when he introduced the first above-mentioned bill, which appears under a separate heading.)

By Mr. JAVITS:

S. 1637. A bill for the relief of Viktor Jaanimets; to the Committee on the Judiciary.

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

By Mr. FONG:

S. 1638. A bill for the relief of Felix Ledina Mendoza; to the Committee on the Judiciary.

By Mr. JOHNSTON (by request):

S. 1639. A bill to amend the act of August 23, 1958, an act to clarify the application of section 507 of the Classification Act of 1949 with respect to the preservation of the rates of basic compensation of certain officers or employees in cases involving downgrading actions;

S. 1640. A bill to amend the disability retirement provisions of the Civil Service Retirement Act; and

S. 1641. A bill to amend section 4 of the Government Employees Training Act, as amended; to the Committee on Post Office and Civil Service.

By Mr. SCOTT:

S. 1642. A bill for the relief of Mrs. Hertha L. Wohlmuth; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 1643. A bill to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes; to the Committee on Agriculture and Forestry.

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

By Mr. BARTLETT:

S. 1644. A bill to provide for the indexing and microfilming of certain records of the Russian Orthodox Greek Catholic Church in Alaska in the collections of the Library of Congress; to the Committee on Rules and Administration.

By Mr. SMITH of Massachusetts:

S. 1645. A bill for the relief of Clarinda da Veiga; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 1646. A bill to authorize the Rio Grande Railway and Bridge System to construct, maintain, and operate toll bridges across the Rio Grande near Pharr, Tex.; to the Committee on Foreign Relations.

By Mr. MOSS:

S. 1647. A bill to add federally owned lands to and exclude federally owned lands from, the Cedar Breaks National Monument, Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FULBRIGHT (by request):

S. 1648. A bill to authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock; to the Committee on Foreign Relations.

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

By Mr. BENNETT (for himself and Mr. Moss):

S. 1649. A bill to provide for the establishment of a Hydraulics of Irrigation Structures Laboratory; to the Committee on Agriculture and Forestry.

By Mr. BIBLE (by request):

S. 1650. A bill to promote safe driving, to eliminate the reckless and financially irresponsible driver from the highways, to provide for the indemnification of certain persons suffering injury or loss as a result of the operation of motor vehicles by uninsured motorists, and for other purposes; and

S. 1651. A bill to authorize the Commissioners of the District of Columbia to delegate the function of approving contracts not exceeding $100,000; to the Committee on the District of Columbia.

By Mr. BIBLE (for himself and Mr. BEALL) (by request):

S. 1652. A bill to incorporate the President's Trophy Bowl Game; to the Committee on the District of Columbia.

By Mr. EASTLAND:

S. 1653. A bill to amend title 18, United States Code, to prohibit travel in aid of racketeering enterprises;

S. 1654. A bill to amend section 1073 of title 18, United States Code, the Fugitive Felony Act;

S. 1655. A bill to amend chapter 95 of title 18, United States Code, to permit the compelling of testimony under certain conditions and the granting of immunity from prosecution in connection therewith;

S. 1656. A bill to amend chapter 50 of title 18, United States Code, with respect to the transmission of bets, wagers, and related information;

S. 1657. A bill to provide means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia;

S. 1658. A bill to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce;

S. 1659. A bill to amend title 28, United States Code, with respect to fees of United States marshals;

S. 1660. A bill to amend section 1871 of title 28, United States Code, to increase the subsistence and limit mileage allowances of grand and petit jurors;

S. 1661. A bill to provide for reasonable notice of applications to the U.S. courts of appeals for interlocutory relief against the orders of certain administrative agencies;

S. 1662. A bill to provide that the district courts shall be always open for certain purposes, to abolish terms of court and to regulate the sessions of the courts for transacting judicial business; and

S. 1663. A bill to amend the venue requirements in suits to recover for frauds committed against the United States; to the Committee on the Judiciary.

By Mr. GORE:

S. 1664. A bill to amend the Natural Gas Act in order to prohibit the taking effect of certain proposed rate increases by natural-gas companies; to the Committee on Commerce.

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

By Mr. HART:

S. 1665. A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of investigations and inquiries; to the Committee on the Judiciary.

By Mr. CLARK (for himself, Mr. RANDOLPH, Mr. METCALF, Mr. MCGEE, Mr. GRUENING, Mr. MOSS, Mr. DOUGLAS, Mr. BYRD of West Virginia, and Mr. HICKEY):

S. 1666. A bill to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals; to the Committee on Labor and Public Welfare.

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

By Mr. MAGNUSON (by request):

S. 1667. A bill to amend section 17 of the Interstate Commerce Act to provide for further delegation of duties to employee boards; and

S. 1668. A bill to authorize the imposition of forfeitures for certain violations of the rules and regulations of the Federal Communications Commission in the common carrier and safety and special fields; to the Committee on Commerce.

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

By Mr. MAGNUSON:

S. 1669. A bill to provide that the Interstate Commerce Commission shall prescribe rules, standards, and instructions for the installation, inspection, maintenance, and repair of certain parts on railroad cars, and to require carriers by railroad to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; and

S. 1670. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Commerce.

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

By Mr. WILLIAMS of New Jersey (for himself, Mr CLARK, Mr. HART, and Mr. BARTLETT):

S. 1671. A bill to authorize the Housing and Home Finance Administrator to assist States and local public bodies to acquire land in urban areas for preservation as open-space land or for planned future public or private development; and for other purposes; to the Committee on Banking and Currency.

By Mr. FULBRIGHT (by request):

S.J. Res. 75. Joint resolution providing for acceptance by the United States of America of the Agreement for the Establishment of the Caribbean Organization signed by the Governments of the Republic of France, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America; to the Committee on Foreign Relations.

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

DEPARTMENT OF URBAN AFFAIRS AND HOUSING

Mr. CLARK. Mr. President, I introduce, for appropriate reference, a bill to create a Department of Urban Affairs and Housing, as recommended by President Kennedy in his message transmitted today to the Congress.

It gives me particular pride to be authorized by the President to act as the principal Senate sponsor of this bill, because I am among its earliest advocates. Long before I came to the Senate, when I was mayor of Philadelphia, I was urging this proposal upon my fellow mayors within the councils of the American Municipal Association and the U.S. Conference of Mayors. I contended then, as I do now, that the cities of America will not be able to solve their immense and pressing problems until the Federal Government accords these problems proper recognition.

Those of us who shared this point of view were able to prevail upon these two great organizations to endorse creation of a Department of Urban Affairs and Housing. Since then, many other organizations concerned with the problems of our urban centers have taken the same position.

Mr. President, I am honored that the assistant majority leader, the able Senator from Minnesota [Mr. HUMPHREY], has joined me as cosponsor in introduc-

ing this measure. The Senator from Minnesota had completed his tour of duty as mayor of one of America's great cities, Minneapolis, and had joined this body some years before I became mayor of Philadelphia. If I recall correctly, he introduced in the Senate one of the first measures to create a department dealing with urban matters ever presented to the Congress. He has never lost his interest in urban affairs, even though he has also become one of this body's leading authorities on the problems of rural America.

Three other Senators have already asked to join as cosponsors. One is the able junior Senator from New Jersey [Mr. WILLIAMS], who is the author of two major, pending bills which would assign important functions to the new Department—one, relating to Federal assistance for the improvement of mass transportation in metropolitan areas; the other, to create a program of assistance for the preservation of our fast-disappearing open space in these areas. The two other cosponsors are the junior Senator from Rhode Island [Mr. PELL], and the junior Senator from Massachusetts [Mr. SMITH], likewise a distinguished former mayor, of the city of Gloucester, Mass.

Because I am sure that many Senators will wish to join as cosponsors of this historic measure, I ask unanimous consent that the bill lie on the desk for 2 days, for additional sponsors.

Mr. President, the Department of Agriculture was created more than a century ago, to concern itself with the well-being of rural America. This bill would give a spokesman for urban America a seat at the Cabinet table. It would accord to the city dweller the same status and recognition that the farmer has enjoyed for more than a century.

The new Department will not overlap or duplicate the work of any other Department. Its operating functions will be those currently assigned to the Housing and Home Finance Agency, plus such other functions as may be added by future legislation or reorganization plans.

This bill in itself adds no new programs or operations, nor does it transfer to the new Department any functions now vested in any agencies other than the Housing and Home Finance Agency. It simply elevates the status of that Agency—just as the Federal Security Agency was elevated to become the Department of Health, Education, and Welfare—and assigns to the new Department additional responsibility for leadership in coordination of all of the activities of the Federal Government as they affect urban areas.

This measure recognizes that the greatest social change in America in modern times—and especially in the years since World War II—has been the explosive growth of our major metropolitan areas, bringing in its train a host of problems new in magnitude and complexity, if not in kind. I want to emphasize, however, that the new Department will be concerned, not only with the problems of our great metropolitan centers, but also with the problems of all urban areas, large and small, alike, incorporated or unincorporated.

Mr. President, I hope the Congress will move rapidly to consider and enact this bill as part of President Kennedy's program for America.

Mr. HUMPHREY. Mr. President, will the Senator from Pennsylvania yield?

Mr. MANSFIELD. Mr. President, are we now proceeding in the morning hour?

The VICE PRESIDENT. That is correct.

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

The VICE PRESIDENT. The Chair recognizes the Senator from Minnesota.

Mr. HUMPHREY. I wish to say to the Senator from Pennsylvania that I consider it a rare privilege to join him and the other Senators in the introduction of this important measure. I believe the bill will be referred to the Committee on Government Operations. If so, it will come under the jurisdiction of the Subcommittee on Reorganization. It is my privilege to serve as the chairman of that subcommittee. If the bill is thus referred, I shall within the very near future—this week—make arrangements for hearings to be held on the bill, so as to expedite its progress; and I shall attempt to report it as soon as the hearings on the bill are completed and action by the full committee is taken.

I assure the Senator from Pennsylvania of our complete cooperation in connection with forwarding the President's proposal.

Mr. CLARK. I thank the Senator from Minnesota.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Pennsylvania.

The bill (S. 1633) to establish a Department of Urban Affairs and Housing, and for other purposes, introduced by Mr. CLARK (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954 TO PERMIT DEDUCTION OF EXPENSES FOR REPAIRS TO HOMES

Mr. CARLSON. Mr. President, I introduce for appropriate reference a bill to grant a limited income tax deduction for expenditures for repair, maintenance, alterations, and additions to the residences of taxpayers.

Over one-half of the families in the United States own their own homes. Many homes are badly in need of repair and modernization. Many families have outgrown their present homes or, for one reason or another, have permitted their homes to deteriorate.

There are millions of substandard dwellings in the Nation which can, with some repair and improvement, be made modern.

With increasing land values and the scarcity of building sites, many homeowners, particularly those of modest income, must necessarily purchase existing homes instead of new homes.

The President has proposed a number of new housing programs, including a new FHA loan insurance program for repair and improvement of older homes, to prevent future slums.

The bill which I am introducing would go one step further and would offer the homeowner an incentive to maintain his home and keep it in good repair, and, if necessary, add some additional living space.

This bill would permit a homeowner to deduct, within defined limits, the expense of repair and maintenance, additions, and alterations to his residence.

The bill would not permit a deduction for normal, everyday expense of maintenance, but, by using a formula similar to that provided in the present tax law for extraordinary medical expense, it would permit deduction of that expense which exceeds 3 percent of the adjusted gross income of the homeowner, but not to exceed $2,000 annually.

This bill will encourage such home improvements such as the addition of a bedroom, the modernization of the kitchen, replacing the roof, refinishing the attic, or other major improvements.

In addition to providing an incentive for the homeowner to upgrade his home, this bill would provide a stimulus to the economy and increase employment.

I do not believe that the bill would result in a loss of revenue to the Government, because the increased business generated by the bill would, in my opinion, more than offset the effect of the tax deductions by homeowners.

Most important, the bill would accomplish these results within the framework of our free enterprise system.

The Governor of Kansas, has declared the week of April 23 as cleanup week.

I offer this bill in furtherance of this fine program, and urge the members of the Senate Finance Committee to give it their careful consideration as an amendment to appropriate tax measures initiated in the other body.

I ask unanimous consent to have the bill printed in the RECORD as a part of my remarks, and I ask that the bill be appropriately referred.

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

The bill (S. 1635) to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct expenses paid during the taxable year for repair, maintenance, alterations and additions to his residence, introduced by Mr. CARLSON, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter 1 of the Internal Revenue Code of 1954 is amended by renumbering section 217 as 218, and by adding after section 216 the following new section:

"SEC. 217. EXPENSE OF HOME REPAIR, MAINTENANCE, ALTERATIONS, AND ADDITIONS

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the expenses paid by the taxpayer during the taxable year for the repair

and maintenance of, or alterations and additions to the personal residence of the taxpayer or his spouse.

"(b) LIMITATION.—

"(1) The deduction provided by subsection (a) shall only be allowable to the extent that the aggregate spent exceeds 3 per centum of the adjusted gross income of the taxpayer but in no event shall it exceed $2,000.

"(2) The deduction provided for in subsection (a) shall only be applicable to expenses which are—

"(A) not otherwise allowable as deductions in computing taxable income under section 63(a) (defining taxable income); and

"(B) not allowable as a reduction of adjusted sales price under section 1034.

"(c) PERSONAL RESIDENCE OF THE TAXPAYER.—The term 'personal residence of the taxpayer' shall mean the real property owned by the taxpayer or by his spouse or both (at the time of the repair, maintenance, alteration and additions) which is occupied by them or either of them as their principal residence."

(b) The table of sections for such part VII is amended by striking out the last line and inserting in lieu thereof the following:

" 'SEC. 217. Expense of home repair, maintenance, and alterations, and additions.

" 'SEC. 218. Cross references.'

"(c) The amendments made by this section shall apply only with respect to expenses paid during taxable years beginning after December 31, 1960."

PERMANENT RESIDENCE TO VIKTOR JAANIMETS

Mr. JAVITS. Mr. President, I introduce a bill to grant permanent residence to Viktor Jaanimets, the Russian seaman who walked off the Soviet ship *Baltika* in New York Harbor last October to obtain political asylum.

Jaanimets' dramatic flight to freedom created a sensation in the midst of the United Nations General Assembly meeting attended by Premier Khrushchev and other heads of states. Jaanimets was a sailor aboard the *Baltika* which brought Premier Khrushchev to New York. On October 10, 1960, he slipped past fellow crewmembers and with the help of the International Rescue Committee and the Estonia Relief Committee, he contacted U.S. authorities. He was declared a political refugee and was given permission to remain "temporarily" in the United States.

Under Jaanimets' present status, he cannot leave the United States and attempt to reenter without encountering difficulties. If granted permanent residence, he will be eligible to apply for U.S. citizenship. He will also be able to appeal to Soviet authorities to grant exit permits to his relatives in Estonia if they wish to join him here.

Jaanimets recently wrote a letter to me thanking me for my efforts to obtain permanent residence for him in the United States. In the letter, Jaanimets said:

> I had tremendous luck to escape from the *Baltika* in New York * * * from slavery to freedom. I am grateful to the United States and all of the Americans who did help me on my flight to freedom.

Jaanimets is employed by Rotating Components, Inc., 259–269 Green Street, Brooklyn, and is training to become an experienced toolmaker.

Mr. President, one of the finest things we can do is to encourage young people like Viktor Jaanimets who thirst for freedom to realize its blessings in America, as an example to all their fellow countrymen that there is hope for freedom for them all.

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

The bill (S. 1637) for the relief of Viktor Jaanimets, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on the Judiciary.

FARM LEGISLATION

Mr. ELLENDER. Mr. President, a short while ago the President sent to the Congress a message on the proposed farm bill. It is my purpose to introduce the bill this morning, and it is my hope that we shall be able to start hearings on the bill within the next 2 weeks.

The bill provides for supply adjustment and price stabilization, extension and improvement of Public Law 480, consolidation and improvement of loan authorities administered by the Farmers Home Administration, and extension of the Great Plains and school milk programs. The supply adjustment and price stabilization programs provided by the bill would be developed by the Secretary of Agriculture with the aid of national farmer advisory committees, transmitted to Congress and become effective if not disapproved by resolution of either House of Congress. Producers would then vote on any marketing quotas or orders provided for by such programs.

I send the bill to the desk for appropriate reference.

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

The bill (S. 1643) to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes, introduced by Mr. ELLENDER, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. ELLENDER. American agriculture is the most efficient agriculture in the world. It is the most productive agriculture in the world, and yet ironically the problems in agriculture have multiplied almost in direct relationship to the increase in productivity and efficiency. However, in spite of the problems the fact is that American agriculture has made a substantial contribution to the strength of our Nation. Farm production has increased tremendously. Since 1940 farm output has increased by 57 percent. One farmworker in 1940 produced enough to feed 11 people. Today one agricultural worker produces enough for 25 Americans, an increase of 118 percent.

As a result, consumers have benefited tremendously from agriculture resourcefulness. During the years between 1952 and 1960 the cost of living, exclusive of food, increased by 15 percent, but the cost of the typical market basket of food increased by only 2 percent. The consumer in the United States works fewer hours to feed himself and his family than in any other country. He is able to buy a balanced and varied diet for approximately one-fifth of his take-home pay.

The VICE PRESIDENT. Will the Senator from Louisiana suspend? The 3 minutes allotted to the Senator have expired. The Senate is still in the morning hour. If the bill is laid before the Senate at this point, the Senate will be under time limitation. Is there a request that the Senator may proceed for a certain additional time before the bill is laid before the Senate?

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senator from Louisiana be permitted to proceed, because he is introducing an important piece of proposed legislation.

The VICE PRESIDENT. For how long?

Mr. HUMPHREY. For approximately 15 minutes.

The VICE PRESIDENT. Is there objection to the request that the Senator from Louisiana be permitted to proceed for an additional 15 minutes before the bill is laid down and time is controlled during the morning hour? The Chair hears none, and the Senator may proceed.

Mr. ELLENDER. Mr. President, I thank the Chair.

The Department reports that a meal of beef, potatoes, cabbage, bread, butter, milk, and fruit for four people can be purchased by the average industrial worker in the United States for 1 hour's wages. In Germany and England that meal would take over 2 hours' work; in Austria, 4 hours; in France, 4½ hours; and in Italy, over 5 hours.

The economy generally has been benefited by agriculture. Farming is our largest industry. It employs 12 times as many people as work in steel and 9 times as many as in the automobile industry. Each year farmers spend some $40 billion for production goods and services needed on farms and for the consumer goods used by our farm families. Over 6 million people are employed in the manufacture and distribution of supplies that farmers use. Each year farmers spend about $3 billion for new trucks, tractors, and automobiles and other farm machinery. They spend about $3½ billion for fuels, lubricants, and repairs of motor vehicles and machinery. These expenditures contribute materially to the welfare of our Nation's economy.

There is no doubt that Americans are the best fed and best clothed people in the world and at the lowest relative cost. I can testify to that fact, because over the past 12 years it has been my privilege to visit every country in the world except one, Albania. I can certainly certify that the standard of living in America is far superior to that of any other country in the world.

Instead of scarcity, our great country is blessed with an abundance brought

about by an agriculture that is the most efficient in the world, envied by the Russians and others.

But in spite of their efficiency and productivity, farmers have not shared fully in the prosperity to which they have contributed. Under our system of free enterprise and initiative, we expect success to bring an appropriate reward.

But what have farmers realized? Well, farm output in 1960 was 19 percent higher than in 1952, but realized net farm income was 19 percent lower. And farm family incomes today are lower relative to the rest of our population than they have been at any time since the 1930's.

American farmers are living in an age of technological explosion. Caught up in the technological revolution on the one hand and rising costs on the other, the average farmer has tried to solve his income problem by increasing his output. Chronically low farm prices in the last decade have not caused the average farmer to reduce production. On the contrary, the average farmer has increased production substantially. While he has increased his output, he has not been able to increase his income. But for price supports, farm income would have been substantially lower.

The farm program of the 1950's has little support from anyone. Farmers do not like it because there are no prospects for increased income. Taxpayers do not like it because it is wasteful and ineffective, and Congress does not like it because it is needlessly costly and accomplishes little. It has failed because it has not adjusted supplies.

Every responsible study I have seen indicates that unless some remedial action is taken, supplies will continue to accumulate in Government hands in the future.

The program submitted by the President is designed to achieve economic equality for agriculture.

This legislation would establish the ground rules and guidelines under which supply adjustment programs would be developed and placed into operation. It provides that when corrective action is necessary with respect to any commodity or group of commodities, a committee of producers, including producer representatives of the farm organizations and a consumer representative, would be selected to consult with the Secretary of Agriculture in the development of a program. The Secretary would make recommendations to the President. If the President approved of the program, it would be submitted to Congress.

Only after approval by the President, approval by the Congress, and approval by a two-thirds vote of the producers themselves, would the program become binding upon all farmers producing the commodity.

The new program advanced by this administration would assist Congress and the Agricultural Committees of Congress in carrying out their functions and responsibilities.

The fixing of support levels and the method of providing support under the new stabilization authority, the promulgation of programs providing for the issuance of national marketing orders, and other matters involving these new types of programs would be subject to the final approval of Congress.

But, the details of such programs would be carefully developed by the producer committees and by the Secretary before coming to Congress.

Thus, the Congress would be able to carry out its authority and responsibility more effectively by devoting its attention to the broad policy questions and implications of recommended programs and not become involved in interminable discussion of the minute details involved.

Under the President's proposal, programs could be developed to meet different needs and conditions by utilizing a variety of methods many of which have already proved their usefulness. It would be the responsibility of the Advisory Committee to adapt those methods to a program that would meet the needs of the farmers producing the commodities and it would be the responsibility of the Secretary to consider, in addition, the interrelationship between commodities, the potential affect on our economy as a whole, and the national welfare.

Title I of the bill deals with supply adjustment and price stabilization. It is divided into five subtitles.

Subtitle A provides for the appointment by the Secretary of Agriculture of a national farmer advisory committee for any commodity or group of commodities whenever such action appears desirable. At least two-third of its members would be appointed by the Secretary from among producers nominated by county ASC committees. One member would be a consumer representative, and the balance would be appointed from farm organization nominees. These committees would be used by the Secretary in developing supply adjustment and price stabilization programs for the commodities for which they were formed.

Subtitle B extends marketing order authority to all agricultural commodities, but not to any additional products of such commodities; and provides for national marketing orders and marketing orders imposing marketing quotas on producers.

Subtitle C provides authority for marketing quotas for any agricultural commodity, as well as subdivisions and groups of such commodities. Such quotas might be on a quantitative basis, such as bushels, or production unit basis, such as acres.

Subtitle D authorizes price support at such level, not in excess of 90 percent of parity, as will result in fair and equitable treatment of producers through loans, purchases, compensatory payments, diversion payments and other operations; and extends the National Wool Act of 1954 for 3 years. Compensatory payments could be used to support income only in the case of commodities subject to a supply adjustment program under the Agricultural Adjustment Act, as reenacted and amended, or a farm marketing quota under the Agricultural Adjustment Act of 1938. If a national supply adjustment order or marketing quota is disapproved by producers, the price support could not be above 50 percent of parity in the case of corn or a nonbasic commodity, and would be 50 percent of parity and restricted to cooperators in the case of cotton, rice, peanuts, tobacco, or wheat.

I wish to point out that this provision is similar to what has been in the law for quite some time—in fact, ever since the law has been on the statute books.

Subtitle E requires, except with respect to the 1962 wheat crop, that any program involving a national marketing order, a marketing order providing for producer quotas, a marketing quota under the new authority provided by the bill, or a price stabilization operation under the new authority provided by the bill must be transmitted to Congress; and such program shall not become effective if a resolution of disfavor is adopted within 60 days by either House. Any marketing order or quota thereafter issued pursuant to such a program would be submitted to producer referendum.

Title II of the bill amends Public Law 480 of the 83d Congress. The principal changes it would make would be to extend titles I and II for 5 years until December 31, 1966, and provide additional title I authority of $7.5 billion for the 5-year period. Of the $7.5 billion, not more than $2.5 billion could be committed in any one year.

Title III consolidates and improves the lending authorities administered by the Farmers Home Administration. It is generally similar in purpose to H.R. 11761, which was passed by the House last year.

Mr. President, the bill was considered by the Senate last year, and there was slight objection to it. However, I believe that this year it will be enacted without opposition.

Title IV contains provisions dealing with farmer cooperatives and extending the Great Plains and school milk programs. Cooperatives would be authorized to act jointly in performing acts which they might lawfully perform individually. They would also be authorized to acquire the assets of, or consolidate or merge with, other cooperatives or associations in the same or related lines of commerce unless the effect of such action would be substantially to lessen competition, or to tend to create a monopoly. The Great Plains program would be extended by making December 31, 1971, the last day on which contracts under that program could be entered into, rather than the latest termination date for any such contracts. The contracts then might run as long as until December 31, 1981. The school milk program would be made permanent. It could be financed with Commodity Credit Corporation funds for an additional year, with a $10 million increased authorization for fiscal 1962 of $105 million. After fiscal 1962 it would be carried out with funds appropriated in such amounts as might be necessary.

Mr. President, in connection with my remarks, I ask unanimous consent to have printed at this point in the RECORD a digest of the Agricultural Act of 1961, which outlines the provisions of the bill I have just introduced, and also a statement transmitted to the President of the

United States by the Secretary of Agriculture.

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

DIGEST OF AGRICULTURAL ACT OF 1961

I. Farmer Advisory Committees (title I, subtitle A of bill):

1. Each committee represents single commodity or group of commodities.

2. Committee members appointed by Secretary from nominees selected by county ASC committees and from nominees of farm organizations.

(a) Nominees selected by geographical areas to assure fair representation.

(b) Only bona fide farmers eligible (60 percent of gross income from farming).

3. Number of committee members and length of term discretionary with Secretary.

4. Secretary would consult and advise with committee with respect to policies and programs.

II. Marketing orders (title I, subtitle B of bill):

1. Extends act to all agricultural commodities but limits coverage of "products" of such commodities to those products covered by present law.

2. Provides for two types of marketing orders—

(a) Regional or national order permitted under present promulgation hearing procedure.

(i) Any such national order, or any such regional or national order establishing producer quotas or allotments, permitted only—

(A) after consultation with advisory committee and approval by the President, and

(B) after congressional review as provided in subtitle E of this title.

(b) National orders permitted without promulgation hearing procedure—

(i) after consultation with advisory committee and approval by the President, and

(ii) after congressional review as provided in subtitle E of this title.

(c) Producer approval required of all marketing orders.

(d) Orders may regulate volume, size, quality, pack, etc., for any commodity, other than milk, and may so regulate milk under order of type specified in (b) above.

(e) Orders fixing minimum prices to producers limited to milk but may be included in any type of order for milk.

3. Permits producer allotments or quotas for any commodity.

4. Authorizes expanded programs of marketing research and development for all commodities.

III. Marketing quotas (title I, subtitle C of bill):

1. Includes new provision under which marketing quotas may be established for any agricultural commodity—

(a) after consultation with advisory committee and approval by the President,

(b) after congressional review as provided in subtitle E of this title, and

(c) after approval by producers in referendum.

2. National quota would provide for normal supply, subject to adjustments to prevent undue restrictions on marketing and gradual reduction of excess stocks.

3. Permits breakdown of national quota to States, counties, and farms on the basis of acreage or other production units, or on basis of commodity units (bushels, pounds, or bales).

4. Authorizes exemptions by—

(a) permitting quotas to be limited to commercial areas, and

(b) permitting small producer to market without restriction.

5. Marketing quotas would be established for basic commodities under existing law unless—

(a) producers elected to come under new quota provisions, or

(b) disapproved quotas in a referendum.

IV. Price stabilization (title I, subtitle D of the bill):

1. Provides variety of methods for supporting commodities, but payments to producers as a method of price support would be limited to commodities covered by a marketing order or a marketing quota.

(a) Payments of all kinds to producers subject to specified limitations

2. Any price operation under this new authority could be carried out only—

(a) after consultation with advisory committee and approval by the President, and

(b) after congressional review as provided in subtitle E of this title.

3. Level of price support could not exceed 90 percent of parity price of commodity.

4. Price support for any commodity for which a marketing order or a marketing quota was voted down by producers would be limited to 50 percent of parity.

5. Wool Act extended for 3 years to March 31, 1965.

V. Congressional review (title I, subtitle E of bill):

1. Any of the following would be submitted to the Congress and become effective (subject to condition stated in 2. below) if not disapproved by resolution of either House within 60 days—

(a) any national marketing order, or any other order providing for producer quotas or allotments, under the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937,

(b) a marketing quota program under the new part VII, subtitle B of title III of the Agricultural Adjustment Act of 1938, or

(c) a price or income stabilization operation formulated under title VI of the Agricultural Act of 1949, as amended.

2. Any order or quota under (a) or (b) subject to producer approval before being made effective.

VI. Agricultural trade development (title II of bill):

1. Amends title I of Public Law 480 (83d Cong.) to—

(a) extend title for 5 years through December 31, 1966.

(b) provide authorization of $7.5 billion with limit of $2.5 billion for any 1 calendar year,

(c) authorize establishment of national food reserve in undeveloped countries,

(d) place in the President authority heretofore exercised by the Secretary of Agriculture to determine nations with whom agreements shall be negotiated, and

2. Amends title II of such law to—

(a) extend title for 5 years through December 31, 1966,

(b) extend authority for economic development for 5 years through December 31, 1966,

(c) continue present authorization of $300 million, plus carryover,

(d) permit acquisition of commodities from private stocks (as well as from Commodity Credit Corporation stocks), and

(e) make annual limitation applicable to amount programed rather than amount spent.

3. Amends title IV of such law to—

(a) place responsibility for foreign agreements in President rather than in Secretary of Agriculture,

(b) expand purposes for which sales may be made, and

(c) make certain provisions of title I relating to foreign currency sales (safeguarding usual marketings, use of private trade channels, etc.) applicable to sales under title IV of Public Law 480.

VII. Agricultural credit (title III of bill)—Consolidates, improves and reenacts existing authorities of Farmers Home Administration for real estate, operating, and emergency loans as follows:

1. Real estate loans:

(a) May be made to owner-operators of not larger than family farms for acquisition, improvement and refinancing.

(b) Available to all farmowners for soil and water conservation measures.

(c) May be made to certain nonprofit associations for soil and water conservation, drainage, and flood control, with loan limit of $2,500,000 (increase from $250,000).

(d) Removes limit on loans to individuals for land acquisition.

(e) Increases insured loans from 90 percent to 100 percent of normal value of the farm.

(f) Authorizes loans on long-term leasehold interest.

(g) Provides interest rate of not to exceed 5 percent.

2. Operating loans—

(a) Increases loan limit from $20,000 to $50,000 and term of loan from 10 to 15 years.

(b) Authorizes loans to nonprofit associations for purchase of farm equipment to be rented or sold to farmers.

(c) Authorizes participation loans with private lenders.

(d) Provides interest rate of not to exceed 5 percent.

3. Emergency loans—

(a) Authorized in areas suffering from natural or economic disaster conditions.

(b) Provides interest rate of not to exceed 3 percent.

VIII. General:

1. Reaffirms congressional policy of aiding and encouraging farmer cooperatives and specifically permits such cooperatives to acquire, or merge or consolidate with, other cooperatives and other corporations under certain circumstances.

2. Authorizes contracts under the Great Plains conservation program to be entered into for the period ending December 31, 1971.

3. Authorizes Commodity Credit Corporation, during the fiscal year beginning July 1, 1961, to expend $105 million in carrying out the special milk program for children. Provides authorization for appropriations for this special milk program for the fiscal year beginning July 1, 1962, and each fiscal year thereafter.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., April 17, 1961.

To: The President, The White House.
From: The Secretary of Agriculture.

DEAR MR. PRESIDENT: In transmitting to you, for submission to the Congress, the draft of a bill that incorporates the major recommendations that you made in your message on agriculture, I wish to emphasize the importance of prompt enactment of this entire legislative program.

It is imperative—in the interest of farmers, consumers, taxpayers, and the American economy as a whole—that we inaugurate a broad program for American agriculture without delay. We can neither ask for nor expect an indefinite continuation of programs and policies under which the U.S. Government pays ever-increasing amounts for stockpiles of commodities that threaten to become ever more unmanageable. Nor can we either ask or expect that the American farmer—the world's most efficient producer of an abundance of the most basic essentials of life—shall continue to invest his capital, his labor, his skill, and his management ability for a material reward that is not only shockingly below the national average but substantially below any accepted American standard for a minimum wage.

I believe that farmers are alert to the critical factors in the present situation that demand action now. I think that the nonfarm public is beginning to recognize the extent to which our high standards of living result from our unprecedented agricultural productivity, and that it is likewise beginning to realize that those standards depend

in a large measure on a prosperous and stable agricultural economy.

The time is at hand for the enactment of legislation comprehensive enough to enable farmers, in cooperation with government, to achieve such stability and prosperity. The bill that we have drafted at your direction is therefore comprehensive in its scope, incorporating provisions to expand our consumption of farm products at home and abroad, as well as provisions that will enable us to adjust our production to quantities that we can use. It includes enabling provisions for many and varied programs that can be adapted to differing conditions and changing needs. I would emphasize certain major features.

I. ADJUSTING AGRICULTURAL ABUNDANCE TO THE NEEDS AND CONDITIONS OF OUR TIMES

Any realistic solution to the farm problem, including prices that are fair to all, requires the adjustment of our agricultural abundance to current domestic and foreign demands and needs. An understanding of the problems of achieving this goal—as well as the consequences of not achieving it—is essential to a sound approach to proposed legislation.

Both problems and consequences, in large measure, stem from the inelasticity of the human stomach, hence the inelasticity of demand for food. A little too much in the way of food supplies leads to dramatic farm price declines—hence to a farm income problem. And a little too little in the way of food supplies leads to skyrocketing food prices and a real income squeeze on consumers. This is the food problem so often encountered in wartime.

To cope with these problems in the past, we have imposed price ceilings in wartime, and we place floors under farm prices during periods of surplus. But neither of these measures effectively corrects the imbalance of supplies relative to the existing demand. Nor can the uncoordinated efforts of several million farm producers correct unbalanced supply situations. Farm price and income gyrations that have resulted in the past have alternately hurt the consumer and the producer.

Chronically low farm prices in the 1950's did not induce the average farmer to contract production. On the contrary, the average producer increased his production substantially. Caught up in the technological revolution on one hand, and rising production costs on the other, the average farmer tried to solve his income problem by increasing his output. He succeeded in increasing his output, but he did not succeed in increasing his income. Government price-support operations in the great commodities of wheat, cotton, and feed grains held the prices of those commodities at support levels as the Government accumulated stocks. The new "third market," the Commodity Credit Corporation, acquired the 6 to 8 percent excess production each year, and held the farm price level some 20 to 40 percent above what it would have been with no programs.

No one liked the program of the late 1950's—the farmers, because it gave no hope for improved incomes; consumers, because it was wasteful and ineffective; and congressional leaders and taxpayers, because it was needlessly costly. It was a failure on all these counts because it did not and could not effectively adjust supplies. Supplies outran demand in the 1950's and pushed farm prices down to support levels and held them there. And every responsible projection made for the 1960's suggests that unless we act supplies will continue to outdistance demand with the same chronic price-depressing effects.

Confronted with this prospect for the 1960's, we must now establish procedures and enact legislation to enable farmer producers to work together to adjust their production to the quanities we can use. The legislation here proposed provides tools with which they can adjust their supplies effectively whenever there is general agreement among them that such a course of action is desirable. It provides farmers with the institutional machinery for coming together and developing supply adjustment programs, and with democratic methods for approving or rejecting such programs. It also specifically provides safeguards for consumers' interests.

By enacting the proposed legislation the Congress would establish the ground rules and guidelines under which supply adjustment programs would be developed and placed into operation. Whenever action is needed with regard to any commodity or group of related commodities, a committee of producers—including one consumer representative—would be selected to consult with the Secretary of Agriculture in developing a program for that commodity. The Secretary would recommend a program based on these consultations. Only after such a program had been approved by the President, sanctioned by the Congress, and approved by a two-thirds vote of the producers themselves would it become binding upon all farmers who choose to produce that commodity.

The farmers who would serve on these commodity advisory committees would be chosen from nominees designated by farmer-elected county committees and by farm organizations. It would be their responsibility to recommend programs consistent with the requirements of the commodity involved and with the needs of its producers. It would be the responsibility of the Secretary of Agriculture to consider, in addition, various intercommodity relationships, potential effects on our economy as a whole, and the national welfare.

Under the procedures set forth in the proposed legislation, programs could be developed to meet different needs and conditions by utilizing a variety of methods, many of which have already proved their usefulness. For some commodities the adjustment of supply to demand could be effectively achieved by means of marketing quotas and allotments in terms of quantity as well as acreage. For some commodities programs of marketing orders and agreements could be formulated under which producers could develop research, promotion, higher standards, and quality control, as well as the effective adjustment of supply to avoid the production of excesses that cannot be used. Government cooperation in support of farm income could be by a variety of methods, to be limited to instances where a supply adjustment program is in effect, after consultation with the appropriate advisory committee and approval by the President, and after review by the Congress.

I am confident that with the cooperation of American farmers we can achieve an effective adjustment of our agricultural abundance within the framework of this legislation. It will not be easy, but it can be done.

II. EXPANDING CONSUMPTION AND UTILIZATION

As an integral part of adjusting our agricultural abundance to the needs and conditions of the times we propose expanding the consumption and utilization of food and fiber as rapidly and effectively as possible—through sound and constructive programs—to meet human needs at home and abroad. Therefore the proposed legislation includes a number of amendments to strengthen Public Law 480, to authorize its operations on a longer term basis and to make the act more effective in meeting world food deficits and in promoting economic development. It provides for the extension of title I and II of that act for 5 calendar years, through December 31, 1966, and for an authorization of $7.5 million (with a limit of $2.5 million in any one year) to enter into foreign currency sales agreements under title I. A 5-year extension will make this law a more forceful instrument in U.S. foreign relations by permitting coordination of U.S. agricultural export programs with long-term development plans of underdeveloped countries.

We also have included in this bill authorization for the continuation of our special program for expanding milk consumption for children in the United States.

III. AGRICULTURAL CREDIT

In addition to providing for adjusting agricultural production and expanding the utilization of farm products, this proposed legislation offers substantial improvements in the agricultural credit service provided by Farmers Home Administration. The proposed changes would enable the agency more effectively to meet the supervised credit needs of established family farmers, young farmers who are just starting out, and small farmers in rural development areas.

Under this legislation the Farmers Home Administration would continue to provide farmers with credit they are otherwise unable to obtain. Its successful operation would, in fact, encourage an even greater use of credit from cooperatives and other private sources.

The proposed legislation would also improve the administration of supervised credit by simplifying and consolidating many of the existing laws while at the same time retaining their basic provisions.

We feel that in the supervised credit service we have an instrument that can make a substantial contribution to the welfare of our farm families. The low net farm incomes of recent years plus the rapidly expanding agricultural technology has brought about a sharp increase in the demand for credit. More than ever before farmers need to make full use of all of their resources and have access to such additional resources as they may need to keep their foothold on the land. The expansion of credit accompanied by farm management assistance is well suited to the needs of the times.

IV. RESPONSIBILITY OF THE CONGRESS

The new program would raise the level of the function and responsibility of the Congress, and of the Agricultural Committees in the Congress.

As the new programs formulated under these proposals get under way, many of the powers that the Congress has now granted to the Secretary of Agriculture to fix support levels, prescribe acreage allotments, establish marketing agreements and orders, and others, would require final approval by the Congress. This would add to the responsibilities of the Agriculture Committees in the Congress the function of careful review of each such program—many of which are now put into effect by order of the Secretary of Agriculture without any such review.

Thus, while the Congress would be relieved of the onerous burden of a detailed analysis of a multitude of separate proposals, commodity by commodity, season after season, under countless and fragmented pressures; it would have an increased responsibility for considering broad programs and policies in their entire implications, and for the continuing and final authority to determine what programs shall become the law of the land.

I am confident that the enactment of this entire bill as a whole would be of real advantage to the general public as well as to farmers. It would assure consumers an adequate supply of agricultural products and fair and stable prices. It would gradually decrease the cost of the farm program, a cost that will continue to mount if we do not change our present course. It will insure the millions of jobs in industry that are involved in producing goods the farmer buys by enhancing the purchasing power of the farmer and contributing to a growing healthy economy.

The program here represented is based on our recognition that the revolutionary technological advance in agriculture has and will continue to so increase our productive potential that we cannot, in the years immediately ahead, expand consumption enough to absorb all of this increased capacity to produce. Therefore we must adjust our agricultural abundance to the needs and conditions of our times.

Agriculture alone among major producers in our economy now lacks the economic organization and the tools with which to deal with the problem of adjusting production to demand. In the absence of legislation such as that now proposed, no such adjustment can be achieved without disastrous consequences for the farmer and for the entire economy.

This proposed legislation, by giving such tools to agriculture, is aimed at equality of economic opportunity for American farmers. It makes use of accepted democratic methods to enable farmers to act through Government to manage their own enterprise, and to achieve incomes they rightfully deserve by virtue of their industry, their productivity, and their increasing contributions to the well-being of the entire Nation.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary of Agriculture.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I feel that we are deeply indebted to the Senator from Louisiana for his concise, detailed, explicit explanation of the President's message on agriculture and of the new bill which the Senator from Louisiana is introducing today.

The bill is a major piece of proposed legislation and represents a comprehensive farm program. I have long felt the urgent need of some major policy changes in agriculture. The bill which the Senator from Louisiana is sponsoring will proceed through its hearings. Adjustments and changes may be made, as is true of all proposed legislation; but I feel that the bill represents the proper approach to the complex agricultural situation.

I compliment the distinguished Senator from Louisiana and assure him of my support of the basic principles in the bill which he is introducing. I hope that in the weeks and months ahead I may be of some help to him in the consummation of the proposed legislation.

Mr. ELLENDER. I thank the Senator from Minnesota. As I have already stated, the hearings will be started within the next 2 weeks. I realize that such a complicated piece of proposed legislation will need amendments, but I feel certain that if we work together, a bill will be reported.

INTERNATIONAL FINANCE CORPORATION AMENDMENT TO THE ARTICLES OF AGREEMENT

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock.

The proposed legislation has been requested by the Secretary of the Treasury, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Secretary of the Treasury, dated April 4, 1961, to the Vice President in regard to it, and an enclosure.

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

The bill (S. 1648) to authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the International Finance Corporation Act (22 U.S.C. 282c) is amended by changing the period at the end thereof to a colon and adding the following: *"Provided,* That the United States Governor of the Corporation is authorized to agree to an amendment to article III of the articles of agreement of the Corporation to authorize the Corporation to make investments of its funds in capital stock and to limit the exercise of voting rights by the Corporation unless exercise of such rights is deemed necessary by the Corporation to protect its interests, as proposed in the resolution submitted by the Board of Directors on February 20, 1961."

The letter presented by Mr. FULBRIGHT is as follows:

APRIL 4, 1961.

THE PRESIDENT OF THE SENATE:

SIR: There is transmitted herewith a draft of a proposed bill "To authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock."

The purpose of the proposed bill is to enable the U.S. Governor of the International Finance Corporation (IFC) to vote in favor of a resolution amending the articles of agreement of the Corporation to permit it to engage in equity financing. The resolution was transmitted to me, in my capacity as U.S. Governor of the institution, by the Board of Directors on February 20, 1961. Congressional authorization is required by section 5 of the International Finance Corporation Act (22 U.S.C. 282a), which provides that no amendment to the articles of agreement may be accepted on behalf of the United States unless Congress authorizes such action by law.

The International Finance Corporation is an international financial institution of 58 member countries, affiliated with the International Bank for Reconstruction and Development, and having a subscribed capital of $96 million. The purpose of the Corporation is to further economic growth in its less-developed member countries by making investments in productive private enterprise in such countries in association with other local or foreign private investors. Since its establishment in 1956, the Corporation has made investment commitments in 35 private enterprises in 17 countries amounting to nearly $42 million.

Article III, section 2, of the articles of agreement of the IFC provides that, subject to the restriction that the Corporation's financing shall not take the form of investments in capital stock, it may make investments of its funds in such form or forms as it may deem appropriate in the circumstances. The restriction against investments in capital stock has required IFC, in order to be able to make investments on terms which approximate those of true equity financing, to adopt various devices such as convertible debentures, income notes, or notes paying interest contingent on earnings.

Although these techniques are not regarded as unusual in highly developed economies, they are unfamiliar and not sanctioned by financial practice in many of the less-developed countries in which the Corporation operates. Capital for new enterprises on a loan basis is frequently available in less-developed economies but a sound corporate financial structure requires substantial equity participation in order to reduce the burden of fixed interest charges in the early years of a company's growth. IFC, which was established to provide "risk capital," has thus far not been able to make available the necessary equity funds in a direct way, and the substitutes for equity participation which have been attempted have not been fully effective.

The proposal now being made is that section 2 of article III of the articles of agreement be amended to reserve the restriction against the purchase of capital stock, so that the IFC would be authorized to make investment of its funds in any form appropriate to the circumstances without limitation. The amendatory language would, however, prohibit the Corporation from assuming responsibility for managing any enterprise in which it has invested, and from exercising voting rights on stock it holds for any purpose which, in its opinion, is within the scope of managerial control.

I am satisfied that the proposed amendment would endow the Corporation with power to carry out its original purposes more effectively and expeditiously. The power would be adequately safeguarded against undesirable assumption of management responsibilities by the Corporation, yet at the same time would give flexibility toward meeting the widely varying requirements for financing by the Corporation. The new authority would be used by the Corporation along with its existing authority to make investments in other forms, so that approval of the amendment would not mean a shift to equity financing as an exclusive technique or even a general technique on the part of the Corporation. The proposal would not require the United States, or any other member of the Corporation, to provide additional funds in the way of capital subscription or otherwise.

The National Advisory Council on International Monetary and Financial Problems has reviewed this question and approved the proposed change.

A comparative type showing the change the proposed legislation would make in existing law is enclosed for convenient reference.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there would be no objection to the presentation of the proposal for the consideration of the Congress and that its enactment would be consistent with the administration's objectives.

Sincerely yours,

DOUGLAS DILLON.

CHANGES IN EXISTING LAW MADE BY THE PROPOSED BILL "TO AUTHORIZE ACCEPTANCE OF AN AMENDMENT TO THE ARTICLES OF AGREEMENT OF THE INTERNATIONAL FINANCE CORPORATION PERMITTING INVESTMENT IN CAPITAL STOCK"

(Sec. 5 of the International Finance Corporation Act (22 U.S.C. 282c))

Changes in existing law made by the above-described proposed bill are shown as follows (new matter in black brackets):

"SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States (a) subscribe to additional shares of stock under article II, section 3, of the articles of agreement of the Corporation; (b) accept any amendment under article VII of the articles of agreement of the Corporation; (c) make any loan to the Corporation. Unless Congress by law authorizes such action, no governor or alternate representing the United States shall vote for an increase of capital stock of the Corporation under article II, section 2(c)(ii), of the articles of agreement of the Corporation: [*Provided*, That the United States Governor of the Corporation is authorized to agree to an amendment to article III of the articles of agreement of the Corporation to authorize the Corporation to make investments of its funds in capital stock and to limit the exercise of voting rights by the Corporation unless exercise of such rights is deemed necessary by the Corporation to protect its interests, as proposed in the resolution submitted by the Board of Directors on February 20, 1961."]

AMENDMENT OF NATURAL GAS ACT TO PROHIBIT THE TAKING EFFECT OF CERTAIN PROPOSED RATE INCREASES BY NATURAL GAS COMPANIES

Mr. GORE. Mr. President, the Federal Power Commission has, in my opinion, been derelict in its duty with respect to natural-gas company rates. The tremendous amount of redtape and delay in regulating natural-gas rates is really defeating the purpose of the Natural Gas Act and failing to protect the public. It has been estimated that it will take until the year 2043, at the present rate of disposition of cases, to clear the FPC docket even if no new cases are filed.

Today, I am directly concerned with one specific problem, the piling up of rate increase on top of rate increase by the pipeline companies while the FPC takes no final action on any of the increases.

Here is a case in point. The East Tennessee Gas Transmission Co. serves several communities in the State of Tennessee. This company is a subsidiary of the Tennessee Gas Transmission Co., and every time the parent corporation increases its rates, the subsidiary also increases its rates to municipalities and other csutomers it serves.

On November 10, 1954, a rate increase was filed by East Tennessee Gas Transmission Co. and, under provisions of law, this increase was put into effect on December 15, 1954. This increase raised the price of gas to certain Tennessee municipalities from 44.5 to 46.65 cents per thousand cubic feet. The increase was, of necessity, passed on to the ultimate consumer by the local distributors.

On February 20, 1957, before the FPC had acted on the above increase, another increase was filed, this one up to 50.65 cents. This increase was put into effect, under bond, as required by law, on July 14, 1957.

Again, on November 26, 1958, a third increase was filed and put into effect on May 15, 1959. This raised the price of gas to these municipalities to 53.85 cents, and still the FPC had not taken action on the first increase.

Finally, on October 8, 1959, a fourth increase to 59.58 cents was filed and went into effect under bond on April 5, 1960.

There are rumors in the press to the effect that still a fifth increase is in the wind, and still the FPC has not taken final action on any of these increases. Some elements have been compromised and agreed on by the parties directly concerned but the FPC docket is still jammed up with these cases.

It appears utterly untenable that 1954 increases have not yet been acted upon by the Commission.

There are several things wrong with the procedure now in effect, whereby rates may be increased under bond without approval or final action by the Commission:

First. There is no real inducement for the natural-gas companies to settle cases or seek positive Commission action.

Second. By this procedure, the natural-gas companies, even if the increase is not eventually allowed, are in effect operating on money borrowed from their customers.

Third. In the events of final disallowance of increases, it is virtually impossible to reimburse the individual consumer, who may even have moved out of the area served by the distributor.

Fourth. The multiplicity of proceedings encouraged by present law works an expense and a hardship on consumers and small distributors who must try to be in a position to defend against these repeated increases.

In the case I have detailed above, an increase of more than 34 percent was effected without any final determination having been made by the FPC on the appropriateness of the rates. This means that the local distributors have never known the price of the commodity they have been selling to final consumers.

This practice is not limited to one company or one State. I think it should be stopped.

President Kennedy, in his message on regulatory agencies, delivered to the Congress on April 13, 1961, referred to the practice I have outlined and proposed a remedy. His recommendation for correcting the situation is to give the Federal Power Commission the authority to require the natural-gas companies to deposit the extra, unapproved charges in escrow until such time as the new rate is finally approved by the Commission. In addition, he would free the administrative logjam in the Commission by, among other things, exempting the smaller producers from rate regulation.

Placing unapproved charges in escrow will be of some assistance, but I do not believe this goes far enough. In my view, the situation cannot be corrected by any measure short of prohibiting rate increases prior to their approval.

I am not sure the second part of the President's recommendation is appropriate either. A better approach, it seems to me, to regulating small producers might be a class regulation, with class procedures, rather than a total exemption from regulation. Exemption, in my opinion, is not satisfactory.

I introduce for appropriate reference, a bill which I feel will spur the Commission to action and stop the kind of abuse I have outlined. This bill, if adopted, would encourage the natural-gas companies to assist the Commission in settling cases and reaching decisions.

Briefly, this bill would modify section 4(e) of the Natural Gas Act so as to prevent more than one rate increase taking effect while an increase which has not been acted on by the Commission is already in effect.

I hope my colleagues will give serious consideration to this bill. Its enactment is in the public interest.

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

The bill (S. 1664) to amend the Natural Gas Act in order to prohibit the taking effect of certain proposed rate increases by natural gas companies, introduced by Mr. GORE, was received, read twice by its title, and referred to the Committee on Commerce.

EXTENSION OF COVERAGE OF FEDERAL COAL MINE SAFETY ACT OF 1952 TO CERTAIN MINES

Mr. CLARK. Mr. President, I introduce, for appropriate referral, a bill to extend the coverage of the Federal Coal Mine Safety Act of 1952 to mines, now exempt, employing 14 or fewer individuals. The bill is cosponsored by Senators RANDOLP, METCALF, MCGEE, GRUENING, MOSS, DOUGLAS, BYRD of West Virginia, and HICKEY.

The fatality rate in the small mines during the last 8 years has averaged more than double the rate in the larger mines covered by the Mine Safety Act according to Federal Bureau of Mines statistics.

Serious safety hazards are known to exist in many small mines. State mine safety laws and facilities have proved inadequate to cope with such small mine hazards. Extension of the Federal Mine Safety Act to cover small mines would lead to safer working conditions.

Since the 1952 act went into effect, the number of fatalities and the fatality rate per man-hour of exposure in the large mines covered by the act have both fallen substantially, although fatalities and the fatality rate in the small mines remain approximately the same. The arbitrary 14-man cutoff in the act must be removed without further delay.

The bill provides several procedural safeguards to protect small mine operators from having to comply with onerous legal requirements:

First. The Director of the Bureau of Mines would be required to issue regulations modifying or making inapplicable any safety requirement of existing law which does not "substantially contribute to the safety of the men working in the small mines";

Second. Small mine operators would be permitted to appeal directly to the

Bureau of Mines or the Coal Mine Safety Board of Review from the finding of violation by a Federal inspector and would not have to wait until a closing order had been issued, as in the cases of large mine safety infractions;

Third. The Federal Coal Mine Safety Board of Review would be required to hear appeals by small mine operators in the county seat of the county in which the mine is located or at another place reasonably convenient to the operator of the mine;

Fourth. Federal inspectors would be prevented from closing a mine employing seven or fewer employees for most violations under the act unless the Federal inspector's finding were concurred in by a State inspector or by an independent inspector appointed by a Federal district court of the district in which the mine is located.

A similar bill has been reported by the House Education and Labor Committee earlier in this session.

Mr. President, I ask unanimous consent that the bill may lie on the desk for 24 hours so that additional Members of the Senate who may wish to cosponsor it may do so.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Pennsylvania.

The bill (S. 1666) to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals, introduced by Mr. CLARK (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. CLARK. Mr. President, I ask unanimous consent that two insertions be made in the RECORD at this point; one, an article entitled "Twenty-eight Fatalities in February," published in the United Mine Workers Journal of April 1, 1961; the other, a chart entitled "Underground Fatality Experience in the Coal Industry, by Title I and Title II Mines," published by the Federal Bureau of Mines.

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

[From the United Mine Workers Journal, Apr. 1, 1961]

TWENTY-EIGHT FATALITIES IN FEBRUARY

The Nation's coal mines claimed 28 lives in February, including 17 fatally injured by roof falls, the U.S. Bureau of Mines reported. With a January toll of 17 fatalities, the industrywide toll for the first 2 months stood at 45.

For January–February of 1960 the industry's toll was 47.

Declining manpower and man-hours of exposure are reflected in a fatality frequency rate—1.09 per million man-hours—that is up sharply for the opening months of 1961 as compared with the 1960 period. Fatality frequency was 0.91 for the first 2 months last year.

Total coal production for the 2 months of 63,233,000 tons was down about 11.4 million tons from 1960, resulting entirely from a drop in bituminous output. Bituminous man-hours were down about 20 percent from a year ago. Anthracite output showed a small increase.

Bituminous mines claimed 27 lives in February and accounted for the entire roof toll of 17 lives. Ten of the roof fatalities occurred in so-called title I mines, those employing 14 or fewer men underground and thus exempt from mandatory provisions of the Federal Coal Mine Safety Act. A single accident in a small Mosgrove, Pa., pit which employed six men caused two of the roof deaths. Besides Pennsylvania, roof deaths were reported for title I pits in Alabama, Kentucky, Ohio, Virginia, and West Virginia.

Pennsylvania anthracite mines had one fatality during the month, caused by an underground explosives accident.

Fatality frequency in February was 1.44 per million man-hours for all coal mines, nearly double the rate for January. Bituminous mines accounted for the sharp increase. Both man-hours and coal output were down from January levels, while accidents claimed 11 more lives than the January toll. The February rate was the highest fatality frequency for any month since March 1960, when a major (mine fire) disaster in West Virginia left its mark on that month's frequency rate of 1.66.

Bituminous fatality frequency for the first 2 months was 1.18 per million man-hours, which compares with a year-ago frequency of 0.83. The anthracite frequency of 0.43 contrasts with a year-ago rate of 1.81.

In addition to 17 roof deaths, underground fatality causes in February were: Roof falls caused by equipment knocking out supports, one; haulage, one; explosives, one; electricity, one; machinery, one; and miscellaneous accidents, one. Two fatal accidents were reported at surface facilities, one caused by haulage and the other unspecified as to cause. Strip mines had three fatalities caused by: haulage, one; machinery, one; and fall of person from stripping shovel, one. Auger mines were reported to be fatality free.

The February toll by States was: West Virginia, eight (roof falls, four); Pennsylvania, five (bituminous, four, all from roof falls, and anthracite, one); Kentucky, three (roof falls, two); Virginia, three (all from roof falls); Alabama, two (roof falls, one); Illinois, two (roof falls, one); Colorado, one; Indiana, one; Missouri, one; New Mexico, one (from a roof fall); and Ohio, one (from a roof fall).

Production of coal and number of fatalities during 1st 2 months of 1961

	Bituminous		Pennsylvania anthracite		Total	
	Production (short tons)	Killed	Production (short tons)	Killed	Production (short tons)	Killed
January	31,420,000	16	1,803,000	1	33,223,000	17
February	28,285,000	27	1,725,000	1	30,010,000	28
Total	59,705,000	43	3,528,000	2	63,233,000	45
January–February 1960	71,437,000	39	3,213,000	8	74,650,000	47

Marling J. Ankeny, Director of the U.S. Bureau of Mines and general chairman of the 1961 National First-Aid and Mine Rescue Contest, recently announced that Dr. Charles E. Lawall, former president of the University of West Virginia, will serve as chairman of the finance committee for the 1961 contest.

Lawall succeeds the late G. R. Spindler, who, at the time of his recent death, was dean of the School of Mines, West Virginia University.

Underground fatality experience in the coal industry, by title I and title II mines

[Statistics published by Federal Bureau of Mines]

	1953		1954		1955		1956		1957		1958		1959 [2]		1960 [2]		Averages
	Fatalities	Rate [1]	Fatalities	Rate [1]	Fatalities	Rate [1]	Fatalities	Rate [1]	Fatalities	Rate [1]	Fatalities	Rate [1]	Fatalities	Rate [1]	Fatalities	Rate [1]	
Bituminous:																	
Title I mines (1 to 14 employees)	69	2.79	57	2.25	59	1.87	72	2.14	92	2.51	83	2.64	70	2.38	77	2.88	
Title II mines (15 or more employees)	280	.92	234	1.08	244	1.04	270	1.14	283	1.29	206	1.26	139	.91	166	1.16	
Total	349	1.06	291	1.20	303	1.13	342	1.26	375	1.46	289	1.48	209	1.14	243	1.43	
Anthracite:																	
Title I mines (1 to 14)	12	7.08	15	11.48	10	2.02	15	3.24	12	2.71	7	1.67	7	1.69	8	2.35	
Title II mines (15 or more)	48	1.21	36	1.31	39	1.77	33	1.43	37	1.90	19	1.40	34	3.46	20	2.48	
Total	60	1.45	51	1.77	49	1.82	48	1.73	49	2.05	26	1.47	41	2.94	28	2.44	
All coal:																	
Title I mines (1–14)	81	3.06	72	2.70	69	1.89	87	2.28	104	2.53	90	2.52	77	2.29	85	2.82	2.51
Title II mines (15 or more)	328	.96	270	1.11	283	1.10	303	1.16	320	1.34	225	1.27	173	1.06	186	1.23	1.15
Ratio of title I or title II rates	------	3.19:1	------	2.43:1	------	1.72:1	------	1.97:1	------	1.89:1	------	1.98:1	------	2.16:1	------	2.29:1	2.18:1
Total	409	1.11	342	1.26	352	1.20	390	1.30	424	1.51	315	1.48	250	1.27	271	1.49	

[1] Per million man-hours.
[2] Subject to further revision.
[3] All data preliminary.

AMENDMENT OF INTERSTATE COMMERCE ACT, RELATING TO FURTHER DELEGATION OF DUTIES TO EMPLOYEE BOARDS

Mr. MAGNUSON. Mr. President, by request I introduce, for appropriate reference, a bill to amend section 17 of the Interstate Commerce Act to provide for further delegation of duties to employee boards. I ask unanimous consent that a letter from the Chairman of the Interstate Commerce Commission, requesting the proposed legislation, together with a justification for the bill, be printed in the RECORD.

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

The bill (S. 1667) to amend section 17 of the Interstate Commerce Act to provide for further delegation of duties to employee boards, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter and justification presented by Mr. MAGNUSON are as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., April 7, 1961.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: I am submitting herewith for your consideration and introduction a draft bill, together with a statement of justification therefor, which would give effect to Legislative Recommendation No. 1 in the Commission's 74th Annual Report.

Under this proposed measure the Commission would be empowered to delegate to employee boards authority to make decisions in certain cases in which a public hearing has been held. The decisions of such boards would be subject to appeal to an appellate division, composed of three Commissioners, whose decisions would be administratively final.

This proposal constitutes an important part of the Commission's program to expedite the disposition of the very large number of cases coming before it, and we would, therefore, very much appreciate your assistance in having the bill introduced and arranging for early hearings thereon.

Sincerely,

EVERETT HUTCHINSON,
Chairman.

JUSTIFICATION

The attached draft bill would amend section 17 of the Interstate Commerce Act to permit the Interstate Commerce Commission, as a part of its program to improve its procedures, to delegate to boards of three or more qualified employees authority to make decisions in certain cases in which a public hearing has been held, but which do not involve issues of general transportation importance, i.e., in those cases in which the Commission has not affirmatively determined and announced that an issue of general transportation importance is involved. It would also authorize the Commission to limit appeals from such decisions to appellate divisions whose decisions would be administratively final.

The Commission's workload has increased steadily in recent years as a result of the enactment of new laws, intensified competition among the carriers, and the generally expanding economy. The effect of this has been to increase the average time within which proceedings coming before it can be disposed of. It has also had the corollary effect of making it more and more difficult for members of the Commission to find the necessary time which should be devoted to consideration of major transportation issues.

As a part of its program to remedy this situation, the Commission has already taken steps under existing law to limit the right of appeal from division decisions to the full Commission generally to those cases involving issues of general transportation importance. To this end, the Commission has also delegated additional duties to its staff, including the creation of new employee boards to consider matters arising in nonadversary or uncontested proceedings which do not involve the taking of testimony at a public hearing.

Notwithstanding the benefits to be derived from the foregoing changes in procedure and delegations of authority, there still remain a large number of cases which could be acted upon by three-man employee boards, subject to petition to an appellate division whose action would be administratively final. These are cases which do not involve issues of general transportation importance, but which are now required to be decided by a regular division of the Commission when exceptions are filed to the hearing officer's report and recommended order, or such recommended order is stayed prior to its effective date.

Since most of these cases do not involve issues of national scope or significance, but are confined to evaluating the evidence and resolving the issues in the light of established precedents, they are readily susceptible to disposition by boards of three qualified employees (subject to petition for review by an appellate division) instead of regular divisions of the Commission. This procedure is not, however, available to the Commission under the present provisions of section 17 of the act. The attached draft bill would permit the Commission to adopt such procedure and thereby not only enable it to expedite the more routine types of cases, but also allow members of the Commission more time to devote to matters of major transportation importance. In this connection it should be emphasized that the proposed measure would not necessarily make final the actions of the proposed boards inasmuch as a right of appeal would lie to an appellate division.

More extensive use of employee boards has received the endorsement of various groups, organizations, and individuals familiar with the problems of the regulatory agencies. In addition to the Commission's own recommendations for legislation to permit further delegations of functions to employee boards as set forth in its annual reports for 1959 and 1960, greater utilization of such boards was recommended by the management firm of Booz, Allen, & Hamilton in its survey of the Commission's organization and procedures made in 1960 at the request of the Bureau of the Budget; in the October 1, 1960, report of the Special Advisory Committee of Practitioners, created by the Commission in November 1959; and in the "Report on Regulatory Agencies to the President-Elect," dated December 1960, prepared by James M. Landis, former dean of the Harvard University Law School. In urging greater use of employee boards, the Booz, Allen & Hamilton report stated, in part, as follows:

(Vol. II, p. VII–23): "The employee board device is the most satisfactory technique available to the Commission below the level of a division for securing balanced teamwork in responsible decision making in the area of rules and other decisional activities. The existing boards work well and responsibly and dispose of much work which otherwise would find its way to the desks and councils of already overburdened commissioners.

"The use of employee boards should be much expanded."

(Vol. III, p. IX–59): "Certain legislative changes will be required for major reductions in caseload at the division level and for major increases in the time available on the part of commissioners for consideration of broader aspects of regulation. Of particular importance is legislation authorizing delegation to employee boards of final jurisdiction over those elements of the overwhelming caseload which are not of national transportation importance."

While the recent actions of the Commission in creating new employee boards and of limiting appeals will contribute a great deal toward speeding up the disposition of cases and assuring members adequate time to devote to important policy considerations, the full realization of these goals cannot be achieved without enabling legislation. It is, therefore, urged that the Congress give early and favorable consideration to the amendments proposed in the attached draft bill.

IMPOSITION OF FORFEITURES FOR CERTAIN VIOLATIONS OF RULES AND REGULATIONS OF FEDERAL COMMUNICATIONS COMMISSION

Mr. MAGNUSON. Mr. President, by request of the Chairman of the Federal Communications Commission, I introduce, for appropriate reference, a bill to authorize the imposition of forfeitures for certain violations of the rules and regulations of the Federal Communications Commission in the common carrier and safety and special fields. I ask unanimous consent that the letter from the Chairman of the Commission, together with an explanation of the bill, be printed in the RECORD.

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

The bill (S. 1668) to authorize the imposition of forfeitures for certain violations of the rules and regulations of the Federal Communications Commission in the common carrier and safety and special fields, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter and explanation presented by Mr. MAGNUSON are as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., April 10, 1961.

THE VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: The Commission has adopted as a part of the legislative program for the 87th Congress a proposal to amend title V of the Communications Act of 1934 authorizing the imposition of forfeitures in cases of violation of certain rules and regulations (47 U.S.C. 510).

The Commission's draft bill to accomplish the foregoing objective was submitted to the Bureau of the Budget for its consideration. We have now been advised by that Bureau that from the standpoint of the administration's program there would be no objection to the presentation of the draft bill to the Congress for its consideration.

Accordingly, there are enclosed six copies of our draft bill on this subject and six copies of an explanatory statement with reference thereto.

The consideration by the Senate of the proposed amendment to the Communications Act of 1934 would be greatly appreciated. The Commission would be most happy

to furnish any additional information that may be desired by the Senate or by the committee to which this proposal is referred.

Sincerely yours,

NEWTON N. MINOW,
Chairman.

EXPLANATION OF PROPOSED AMENDMENT TO TITLE V OF COMMUNICATIONS ACT OF 1934, AS AMENDED, "TO AUTHORIZE THE FEDERAL COMMUNICATIONS COMMISSION TO IMPOSE FORFEITURE IN CASES OF VIOLATION OF CERTAIN RULES AND REGULATIONS BY RADIO STATIONS IN THE NONBROADCAST SERVICES"

The attached legislative proposal amends title V of the Communications Act of 1934, as amended, by adding at the end thereof a new section 510. Its purpose is to grant to the Federal Communications Commission authority to impose monetary forfeitures for violations of certain of its rules and regulations relating to radio stations in the common carrier and safety and special fields. This proposal also provides for remission or mitigation by the Commission of such forfeitures by an appropriate amendment to section 504(b) of the Communications Act (47 U.S.C. 504(b)). The same proposal was passed by the Senate, as S. 1737, 86th Congress, on August 21, 1959.

The need for this legislation is emphasized by the rapid and phenomenal expansion in the nonbroadcast radio service since World War II due in large measure to the development of new equipment and the utilization of new portions of the frequency spectrum. Many small companies have been licensed to operate radio stations as specialized common carriers; a still greater expansion has taken place in what are known as the safety and special radio services where radio is employed for numerous diverse purposes by large groups of users such as the maritime and aviation interests, police and fire departments, electric and gas companies, forestry agencies, taxicab companies, highway truck and bus companies, etc.

As of September 30, 1960, the number of radio stations (computed on the basis of call letters assigned) in the safety and special radio services alone, had risen to 679,188. This represents an increase of several hundred percent over the stations which had been authorized in these services as of June 30, 1946.

In the number of small boats equipped for radiotelephone communications, there has been an increase of approximately 500 percent (from 18,140 to 93,561) for the period 1949 to 1960. One of the most serious enforcement problems confronting the Commission results from the chaotic conditions existing on the small boat radiotelephone frequencies between 2 and 3 megacycles. In areas where there are concentrations of these boats, the misuse of the distress frequency has prevented the transmission of emergency messages to the Coast Guard. Normal enforcement methods such as issuances of rule violation notices and suspension of operator licenses have only been partially successful. During the first quarter of the fiscal year 1961, a total of 1,068 small boat radio stations were inspected. There were 394 violation notices issued as the result of non-compliance with the Commission's regulations. In addition, 101, or 10 percent, were found to be operating without authority from the Commission. Since inspection of 1,068 vessels is a very limited sampling of 93,561 boats licensed by the Commission, it is evident that disregard for the Commission's regulations is widespread. These statistics emphasize the inadequacy of the Commission's available enforcement tools in coping with this situation.

One result of the extensive increase in licensed stations in recent years has been a marked increase in the number of violations of the Commission's technical rules and regulations. This is particularly true in some of the newer private services where radio is not the principal activity of the licensee, but is utilized as an adjunct to his primary business activities, and the station operators are accordingly less concerned with the necessity for adhering to the technical rules governing the use of radio. Most of the offenses are, taken individually, of a comparatively minor nature. Collectively, however, because of their number and variety, they represent a very real menace to the orderly use of the radio spectrum and to efficient regulation by the Commission. In addition, these violations result in a serious menace to life and property in those services, such as maritime and aviation, where radio serves as a vital and necessary safety device.

The Commission has found that its existing sanctions are inadequate to handle the situation which confronts it. These existing sanctions, such as criminal penalties, revocation of licenses, and issuance of cease and desist orders, are normally too drastic for the relatively minor types of offenses involved, and too cumbersome and time consuming considering the multitude of violations that occur. In aggravated cases, these more drastic sanctions are, of course, available for use. However, the Commission is reluctant in any event to take action which will result in depriving a licensee of radio when it is being used for safety purposes, such as on aircraft or a ship.

Congress has recognized the need for this type of forfeiture authority and has given it to various Government agencies. Thus, Congress has made a broad provision for civil penalties for violations of the Civil Aeronautics Act and certain regulations issued under that act (49 U.S.C. 62). And see, also, 8 U.S.C. 1321, et seq. (aliens and nationality); 46 U.S.C. 526 (o) and (p) (motorboats); 49 U.S.C. 181(b) (aircraft); 49 U.S.C. 322(h) (motor carriers); and 49 U.S.C. 621 (motor carriers); and 49 U.S.C. section 621 (inland waterways and air carriers). Moreover, Congress has already given such authority to the Federal Communications Commission, with respect to common carriers under title II of the Communications Act of 1934, as amended, as to those ships which are required to carry radio equipment pursuant to the provisions of Part II and Part III of title III of that act, and also as to broadcast station licenses (47 U.S.C. 351–364 and 381–386 and 74 Stat. 893–895).

The proposal provides that forfeiture liability shall attach only for a willful, negligent, or repeated violation of the provisions enumerated in the new section 508 to be added to the Communications Act. It further fixes a maximum forfeiture liability of $100 for the violation of the provisions of any one paragraph of the proposed section 508 and an overall maximum liability of $500 for all violations of such section occurring within 90 days prior to the date a notice of apparent liability is sent. The Commission is required to give a notice of apparent liability to such person or send it to him by registered mail and to set forth therein facts which indicate apparent liability. The person so notified of apparent liability is given the right to show cause in writing why he should not be held liable and to request a personal interview with an official of the Commission at the field office of the Commission nearest to that person's place of residence.

Procedural safeguards are available to a person charged with forfeiture liability. Not only has he the right under section 5(d) of the Communications Act (47 U.S.C. 155(d)) to request a review of Commission action taken, but by the extension to the new proposal of the remission and mitigation provisions of section 504(b) of the Communications Act (47 U.S.C. 504(b)) he is afforded a further opportunity to show cause why he should not be held liable. Should such person refuse to pay the amount of a forfeiture as finally determined, he could, by such refusal, cause the United States, if it so elects, to institute a civil suit against him, as provided in section 504(a) of the Communications Act (47 U.S.C. 504(a)), thereby further contesting the validity of the asserted forfeiture liability. Thus, adequate safeguards would be available for the protection of the legal rights of a person against whom a forfeiture liability is asserted.

PROPOSED LEGISLATION RELATING TO INTERSTATE COMMERCE

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, two bills relating to interstate commerce. I ask unanimous consent that the bills lie on the desk for 1 week in order to afford Senators the opportunity to cosponsor them if they so desire.

The VICE PRESIDENT. The bills will be received and appropriately referred; and, without objection, the bills will lie on the desk, as requested by the Senator from Washington.

The bills, introduced by Mr. MAGNUSON, were received, read twice by their titles, and referred to the Committee on Commerce, as follows:

S. 1669. A bill to provide that the Interstate Commerce Commission shall prescribe rules, standards, and instructions for the installation, inspection, maintenance, and repair of certain parts on railroad cars, and to require carriers by railroad to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; and

S. 1670. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes.

AGREEMENT FOR THE ESTABLISHMENT OF THE CARIBBEAN ORGANIZATION

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a joint resolution providing for acceptance by the United States of America of the Agreement for the Establishment of the Caribbean Organization signed at Washington on June 21, 1960, by the Governments of the Republic of France, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

The proposed legislation has been requested by the Secretary of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments. It is my hope that hearings will be scheduled on the joint resolution in the near future, since the agreement was signed last year and submitted for congressional approval in January.

I reserve my right to support or oppose this joint resolution, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the joint resolution may be printed in the RECORD at this point, together with the letter from the Secretary of State, dated

January 19, 1961, to the Vice President in regard to it, together with the attached agreement. I might add that the committee is also in receipt of a letter dated February 9, 1961, from the Secretary of State, Mr. Rusk, in support of this legislation.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution, letter, and agreement will be printed in the RECORD.

The joint resolution (S.J. Res. 75) providing for acceptance by the United States of America of the Agreement for the Establishment of the Caribbean Organization signed by the Governments of the Republic of France, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Whereas representatives of the Governments of the Republic of France, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America signed at Washington on June 21, 1960, the Agreement for the Establishment of the Caribbean Organization to replace the agreement signed at Washington on October 30, 1946, establishing the Caribbean Commission in which the Government of the United States of America participates by authority of the joint resolution of March 4, 1948, 62 Stat. 65, 22 U.S.C. 280h; and

Whereas these four Governments have reviewed the work of the Caribbean Commission, have recognized that the Commission has rendered valuable services to the Caribbean area, and have considered statements from the local governments calling for a review of the Caribbean Commission Agreement in the light of new constitutional relationships; and

Whereas the purposes and functions of the Caribbean Organization are similar to those of the Caribbean Commission, that is, to consult and to advise with respect to social, cultural and economic cooperation in the area; and

Whereas since the establishment of the Caribbean Commission significant constitutional and economic changes have taken place in the area, and the Governments of the Commonwealth of Puerto Rico and the Virgin Islands have indicated their willingness to accept increased responsibility in consulting and advising with respect to social, cultural, and economic problems in the area: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized to accept in behalf of the Government of the United States of America the Agreement for the Establishment of the Caribbean Organization, signed at Washington on June 21, 1960, by representatives of the Governments of the Republic of France, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America; that the participation of the Commonwealth of Puerto Rico and the Virgin Islands of the United States in the Caribbean Organization is hereby authorized; that the Caribbean Organization shall, upon promulgation by the President of an Executive order to this effect, be entitled to the privileges, exemptions, and immunities conferred by the International Organizations Immunities Act, 59 Stat. 669, 22 U.S.C. 288; and that the Secretary of State is hereby authorized to appoint or designate a United States observer to the Caribbean Organization.

The letter and agreement presented by Mr. FULBRIGHT are as follows:

JANUARY 19, 1961.

Hon. RICHARD NIXON,
President of the Senate.

DEAR MR. VICE PRESIDENT: I submit herewith a proposed draft joint resolution providing for acceptance by the United States of America of the Agreement for the Establishment of the Caribbean Organization signed at Washington on June 21, 1960, by the Governments of the Republic of France, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. This agreement, a copy of which is attached, would replace the agreement signed at Washington on October 30, 1946, establishing the Caribbean Commission.

The United States participates as a member of the Caribbean Commission by authority of the Joint Resolution approved March 4, 1948 (Public Law 431, 80th Cong.). The Commission has been operating successfully as an advisory and consultative body to the above-named governments and the local governments in the Caribbean areas associated with them. Its purpose is to improve the economic and social well-being of the people of the area by promoting scientific, technological and economic development, avoiding duplication of research work, facilitating the use of resources, and strengthening cooperation among the participating governments and the local governments.

The proposal to establish a new type of organization in the Caribbean, in which local nonindependent governments would participate as members, was initiated in 1952 by the delegates of the Netherlands Antilles to the fifth session of the West Indian Conference, an auxiliary body of the Caribbean Commission. The fifth (1952), sixth (1955), and seventh (1957) sessions of that Conference unanimously adopted statements asking for a revision of the Commission in light of the new constitutional relations in the Caribbean area and the demonstrated desire and ability of the peoples to accept increased responsibility in solving their own problems. A special session of the West Indian Conference met in 1959 and drafted the proposed new agreement and statute which were then negotiated by the Governments of France, the Netherlands, the United Kingdom, and the United States.

The Agreement for the Establishment of the Caribbean Organization consists of the agreement proper and an annex. The agreement proper contains the undertaking by France, the Netherlands, the United Kingdom, and the United States to terminate the Caribbean Commission and bring into being the Caribbean Organization as the successor body to the Commission. The annex contains the statute for the Carribean Organization. It is an integral part of the agreement and contains all the provisions relating to the composition and functions of the Organization. The agreement specifies that nothing in that instrument shall be deemed to affect the present or future constitutional relations of the members of the Organization with the respective contracting parties. It provides for a transfer of assets of the Caribbean Commission to the Caribbean Organization and authorizes the Organization to assume the liabilities of the Caribbean Commission. It also provides that the Agreement for the Establishment of the Caribbean Commission shall terminate at the end of the first meeting of the Council of the Caribbean Organization. According to its terms the agreement is subject to approval or acceptance by the four signatory governments and shall enter into force upon signature of a joint declaration by the four signatory governments following their acceptance or approval and after the receipt by the Secretary General of the Caribbean Commission of notification from at least six of the prospective members of intention to become a member.

The statute provides for a successor organization to the Caribbean Commission with similar functions and purposes. The one major difference is that membership in the Caribbean Organization will be open not to the metropolitan governments as such, but to local governments in the Caribbean area hitherto served by the Commission. Those eligible are the Republic of France for the Departments of French Guiana, Guadeloupe and Martinique, the Netherlands Antilles, Surinam, the Bahamas, British Guiana, British Honduras, the British Virgin Islands, the West Indies, the Commonwealth of Puerto Rico and the Virgin Islands of the United States. This proposed membership conforms to the general U.S. objective to have the people of the area undertake a more active responsibility in managing the affairs of a regional organization for the collection, study, and dissemination of information bearing on economic, social, and cultural problems common to the Caribbean area. Since 1946 a large measure of self-government has been granted by the metropoles to these governments. The people of this area recognize that the Commission has contributed to their welfare, but believe that in its present form it represents an anachronistic colonialism. As a consequence of repeated recommendations from the local governments for a revision of the Caribbean Commission Agreement, the member governments have undertaken by the agreement signed on June 21, 1960, to terminate the Caribbean Commission and establish the Caribbean Organization in which the local governments would have direct membership.

The Caribbean Organization would be an advisory and consultative body with functions and purposes similar to those of the Caribbean Commission. The United States, the Netherlands, and the United Kingdom, while parties to the agreement, would not be members of the Organization and would not contribute to its regular budget. The Commonwealth of Puerto Rico and the Virgin Islands, along with other local nonindependent governments, would be members and contribute assessed shares of the budget. For French constitutional reasons, the Republic of France would be a member "for the Departments of French Guiana, Guadeloupe, and Martinique."

The Caribbean Organization would deal with economic, social, and cultural matters of common interest to the Caribbean area enumerated in the agreement. It would be concerned specifically with agriculture, communications, education, fisheries, health, housing, industry, labor, music and the arts, social welfare, and trade.

The relationship between the Federal Government and the governments of Puerto Rico and the Virgin Islands is unchanged by these instruments. Under the agreement and statute, the United States would retain important rights and its interests would be protected, in the following manner: (1) The recommendations of the new body would not be binding on the United States; (2) the United States could at any time withdraw from the agreement and the membership of Puerto Rico and the Virgin Islands would then automatically cease; (3) the present or future constitutional relations between the United States, Puerto Rico, and the Virgin Islands could not be altered or affected by these instruments; (4) the United States could be represented by an observer; (5) the agreement and the statute could not be amended without the consent of the United States; and (6) observers from independent

governments would not attend meetings without the consent of the United States.

The role of Puerto Rico and the Virgin Islands under the new instruments would, in effect, be limited. The principal functions of the organization would be to: (1) study, formulate, and recommend programs and courses of action in economic, social, and cultural matters which will contribute to the well-being of the Caribbean area; (2) assist in coordinating local projects of regional significance; (3) arrange for or provide technical assistance; (4) promote the coordination of research on a regional basis; (5) further cooperation with other international and national organizations, with universities and foundations; and (6) summon conferences and appoint committees. Although these functions of the organization would be limited, the Department of State attaches great significance to the proposed revision of the Caribbean Commission which would give the members the measure of control over the new organization in name which they have largely exercised in the Commission in fact.

The Department of State believes that the establishment of the proposed Caribbean Organization, which would be administered by the local governments, would contribute to the general progress of the area. Further, it would implement the expressed desires of the peoples of Puerto Rico and the Virgin Islands to work more directly with the neighboring areas. In view of our interest in the welfare of the prospective members of the organization, and in view of the strategic and economic importance of this area to the United States, the Department supports the draft legislation.

The Governments of both Puerto Rico and the Virgin Islands support the proposed organization. The Department of the Interior participated in the meetings which produced the legal instruments and has approved the texts. Authorization by the Congress for the governments of Puerto Rico and the Virgin Islands to participate in the organization is included in the suggested legislation. Upon establishment of the proposed organization the United States would be relieved of the obligation to make a direct financial contribution as it does in the case of the Caribbean Commission.

It is hoped that the Congress will be able to take action upon this request during the current session.

A similar communication is being addressed to the Speaker of the House.

The Bureau of the Budget on January 17, 1961, informed the Department that there is no objection to the submission of this proposal to the Congress for its consideration.

Most sincerely,

CHRISTIAN A. HERTER.

AGREEMENT FOR THE ESTABLISHMENT OF THE CARIBBEAN ORGANIZATION

The Governments of the Republic of France, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America,

Having reviewed the work of the Caribbean Commission since the entry into force of the Agreement for the establishment of the Caribbean Commission, signed at Washington on October 30, 1946; [1]

Recognizing that the Commission has done much to further regional cooperation in many fields, and has rendered valuable services in the Caribbean area;

Having considered the statements by representatives from the area calling for a revision of the Agreement for the establishment of the Caribbean Commission in the light of the new constitutional relationships in the Caribbean area;

Having considered that the purposes and functions as set out in the Agreement for the establishment of the Caribbean Commission should be the basis of a new organization designed to replace it;

Having noted the views expressed at the West Indian Conference convoked in Special Session commencing on July 28, 1959;

Having considered the draft Statute prepared by this Conference and transmitted to them by the Caribbean Commission;

Noting that the purposes and functions as set out in this draft Statute accord with those which were the basis of the Agreement for the establishment of the Caribbean Commission; and

Noting that nothing in this draft Statute is intended to alter or conflict with the respective constitutional relations between the Governments hereinbefore named and the prospective Members of the Organization respectively;

Hereby agree as follows:

ARTICLE I

1. The Contracting Parties agree upon the establishment of the Caribbean Organization in accordance with the Statute annexed to this Agreement.

2. The Republic of France for the Departments of French Guiana, Guadeloupe, and Martinique; the Netherlands, Antilles; Surinam; the Bahamas; British Guiana; British Honduras; the British Virgin Islands; The West Indies; the Commonwealth of Puerto Rico; and the Virgin Islands of the United States are eligible to become Members, and are referred to in this Agreement as "prospective Members".

ARTICLE II

No provision of this Agreement shall be interpreted as affecting the present or future constitutional status of the prospective Members of the Organization or, where applicable, the present or future constitutional relations of any of the aforesaid prospective Members with the Contracting Parties.

ARTICLE III

On the termination of the Agreement for the establishment of the Carribbean Commission, signed at Washington on October 30, 1946, the assets of the Caribbean Commission shall be and are by virtue of this Agreement transferred to and vested in the Caribbean Organization. The Caribbean Organization is hereby authorized to assume at the same time the liabilities of the Caribbean Commission and shall be regarded as the successor body to the Caribbean Commission.

ARTICLE IV

The Agreement for the establishment of the Caribbean Commission shall terminate at the end of the first meeting of the Caribbean Council provided for in the Statute annexed to this Agreement.

ARTICLE V

1. This Agreement shall be subject to approval or acceptance by the signatory Governments. Instruments of approval or acceptance shall be deposited with the Government of the United States of America, hereby designated as the depositary Government, which shall notify the other signatory Governments of each such deposit.

2. This Agreement shall enter into force on signature of a joint declaration to that effect by the signatory Governments, following deposit of instruments of approval or acceptance by the signatory Governments, and after the Secretary-General of the Caribbean Commission has received notification, in accordance with paragraph 1 of Article IV of the Statute annexed to this Agreement, from not less than six of the prospective Members of the Caribbean Organization.

3. This Agreement shall have indefinite duration. Any Contracting Party may at any time withdraw from the Agreement. Such withdrawal shall take effect one year after the date of the receipt by the depositary Government of the formal notification of withdrawal and shall be without prejudice to any liability already vested in the withdrawing Contracting Party by or under this Agreement in respect of the period before the withdrawal takes effect. This Agreement shall continue in force thereafter with respect to the other Contracting Parties.

ARTICLE VI

This Agreement, done in a single original in the English, French, Netherlands, and Spanish languages, each version being equally authentic, shall be deposited in the archives of the Government of the United States of America. Duly certified copies thereof will be transmitted by that Government to the other signatory Governments.

In witness whereof the undersigned, duly authorized, have signed this Agreement.

Done at Washington this twenty-first day of June, 1960.

For the Government of the Republic of France:

HERVÉ ALPHAND

For the Government of the Kingdom of the Netherlands:

J. H. VAN ROIJEN

For the Government of the United Kingdom of Great Britain and Northern Ireland:

HAROLD CACCIA

For the Government of the United States of America:

CHRISTIAN A. HERTER
RODERIC L. O'CONNOR

STATUTE OF THE CARIBBEAN ORGANIZATION

Whereas the Caribbean Commission since its establishment in 1946 has done much to further regional cooperation in many fields and has rendered valuable services in the Caribbean area; and

Whereas since the establishment of the Caribbean Commission significant constitutional and economic changes have taken place in the area, and the peoples concerned have expressed their desire to accept increased responsibility in solving the problems of the area; and

Whereas in order to facilitate the continuance of social, cultural and economic cooperation in the area, it is considered advisable to establish a successor body, the Statute of which reflects these changes and the new responsibilities which the prospective Members (as defined in Article III of this Statute) have undertaken since 1946; and

Whereas the objectives herein set forth are in accord with the Charter of the United Nations;

Now therefore there is established the Caribbean Organization which is governed by the following provisions:

ARTICLE I

Establishment and Powers of the Caribbean Organization

1. There is hereby established the Caribbean Organization (hereinafter referred to as the "Organization").

2. The Organization shall have consultative and advisory powers and such legal capacity as may be necessary for the exercise of its functions and the fulfillment of its purposes.

ARTICLE II

Functions and Purposes of the Organization

Within the scope of its powers, the functions and purposes of the Organization shall be to concern itself with social, cultural and economic matters of common interest to the Caribbean area, particularly agriculture, communications, education, fisheries, health, housing, industry, labor, music and the arts, social welfare and trade.

[1] 62 Stat. 2618.

ARTICLE III

Eligibility for Membership of the Organization

1. The following are the prospective Members of the Organization, and are hereby declared eligible to become Members:

The Republic of France for the Departments of French Guiana, Guadeloupe, and Martinique:
The Netherlands Antilles.
Surinam.
The Bahamas.
British Guiana.
British Honduras.
The British Virgin Islands.
The West Indies.
The Commonwealth of Puerto Rico.
The Virgin Islands of the United States.

2. The Republic of France, as referred to in paragraph 1 of this Article, shall be represented in the Organization by one delegation having three votes.

ARTICLE IV

Notification of Membership and Withdrawal

1. Any prospective Member of the Organization may at any time declare by notification given to the Secretary-General of the Caribbean Commission, or the Secretary-General of the Organization, that it accepts the obligations imposed by this Statute and that it elects to become a Member.

2. Any notification in accordance with the preceding paragraph of this Article received by the Secretary-General on or before the date on which the Statute comes into force shall take effect on that date. Any notification received after the date on which this Statute comes into force shall take effect on the date of its receipt by the Secretary-General.

3. Any Member may at any time declare by notification given to the Secretary-General of the Organization that it elects to cease to be a Member. This notification shall take effect one year after the date of its receipt by the Secretary-General of the Organization. On the withdrawal from the Agreement to which this Statute is annexed of any Party to that Agreement, the Members for whose international relations that Party is responsible shall cease to be Members of the Organization.

4. Where a Member ceases to be a Member in accordance with paragraph 3 of this Article, such cessation shall be without prejudice to any liability already vested in that Member by or under this Statute in respect of the period before the cessation takes effect.

5. The Secretary-General shall notify all Governments signatory to the Agreement to which this Statute is annexed and all Members and prospective Members of the receipt of any notification referred to in Paragraphs (1) and (3) of this Article.

ARTICLE V

The Caribbean Council

The governing body of the Organization shall be the Caribbean Council (hereinafter referred to as the "Council").

ARTICLE VI

Composition of the Council

1. Each Member shall be entitled to send to each session of the Council one delegate and such advisers as it may consider necessary, but the Republic of France shall be entitled to send one delegation and such advisers as it may consider necessary. Such delegates or delegation, as the case may be, shall be appointed in accordance with the constitutional procedures of each Member. The Secretary-General shall be notified by the Members of the appointment of each delegate or delegation, as the case may be.

2. Each Member may at any time, by notification given to the Secretary-General, appoint a person to act as alternate during the absence of its delegate from any meeting of the Council. The Republic of France shall have similar rights with respect to its delegation. The alternate, while so acting, shall stand in all respects in the place of the delegate.

ARTICLE VII

Functions and Powers of the Council

Within the scope of the powers of the Organization, the Council shall:

(a) study, formulate, and recommend to Members measures, programs and courses of action in social, cultural and economic matters designed to contribute to the well-being of the Caribbean area;

(b) assist in the coordination of local projects which have regional significance and in the provision of technical guidance on a regional basis;

(c) arrange for or provide technical guidance not otherwise available;

(d) promote the coordination of research on a regional basis;

(e) make recommendations to the Members for carrying into effect action in regard to social, cultural and economic problems;

(f) further cooperation with other international and national organizations and with universities, foundations and similar institutions having common interests in the Caribbean area and, subject to the principle expressed in Article XVII, may

(i) on behalf of the Organization, conclude technical assistance agreements with other international or national organizations, being agreements which every Member is competent or authorized to conclude and the conclusion of such agreements being dependent on a unanimous vote;

(ii) on behalf of the Organization, or, as may be appropriate, on behalf of such of the Members as may make the specific request, conclude arrangements or contracts in pursuance of the aforesaid agreements;

(iii) conclude appropriate cooperation agreements with universities, foundations and similar institutions, and arrangements or contracts in pursuance of these agreements;

(g) summon such conferences, appoint such committees, and establish such auxiliary bodies as it may find necessary and desirable;

(h) direct and review the activities of the Central Secretariat and the aforementioned conferences, committees and auxiliary bodies;

(i) issue the staff rules of the Central Secretariat;

(j) issue the financial regulations of the Organization;

(k) appoint a Secretary-General in accordance with paragraph 5 of Article IX and paragraph 4 of Article X.

ARTICLE VIII

Meetings and Procedures of the Council

1. The Council shall establish its own rules of procedure.

2. Meetings of the Council shall be presided over by a Chairman, chosen from among the delegates to the Council.

3. The Council shall hold at least one meeting each year at which the annual budget for the ensuing year shall be considered. It is empowered to convene and hold meetings at such times and at such places as it may decide. The Chairman shall cause a meeting to be convened if requested to do so by not less than one-half of the Members. The first meeting of the Council (which shall be a budget meeting) shall be held at such time after the coming into force of this Statute and at such place as may be designated by the Caribbean Commission.

4. Meetings of the Council shall preferably be held in the territory of each of the Members in turn, and a similar principle, where appropriate, shall be followed with regard to all other activities of the Organization.

5. The first Chairman shall be elected at the first meeting and shall hold office until the end of the ensuing year. Thereafter the Chairmanship shall rotate in accordance with such rules of procedure as the Council may adopt, provided always that a Chairman shall not be of the same nationality as the preceding Chairman.

ARTICLE IX

Voting in the Council

1. Subject to paragraph 2 of this Article, each delegate shall be entitled to cast one vote, but the delegation of the Republic of France shall be entitled to cast three votes.

2. Matters of procedure shall be decided by the Council by a simple majority of the votes cast. Except as provided for in paragraphs 3, 4 and 5 of this Article, subparagraph (f) (i) of Article VII, and paragraphs 3 and 4 of Article XII, all other matters, including disputes as to the classification of any matter as procedural or substantive, shall be decided by a two-thirds majority of the votes cast. However, when a decision or recommendation is adopted by a two-thirds majority of the votes cast, any Member may declare that the decision or recommendation will not be applicable as far as is it is concerned. Where, in respect of a matter to be decided by a simple majority of the votes cast, the votes are equally divided, the Chairman shall have a casting vote. If the Chairman does not in such a case use his casting vote, the motion for decision shall be lost.

3. The Council shall examine drafts of the annual budget and any supplementary budgets submitted by the Secretary-General. Voting on the total figure of a budget, annual or supplementary, shall be preceded by a vote on each budget head. Each budget head shall be approved by a two-thirds majority of the votes cast. The total of a budget, annual or supplementary, shall be approved by a unanimous vote. In the event that it is not possible to obtain a unanimous vote on the budget for any year, the budget voted for the previous year shall remain in force and the Members shall continue to make the same contribution as they made during the preceding year.

4. The adoption and amendment of the Rules of Procedure shall require unanimity of the votes cast.

5. The appointment of the Secretary-General shall require unanimity of the votes cast.

6. For the purpose of this Statute, "the votes cast" means votes cast affirmatively or negatively. Abstentions shall not be considered as votes cast.

ARTICLE X

The Central Secretariat

1. The Organization shall maintain in the Caribbean area a Central Secretariat to serve the Council and its conferences, committees and auxiliary bodies.

2. The Secretary-General shall be the chief administrative officer of the Organization. He shall be responsible for carrying out all directives of the Council.

3. Subject to the staff rules issued by the Council and any further directives he may receive from the Council, the Secretary-General shall appoint and dismiss the staff of the Organization.

4. In the appointment of the Secretary-General and other members of the staff of the Central Secretariat, primary consideration shall be given to the technical and personal qualifications of the candidates. To the extent possible consistent with this consideration, the staff shall be recruited within the Caribbean area and with a view to obtaining equitable national representation.

5. In the performance of their duties the Secretary-General and staff shall not seek, receive or observe instructions from any

Government, from any Member, or from any authority external to the Organization. The Secretary-General and staff shall refrain from any action which might reflect on their position as international officials responsible only to the Organization.

6. Each Member undertakes to respect the exclusively international character of the functions of the Secretary-General and staff and not to seek to influence them in the discharge of their responsibilities.

ARTICLE XI

Finances

1. The expenses of the Organization shall be borne by the Members in proportions to be specified in an appropriate arrangement arrived at unanimously by the Members.

2. The fiscal year of the Organization shall be the calendar year.

3. The Secretary-General shall prepare and submit to the Council the draft of an annual budget and such supplementary budgets as may be required by the Organization and shall submit them to the Members at least one month prior to their discussion by the Council. Upon approval of the budget, the total amount thereof shall be allocated among the Members in the proportions arrived at in accordance with paragraph 1 of this Article. Each Member shall undertake, subject to the requirements of its constitutional procedures, to contribute promptly to a Joint Fund to be established by the Members such annual and supplementary sums as may be charged to each in accordance with the arrangement referred to in paragraph 1.

4. The Secretary-General shall hold and administer the Joint Fund of the Organization and shall keep proper accounts thereof. The Council shall make arrangements satisfactory to the Members for the audit of the accounts of the Organization. The audited statements shall be forwarded annually to each Member.

5. The expenses of delegates or delegations attending meetings sponsored by the Organization shall be borne by the Members whom they respectively represent.

ARTICLE XII

Observers

1. The Parties to the Agreement to which this Statute is annexed shall be entitled to send to all meetings held under the auspices of the Organization observers who shall have the right to speak but not to vote.

2. Any prospective Member of the Organization shall be entitled to send to all meetings held under the auspices of the Organization observers, who shall have the right to speak but not to vote.

3. The Council may, if it so decides by a unanimous vote, and subject to the approval of the Parties to the Agreement to which this Statute is annexed, authorize the Secretary-General to issue to any Government having interests in the Caribbean area not being a Party to the Agreement to which this Statute is annexed an invitation to send observers to any meeting held under the auspices of the Organization.

4. The Council may, if it so decides by a unanimous vote, authorize the Secretary-General to issue to the organizations, universities, foundations and similar institutions as referred to in subparagraph (f) of Article VII, an invitation to send observers to any meeting held under the auspices of the Organization.

ARTICLE XIII

Relationships with Governments not Parties to the Agreement

The Organization in all its activities shall bear in mind the desirability of strengthening international cooperation in social, cultural and economic matters with Governments having an interest in such matters in the Caribbean area but not being Parties to the Agreement to which this Statute is annexed.

ARTICLE XIV

Immunities

Each Member undertakes to accord, so far as possible under its constitutional procedures, to the Organization, the Secretary-General and appropriate personnel of the Central Secretariat such privileges and immunities as may be necessary for the independent exercise of their functions, and to the Central Secretariat inviolability of its buildings, premises, archives and assets.

ARTICLE XV

Languages

The English, French, Netherlands and Spanish languages shall be the official languages of the Organization. The working languages shall be English and French.

ARTICLE XVI

Transfer of Assets and Liabilities of the Caribbean Commission

With effect from the termination of the Agreement for the Establishment of the Caribbean Commission under Article IV of the Agreement to which this Statute is annexed, the Organization, as the successor body to the Caribbean Commission, is authorized to take over all the assets and shall assume all the liabilities of the Caribbean Commission.

ARTICLE XVII

Saving Clause

No provision of this Statute shall be interpreted as affecting the present or future constitutional status of the Members of the Organization, or, where applicable, the present or future constitutional relations of any of the aforesaid Members with the Parties to the Agreement to which this Statute is annexed.

ARTICLE XVIII

Amendment of Statute

Amendment to this Statute shall require the unanimous approval of the Members of the Organization and of the Parties to the Agreement to which this Statute is annexed.

ARTICLE XIX

Entry into Force

This Statute shall enter into force immediately after:

(a) there has been received by the Secretary-General of the Caribbean Commission notification pursuant to paragraph 1 of Article IV from at least six of the prospective Members of the Organization; and

(b) the Parties to the Agreement to which this Statute is annexed have signed a Joint Declaration under paragraph 2 of Article V of that Agreement.

ARTICLE XX

Transitional Provisions

Until such time as the Secretary-General of the Organization is appointed and is able to assume the duties of his office, the Secretary-General of the Caribbean Commission shall be the Secretary-General of the Organization with power to appoint a staff on a temporary basis.

FAIR LABOR STANDARDS AMENDMENTS OF 1961—AMENDMENTS

Mr. MORSE. Mr. President, I submit an amendment, intended to be proposed by me to the bill (H.R. 3935) 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 commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes, and I ask that the amendment be printed, so that it will be available tomorrow.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

Mr. MORSE. Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

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

On page 33, strike out lines 11 through 17 and insert in lieu thereof the following: "*Provided,* That this clause (15) shall not apply to any such employee if the land on which such employee is engaged in such lumbering or forestry operations is owned or controlled, directly or indirectly, by an enterprise engaged in the production of pulp, paper, or other wood products or is owned by the United States, any State, or any county or other local government."

Mr. MCCARTHY submitted an amendment, intended to be proposed by him, to House bill 3935, supra, which was ordered to lie on the table and to be printed.

Mr. SMATHERS submitted amendments, intended to be proposed by him, to House bill 3935, supra, which were ordered to lie on the table and to be printed.

Mr. THURMOND submitted an amendment, intended to be proposed by him to House bill 3935, supra, which was ordered to lie on the table and to be printed.

SELECTIVE BREEDING OF CERTAIN FISHES—ADDITIONAL COSPONSORS OF BILL

Mr. MCGEE. Mr. President, on April 12, I introduced, on behalf of myself and my colleague, the junior Senator from Wyoming [Mr. HICKEY], the bill (S. 1542) to authorize and direct the Secretary of the Interior to conduct studies of the genetics of sport fishes and to carry out selective breeding of such fishes to develop strains with inherent attributes valuable in programs of research, fish hatchery production, and management of recreational fishery resources. Senators MUNDT and CASE, who represent our neighboring State of South Dakota, had both expressed interest in cosponsoring this legislation. When the bill was introduced their names were inadvertently left off of the measure as cosponsors, and I ask unanimous consent that they be named as cosponsors of this proposed legislation, and that their names be included in future printings of the bill.

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

NATIONAL WEATHER COUNCIL—ADDITIONAL COSPONSORS OF BILL

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that the names of the Senator from New York [Mr. KEATING], the Senator from Wyoming [Mr. MCGEE], the Senator from Nevada [Mr. CANNON], and the Senator from Montana [Mr. METCALF] may be added as cosponsors of the bill

(S. 1577) which I introduced on April 13, to authorize the creation of a National Weather Council.

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

ASSISTANCE TO STATES FOR COMPREHENSIVE WATER RESOURCES PLANNING—ADDITIONAL COSPONSOR OF BILL

Mr. ANDERSON. Mr. President, I ask unanimous consent that the name of the junior Senator from Pennsylvania [Mr. SCOTT] be listed as an additional cosponsor of S. 1629, a bill to provide financial assistance to the States for comprehensive water resources planning, and that his name be added at the next printing of the bill.

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

AMENDMENT OF TARIFF ACT OF 1930, TO IMPOSE A DUTY ON SHRIMPS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of April 13, 1961, the names of Mr. YARBOROUGH and Mr. ELLENDER were added as additional cosponsors of the bill (S. 1571) to amend the Tariff Act of 1930 to impose a duty on shrimps and to provide for duty free entry of unprocessed shrimps annually in an amount equal to imports of shrimps in 1960, introduced by Mr. LONG of Louisiana (for himself and other Senators) on April 13, 1961.

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

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

By Mr. ELLENDER:

Address entitled "A New Look at Agriculture," delivered by Secretary of Agriculture Orville L. Freeman before the National Press Club, Washington, D.C., April 17, 1961.

SUDETEN GERMAN DAY

Mr. MORTON. Mr. President, I call the attention of my colleagues to the fact that Sudeten German Day will take place on Whitsuntide. In fact, the observation will be celebrated in Cologne, Germany, from May 20 to May 22 of this year. Several hundred thousand people will participate on this occasion, and among the principal speakers will be Chancellor Konrad Adenauer and German Federal Minister of Traffic Dr. Ing. Hans-Christoph Seebohm, who is the president of the Sudeten German National Union. There will be other speakers, including members of the German Federal Government and Parliament.

The Sudeten German expellees account for over 2 million of the total 13 million expellees and refugees from communism now living in West Germany. On this occasion they will reaffirm their dedication to the cause of freedom and their faith that, by peaceful means, freedom will be restored to the enslaved peoples and their right of self-determination will be returned to them.

I have a somewhat crude, but nevertheless telling, translation of an article which appeared on February 1 of this year, in a bulletin published in Bonn. I ask unanimous consent that the translation be printed at this point in the RECORD.

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

A DECISION FOR FREEDOM AND THE DIGNITY OF MAN—REASON FOR ESCAPE: EVERYDAY LIFE IN ZONE—AUDIBLE AND VISIBLE DEFEAT OF THE SED-REGIME

(By State-Secretary Dr. Peter Paul, NAHM, Federal Ministry for Expellees, Refugees and War Damages (from Bulletin No. 22 of the Press and Information Office of the Federal Government)

The bulk of men and women fleeing from the Soviet-occupied zone of Germany to the West belong to all kinds of working as well as intellectual classes. On the one hand they leave the zone because they—in connection with collectivization—had lost their basis and means of existence; on the other hand they come to the West because, facing the Communist system of education or the terror of the Communist Party, there was no other way to soothe their conscience than to escape. They come also for the sake of their own and their children's future. For example, they were unable to watch any longer what happened to the children in school, in kindergarten, in the various organizations of the free German youth, or in the labor corps in the country or in the factories. They knew that their talented son was refused to attend high school, since the father has not joined so far the SED or one of the so-called middle-class parties, politically completely coordinated to the SED, or because son or daughter themselves—as a result of their education at home or on their own initiative—have not adequately taken part in social life. Getting such an insight into the future of the children the will of holding out, kept up for more than 10 years, finally mouldered. The same experienced the man of the middle class, whose foundation for bearing sufferings and hopes, i.e., his independence and own property, have been taken away.

In the year of 1960 hopes were blighted, desires were reduced to mere illusions, which all together had been a kind of last support for some people during the last decade; facing the daily oppression and miseries, they considered, whether, under the burden of SED, life was worth living for at all.

TERROR STRICKEN IS NOT THE SAME AS FEAR

People also escape because they are thoroughly frightened. After they succeeded in fleeing to the West the same people sometimes have difficulties to explain the beginning of their anxieties, which were threatening them so hard still yesterday. However, it is this difficulty which let us believe in the anxieties they endured. For to be terror stricken is not the same as to be afraid. I myself may have the strong belief that there is nothing in the world I might be afraid of, but I might nevertheless be terror stricken in my hour on the Mount of Olives.

The Communist regime in central Germany is well conscious of this feeling of terror and makes use of it. And its infernal calculation proves correct. Not the decisive political events are the reason for the extreme suffering of 17 millions of people. It is everday life, the ordinary course of which may be full of bad surprises. Or is it, perhaps, a usual thing that someone is thrilled with horror when a policeman approaches him? Or is it, perhaps, usual in the free communities of the West that in the evening, after working hours, the authorized agent of the police quarters in question visits a family, in order to investigate the same, if recently a young man has passed a night with the family Schulze? Indeed, the way in which the agent's question will be answered might be fundamentally wrong, may be a little too quick, or too cautious or too reserved. Now you do no longer enjoy your pipe as you did before, the fine evening of rest in the midst of a peaceful family is all over. Another new little piece of terror has joined the old nightmare.

THE CONTINUITY OF THE NUMBER OF REFUGEES IS SENSATIONAL

Two hundred thousands of Germans fled for one or the other reason, or for a whole bundle of reasons, from the Soviet-occupied zone of our country during the last year, about 60,000 more than 1959. However, not the individual numbers, nor the increase, the further rise of this stream of refugees is the most striking event. The continuity of the number of refugees since the Communist system has established itself in central Germany is rather sensational.

Would it not be reasonable, if one day the flight from central Germany should stagnate or come to a halt? Whoever had a reason for escape, certainly had several favorable moments in the past to do so. Whoever decided himself otherwise, well, he will know how to settle things. One should think so indeed—nevertheless that is not so. And it will never be that way. For the system is getting more and more refined and cunning every day, it goes to extremes—in its last consequences it thus seizes one class of the population after the other.

THE FLIGHT OF THE YOUTH

Besides the flight of the intelligentsia of all faculties, of experts in agriculture, industry, and handicraft, it is especially the flight of the youth, who herewith give a firm answer in the negative to the regime. Wherever youth is fleeing, life, simply, is fleeing too. The fact that the youth is running away from the Soviet occupied zone, therefore weighs twice as much: as a loss of national substance and as a political demonstration. For, no doubt, in its sphere of activity the SED is doing much for the rising generations—the party generously is awarding scholarships and premiums, it furthers the young men and women in the factories, it orders juveniles into those corporations, which have to act as if they were a parliamentary body corporate. But for that very reason all efforts are in vain—the party orders and it sheds its cornucopia of millions of marks, unlimited at disposal, only upon a certain group, on purpose, i.e., to a political effect. The party refuses subsidies justified according to the man's efficiency, because political opinions as well as political reliability are placed ahead of a man's efficiency or capability.

Fair juveniles respond to such way of acting never by hypocrisy but by rebellion or—since that is impossible in the midst of Soviet divisions—by escape. Thus young people are fleeing again and again, even though, with regard to their financial situation, they were living not only in easy circumstances but under splendid conditions, considering the opportunity of a quick career. Yet they will neglect this opportunity and go to the West. They, it is true, do not go at random. But they also do not go because something decoyed them; something simply urged them to do so. This flight of the youth is the most audible as well as visible defeat of a regime, a political regime, which never fails to make the impression of intending to shape the world of tomorrow.

THE SACRIFICE OF BEING DIVIDED

All of them are refugees, the young ones and the old ones, the workers as well as the employees and the independent employers, and also the brides, who desire nothing but to marry, and the mothers and grandmothers who wish nothing but to join their children. All of them are refugees for they always must leave behind more than they can hope to find again. They are refugees too, for they have taken measures and made up their mind. For it is the intention of the regime behind the Iron Curtain to refuse any legal emigration, in order to enforce a marriage in its sphere of power or to unite a family in the provinces of Saxony or Mecklenburg instead within the Provinces of Bavaria or Sleswick-Holstein. The escape has consequences for both, the one who goes away as well as for those who remain at home—and, furthermore, for Germany. Indeed, this country, which in the inmost recesses of the heart is still nondivided, undergoes a shifting of its national substance, which might deepen the split. And yet it is also a comfort to know that the whole of the German nation has decided itself for the West. Day after day the refugees are the representatives for this clear inner decision.

It is consoling that whip and cake, terror and cunning could not separate the population of the zone from the West, but induced them to decide themselves for the ideas of the West. This decision for freedom and the dignity of man is more conscious than that of those Germans, who consider a life in freedom a matter-of-course affair, scarcely noticed.

THE UNTOLD STORY OF THE CIVIL WAR

Mr. TALMADGE. Mr. President, the respected public affairs journal, U.S. News & World Report, has performed a great public service in printing in its issue of April 17, 1961, an article entitled "The Untold Story of the Civil War." This presentation is the most factual, unbiased analysis of the relationship between the War Between the States and its aftermath of Reconstruction and present-day trends and conditions ever written. One reading it with an open mind cannot help gaining a new insight into southern attitudes, aspirations, and mores, or obtaining a better understanding of the great harm which is being done by latter-day abolitionists, in their politically motivated efforts to impose a new judicial and economic reconstruction on the region. I commend the editors of U.S. News & World Report for their excellent presentation, Mr. President; and I ask unanimous consent that the full text of the article and the accompanying tables be printed in the body of the RECORD.

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

[From the U.S. News & World Report, Apr. 17, 1961]

THE UNTOLD STORY OF THE CIVIL WAR—AFTER 100 YEARS—A LOOK AT THE FACTS

(The actual battles—some of the bloodiest ever fought—were only a small part of the toll of the U.S. Civil War. Deep scars of that great conflict still remain a century later—after the scars of two world wars have faded. Why? On these pages is the story behind the story of history's costliest civil war.)

It was April 12, 1861—just 100 years ago—when the shots were fired that signaled the start of this Nation's Civil War.

The centennial of that most bloody of American wars is beginning to be observed. Speeches are to be made. Battles will be reenacted. Much is being written to reacquaint the public with the war's military personalities and campaigns.

The real story of that war remains untold, however. It is a story that is still unfolding in the South's continued resistance to racial desegregation and in its widespread reliance on a one-party political system. In this story is found an answer to the question why many Southern States lay prostrate for so long, did not really join in the Nation's rapid growth until during and after World War II.

In the story of the Civil War is a study in contrast between the attitude of Americans toward their defeated enemies of World War II and their attitude toward defeated fellow Americans.

A part of the story is told for you graphically in the charts on these pages.

The story itself starts more than 50 years before the first shots were fired at Fort Sumter.

BEFORE 1861

George Washington freed in his will all slaves under his personal control, but owned many slaves during his lifetime. Thomas Jefferson owned slaves, though he regarded slavery as a dying institution and provided for some of his own slaves to be freed. At least 8 of the 15 Presidents before the Civil War were slaveowners. Slavery came to underlie the economy of the South, which was based almost solely on agriculture.

As the nation expanded, new States were added in the North and West. Population growth was largely in these same areas. Political power gradually shifted away from the farming South to the North, with its growing industries. The South found itself selling its cotton in world markets at competitive prices, while forced to buy its shoes and clothing and luxuries in tariff-protected markets in the North. Southerners felt that their region was becoming a colony of the North.

Reacting to these pressures, South Carolina threatened to quit the Union in the 1830's. President Andrew Jackson, himself a southerner, slammed the door on that effort. By 1860, control of the Senate, as well as the House, had passed to the North. Abraham Lincoln, of Illinois, won the Presidency that year. Eleven Southern States decided to go out of the Union and form a government of their own, even at the price of war.

DURING THE WAR

The same forces that brought political defeat to the South in the years leading up to the war contributed to its military defeat in war. The South won the early battles. Its armies were brilliantly commanded and fought well. But the North, with superior forces of manpower and mighty industries, finally split the South.

AFTER THE WAR

At war's end, the South lay prostrate. Nearly one of every four white men in uniform had been killed or died in service. Many more were maimed. Cities, industries, and railroads had been burned and dismantled. Rich farming regions in Virginia, Georgia and South Carolina had been laid waste by northern armies.

The North had applied a scorched-earth policy to several of the South's richest States. At the same time, 3.5 million slaves were freed—forcing a revolution in the agricultural system that lay at the base of the South's economy.

A CONTRAST

After the United States helped to defeat Germany and Japan in World War II, great efforts were made to ease the pain of defeat for those nations.

So extensive have been the various programs that poured billions of dollars into foreign nations that an American Secretary of Treasury in late 1960 went to Germany, one of the defeated nations of World War II, to ask for help in carrying the relief load. And Soviet Russia, which the United States helped to stave off defeat less than 20 years ago, now is challenging this country for world leadership.

DIFFERENT IN THE SOUTH

All was different after the defeat of the American South.

At the end of the war, the South was prostrate. Yet the North imposed military occupation upon the Southern States until 1877, which was 12 years after the fighting stopped.

There were no great relief efforts by the North comparable to those made by the United States after World War II, even though more than a million persons faced starvation in the South during the year following the war—and some did starve. Only a pittance of aid came from the North. The Government in Washington created a Freedmen's Bureau, which got $4 in taxes on cotton for each $1 it gave for relief. Funds from private charities in the North were pathetically small in comparison to what was needed.

Not only had cities, farms, and industries been laid waste, but the South's capital went up in the smoke of war. Emanicipation of slaves took $4 billion of capital investment from southern planters. The people were left with almost $2.5 billion of worthless Confederate bonds and currency in their hands. Plantations were worth little without the unpaid labor that had sustained them. And the people were going hungry.

FODDER FOR FOOD

Reports of the time tell of men and women huddling about blackened chimneys, all that remained from their homes, and eating wheat bran and the corn collected from places where Sherman's army had fed their horses. Women and children begged for food from door to door. Farmers had no work animals. There were stories of women being yoked to plows. There was no seed, few farm implements.

Confederate generals went home after the war asking what they could do to earn their bread. One went to plowing, another worked as a day laborer in the yards of the South Carolina railroad. A colonel peddled his wife's pies. A planter did the family wash. Sidney Lanier, the Georgia poet, wrote: "Pretty much the whole of life has been merely not dying."

Instead of help from the North, Federal armies were used to impose a political rule of former slaves and carpetbaggers upon southern communities.

After World War II, the United States used some of its gold to help create an International Bank and international monetary funds to stabilize world currencies and stimulate the flow of capital abroad.

By contrast, U.S. Treasury agents streamed through the South in 1865, grabbing cotton, land, anything that they claimed to have been the property of the Confederacy. They took cotton valued at $30 million. Behind them came hordes of carpetbaggers from the North to drain away any southern capital they could lay hands on.

Agents of the Freedmen's Bureau joined with Republican Party workers to organize the freed slaves and march them to the polls. The Negroes were told that southern white people were their enemies. Negroes were beaten if they voted the Democratic ticket. Thousands of Negroes did not know the names of the men for whom they were voting.

Much of the bacon and ham sent from the North for needy people went to buy votes.

These were the votes that were used to keep in power the governments that ruled the Southern States. Laws were written to aid fraud. Thievery was fantastic. Between 1868 and 1874, the carpetbaggers managed to build up the State debts in the South by $101,232,000. They left little or nothing to show for the money they spent. Mississippi's tax rates, for example were 14 times higher at the end than at the beginning.

Rulers of the Southern States came from Ohio, Massachusetts, Pennsylvania, Illinois, Maine, New York, Iowa, other Northern States.

LASTING PROBLEMS

Out of it all came problems and attitudes that have persisted for 100 years. Even now, the Southern States are fighting to hold the line against changes in segregation, in voting, in other things. They are in coalition in Congress with so-called conservative Republicans on many issues.

It was the Civil War and what happened in the years that followed that developed the current southern attitudes toward Negroes, education, labor, industry, farming and all of the issues of today.

NEGRO VOTING

There is a demand now by the Federal Government in Washington that the Southern States give the vote to Negroes without restriction.

It is a little-known fact that Negroes did vote in the South for 25 years after the Civil War. Under military rule, when the Negroes were marched to the polls by northern leaders, they voted Republican. After the troops left, the Negroes took their orders from southern whites and voted Democratic.

Before long, it developed, elections were getting too expensive. There were complaints by local politicians that Negro votes were for sale to the highest bidder.

Out of this situation came the present laws in Southern States that make it hard for Negroes to qualify for the vote. Poll taxes and literacy tests were deliberately devised to limit Negro voting.

Looking back upon the past, many southerners argue that, if the restrictions were removed, there would be a return to the days of wholesale vote buying.

ONE-PARTY SYSTEM

Republicans, in recent campaigns, have been fighting hard to win Senate and House seats in the South, to broaden the footholds they have in Tennessee, North Carolina, Virginia, Florida, and Texas. They has as yet had little success.

Democrats hold 99 of the 106 House seats and every Senate seat from the 11 States of the former Confederacy.

This situation—Democratic domination of the politics of the South—stems directly from the Reconstruction period and the carpetbag regimes that were run by northern Republicans. There was a sizable Whig Party in the South in the period leading up to the Civil War. Abraham Lincoln found enough Republican support among former Whigs to start reconstruction in several Southern States before his death.

Under northern military rule, however, native white southerners became disgusted with the frauds and corruption that filled southern statehouses. They quit the Republican Party in droves. Few natives were left in the party by the time State government was restored to the South's whites.

Through the years that followed, Democratic leaders in the South helped Negroes to remain in command of Republican patronage and the party organization there. The word was spread that the Republican Party was a Negro party. This acted to prevent capable whites from going into the Republican Party to build it into a real competitive organization and it smothered any two-party system in the South for generations.

It is only within the last 10 years that native southern whites have been moving into the Republican Party in large numbers. But the stigma of Reconstruction, when the South was ruled by a combination of Republicans and Negroes, has not yet been fully forgotten.

SEGREGATION LAWS

The South is stirring with protests by Negroes about segregation laws. There are sit-in demonstrations, with Negroes demanding restaurant service with whites. Some Negroes have been jailed. All over the South, segregated schools are under attack.

The new Negro is challenging the laws that try to keep him in a separate part of town, and require him to use separate facilities from the white man. In the North, there are questions about the southern whites' resistance to integration.

Why the resistance? The answer lies in the past. Many white southerners remember stories told in their families of the way Negro soldiers prodded white men, their former masters, off pavements while the South was under military rule of the North in the Reconstruction period.

For many years after Reconstruction, there was little segregation in the South. In Mississippi and Louisiana, Negroes were served at the same bars with whites. They ate in the same restaurants, rode in the same railroad coaches in much of the South.

Segregation laws did not develop until the 1890's in most of the South. They grew up largely as a defense mechanism, installed by whites who feared that, if the barriers stayed down, social equality might develop. Far greater than the segregation laws, as a compelling influence to separate the races, was the code of social behavior which set aside for whites certain areas in parks, theaters, and elsewhere, and gave Negroes certain sections in which to live, and barred them from white hotels and theaters.

Before the Civil War, there was no question about the master-slave relationship. In Reconstruction, northerners told Negroes that the southern white men were their enemies. Then the northerners left and the Negroes became dependent upon relations with these same white people for a livelihood.

As Negroes streamed into southern cities, after the farm economy began to come apart, relations between the races became more strained. Codes of behavior and segregation laws became more tightly fixed.

At the same time, job competition was rising; feelings were higher.

Pressures from outside for southerners to change the laws were resisted fiercely. There still was the recollection by southerners of the time when northern bayonets ruled their States. Slavery, a Civil War that freed the slaves, a Reconstruction period when the Negroes were used as pawns, all these shaped today's attitudes in the South.

MIXED SCHOOLS

There are lawsuits and demonstrations and disturbances as schools are desegregated. Federal troops were sent to Little Rock to install a few Negroes in a white high school in 1957. Mothers marched in front of New Orleans schools last December protesting desegregation. Many northerners ask why there is still so much feeling.

The answer goes straight back to slavery and Reconstruction. All Southern States had laws forbidding masters to teach their slaves to read and write. Most of the freed slaves were totally ignorant, many of them—smuggled in from Africa during the 1850's—could not even speak English.

Even in the Reconstruction period, there were no mixed schools in the South. For that matter, there were very few in the North. The Freedmen's Bureau set up 4,000 schools for Negroes in the South. No one built any schools there for whites.

After the war, no money came in to help pay teachers or rebuild burned schoolhouses. Southerners created such schools as they could by patching up smashed store buildings, nailing cotton sheds together, and tried to pay teachers in produce.

In spite of the poverty of Southern States, there was an effort to give some sort of education to both races in two separate school systems. One result: As late as 1936 the average white teacher in Georgia was getting only a third as much as the teacher doing the same work in California.

At that time, the South was trying to educate a third of the Nation's children in a dual school system, but it had only a sixth of the Nation's school revenues.

The desolation of the Civil War and the poverty that followed were a drag on southern education for 80 years.

COTTON ECONOMY

For southern farmers at the close of the Civil War, there were no Government crop loans, no free seed, no new farm implements to replace those destroyed by the marching armies.

Planters came home to hungry families and found hosts of Negroes, former slaves, also to be fed. For a short time, many of the Negroes were fed by the Freedmen's Bureau from the proceeds of a tax levied by the Federal Government on the farmer's cotton. When military government ended, southern farmers were left with 3.5 million free Negroes on their hands, most of them untrained for anything except raising cotton.

The former masters were almost as poor as the Negroes. For the most part, the Whites had only land, no money to pay workers. Out of this situation grew a system of sharecropping. The farmer furnished the land. He mortgaged his crop in advance to get supplies for himself and the Negroes. The crop was divided between landowner and tenant.

Cotton was the only cash crop that could be grown. There were no markets in the South for dairy products or grain. There were few banks. Money had to come from merchant suppliers; like it or not, the farmer had to raise cotton.

Sharecropping the cotton fields became a way of life—and cotton became a drug on the markets of the world. Its price went down to 10 cents a pound, then down to 5 cents. Both white farmers and Negroes were caught in grinding poverty. It deepened for years.

Not until the coming of the New Deal in the 1930's did official Washington show any real concern about the plight of the South. And not until the outbreak of World War II did any real relief come.

With the surge of war industries in the 1940's, many Negroes left the farms for jobs in southern cities—or in the North. New markets began opening up. More business was moving into the South, where there was, as always, a plentiful supply of labor.

INDUSTRIAL REVOLUTION

Complaints are heard now in New England, New York, Pennsylvania, and in other areas of the North that are losing industries to the South. In the South, there is a hearty welcome for the newcomers. In the past two decades, the South has undergone something of an industrial revolution.

But it has been a long, hard road from the ruins of the Civil War to the present. In 1860, the South had 17.2 percent of the factories and 11.5 percent of the capital in the Nation. By 1904—with the war years far behind—it had 15.3 percent of the plants and 11 percent of the capital.

In the 1880's, delegations went north to plead the case of the South, coined the phrase "The New South." Prominent Southerners joined in the effort. A son of Gen.

Robert E. Lee headed a tin mining company. A nephew of the general was vice president of a railroad and headed a hotel firm. Some investors, looking for a place to make a dollar quickly, did send money into the South.

Townsites were hewn out of timberlands. Vineyards were planted, industries built and mines opened. New Englanders developed a town at Fort Payne, Ala. Part of this work endured, but other settlements later turned into ghost towns.

A TIME OF FORTUNES

The turn of the century was a time when big fortunes were being made and trusts were being developed by Eastern capital. The South and the West were inviting targets.

Northern capitalists took command of many southern resources. A cottonseed-oil firm owned in the North controlled 88 percent of the production of that product. The entire supply of American bauxite, found in four southern States, went to one northern company. Control of 80 percent of America's sulphur was picked up by another firm.

Oil broke out of the ground in Texas. Three northern firms were there with pipelines and complete control of transportation and refineries. They set their own prices. The first 5 million barrels of crude oil from the Spindletop field brought the producers only from 3 to 17 cents a barrel.

Control of the major southern railroads, the Alabama coal and iron industry, many millions of acres of southern timberlands was all held by northern interests. Only the cotton-textile industry and the tobacco industry, among major enterprises, remained principally under southern control.

The South had not come to a full recovery. It still was lagging behind the rest of the Nation. The depression of the 1930's arrived in the South earlier and lingered longer than any place else.

OPPRESSION WITHOUT TROOPS?

Far into the 20th century southerners continued to say that northerners were treating the South like a conquered province. The only difference was that the troops were gone.

Justification for this statement, southerners said, was found in the fact that industries and agencies controlled by northerners set freight rates and steel prices that had the effect of barring southern manufacturers from competition with their northern counterparts.

Southern shippers had to pay higher freight rates than did shippers in the Northeast for sending the same goods equal distances. Rates were set by southern railroads, but the roads were controlled, largely, by northern capital. The rates held the approval of the Interstate Commerce Commission. Not until 1945 was this changed.

The southern steel industry, doing a booming business in 1900, was virtually stopped in its tracks, southerners said, by a rate structure imposed by the North. The rates required payment of price differentials so sharp that it became cheaper for an industry in New Orleans to buy steel from Pittsburgh than from Birmingham. Not until World War II were changes made in this system.

THE SOUTH AND LABOR

The smashing of industries in the Civil War and the poverty that lingered on the farms through the years combined to produce a surplus of labor in the South. This still has not been absorbed by the new industries. And the scramble for jobs helps to cause southern labor to shy away from unions.

Time and again, organizers for labor unions have tried to make union men of southern workers and have failed. Resistance is stout. Organization still lags. Northern industries find this an inviting situation. To many, it is particularly so in view of the bountiful resources found in the South.

RESOURCES

Southerners, listing the things that their region has to offer industry, can go on endlessly. Sometimes, they start with climate and electric power. Again, it will be water, oil, gas, sulfur, salt, coal, iron ore, low tax rates.

In the 1890s, a southern booster said: "We must induce capital to come here by offering cheaper taxation, cheaper labor, cheaper coal, cheaper power, and much more public spirit." For many parts of the South, that offer has not changed much.

IN 1861 AND 1961

A century after Fort Sumter, the South is just beginning to come from under the cloud of war and reconstruction. New industries are moving in. Southern forests are being replanted. Poultry, eggs, dairy products, and cattle largely have replaced cotton in the farm economy. And the Negro problem rapidly is moving North.

The help that was withheld from the South by the North and the Federal Government finally got there during World War II—75 years after the Civil War ended. That is the untold story of the Civil War.

This was the Civil War—At war's start the South was overmatched

	The North	The South
States	23	11
People	22,000,000	[1] 9,000,000
Factories	100,000	20,000
Money (bank deposits)	$189,000,000	$47,000,000
Transport (railroad mileage)	20,000	9,000
Industrial output (value per year)	$2,800,000,000	900,000,000
Manufacturing workers	1,100,000	111,000
Wealth in property	$11,000,000,000	$5,400,000,000

[1] Including 3,500,000 slaves.

NOTE.—The North had 7 times as much bank capital as the South; basic industries on the verge of great growth; enormous resources in metals and skilled workers.

The South had land, cotton, slaves and few industries that could provide war material.

HOW THE NORTH WON: BY STRANGLING THE SOUTH'S ECONOMY, DEVASTATING HER LAND, ENCIRCLING AND DESTROYING HER FORCES

Phase 1: Blockade of southern ports, aimed at cutting off the South from supplies of war material from England and France.

Phase 2: Splitting the West off from the South by taking the Mississippi River, sealing off Texas, Louisiana, and Arkansas.

Phase 3: Splitting the South a second time by driving a wedge from Tennessee to the Atlantic ocean, separating the army of Virginia from its southern bases of support.

Phase 4: Scorching the earth to break the South's will to resist, starting the process by burning out the "breadbasket" of the Shenandoah Valley and continuing it on General Sherman's march through Georgia, meanwhile keeping constant pressure on all southern armies.

DURING THE WAR THE NORTH BECAME AN INDUSTRIAL GIANT, THE SOUTH A SHELL-TORN WRECK

In the fighting, northern forces lost 360,000 dead, the South 258,000 from battles and disease. That was one man out of every five in uniform for the North; one out of every four for the South. The North had more manpower to draw on than the South. If the death rate in World War II had equaled that of the Civil War, there would have been 3.6 million American dead, instead of 405,000.

The North grew under war's stimulus. Factories multiplied; 4,000 miles of new railroad were built; trade zoomed. Only a few towns were burned by Confederate raiders. The North ended the war incomparably stronger than it was at the start.

The South came apart under the blows of total war. Cities—Atlanta, Richmond, Columbia—were burned. Many others, such as Vicksburg and Petersburg, were heavily damaged. Prime farming regions of the South—the Shenandoah Valley and central Georgia—were gutted. Railroads, banks, factories were wiped out and the South's currency lost its value. General Grant let southern soldiers keep their horses, all that was left for many southern families.

AFTER THE WAR INSTEAD OF A MARSHALL PLAN THE SOUTH GOT RECONSTRUCTION

Northern military forces occupied the South until 1877—12 years after the war ended.

A million southern whites in remote areas nearly starved in the first year after the war. Little relief was sent down from the North. There was no counterpart for the aid that United States gave Germany and Japan after World War II.

Instead of a Marshall plan to rebuild the South, Congress turned the South over to northern carpetbaggers and southern scalawags. Using the votes of Negroes, they captured State and local governments, squeezed hundreds of millions of dollars out of the South in taxes and graft. The carpetbagger Governor of Louisiana piled up $1 million in 4 years, while his salary was $8,000 a year.

Southern churches were seized if they had been used for hospitals, their buildings and property given to northern denominations.

A tax on cotton was levied by Congress, taking $70 million from southern farmers in the first 3 years after the war.

Pressure stayed on for years after the war. In 1875, four-fifths of the town of Greenville, Miss., was offered for sale for taxes imposed by the carpetbaggers. In South Carolina, 437,000 acres of land were seized by tax collectors in 1 year, nearly 10 years after the war was over.

Special trains were run from the North, bringing speculators who bought up, among other things, 5.7 million acres of prime southern forests for as little as 25 cents an acre.

Cotton, the South's main product, was left unprotected from foreign competition, while northern industrial goods got tariffs. Cotton dropped to 5 cents a pound in the 1890's.

Southern railroads were bought up by northerners. Discriminatory freight rates developed, making it impossible for southern industries to compete with the North. This, generally, was the rate picture for 80 years after the Civil War. A Supreme Court decision changed it in 1945.

IN 1938, 73 YEARS AFTER CIVIL WAR—WHY F.D.R. CALLED THE SOUTH "NATION'S NO. 1 ECONOMIC PROBLEM"

The Government's National Emergency Council said in a 1938 report:

"More than half the South's farm families were tenants living in poverty comparable to that of the poorest peasants in Europe.

"The average tenant family in the South received a yearly income of $73 per person.

"Of 3 million southern farm families, only 3 percent lived in houses having inside plumbing. One-fifth had no toilets, inside or outside. Half the farm homes were unpainted, and a third had no screens.

"At least half of all southern families, urban and rural, were not adequately housed.

"More than 2 million southern families were infected with malaria.

"The South was trying to educate one-third of the Nation's children with one-sixth of the Nation's revenues for schools. Illiteracy was the highest in the Nation.

"Child labor still flourished. More than a tenth of all southern children 10 to 15 years old were working.

"The South had 28 percent of the Nation's population, but only 11 percent of the bank deposits.

"In industry, the average wage was $865 a year in the South, $1,249 outside the South.

"The South had 61 percent of the Nation's eroded land. Areas of southern farmland as big altogether as South Carolina had washed away. Other areas as big as Oklahoma and Alabama had been damaged."

NOW THE SOUTH IS RISING AGAIN

With World War II, the South's real comeback started. In many ways World War II did for the South what the Civil War did for the North, providing a spark that set off enormous growth and change.

New industries—light metals, synthetic textiles, plastics and chemicals—sprang up all over the South to meet war, then postwar, demands. They were drawn by the South's abundance of timber, electric power, and "the trinity of the Age of Chemistry"; oil and gas, sulfur, water. The North in the Civil War had got the jump with its "trinity of the Age of Steel": coal and coke, limestone, iron ore.

Southern farming underwent a revolution, shifting from one crop—cotton—to diversified agriculture. By the late 1950's there were half as many sharecroppers as in the 1930's, and the way of life they represented was fast disappearing. As farming was mechanized, labor became plentiful, attracting still more industry from the North.

With new wealth and new ideas pouring in, the South began to fill pent-up needs and demands left over in some cases from the Civil War, and this generated still more activity, adding to the renaissance.

In the last decade, the 1950's, the "new South" grew still faster. Some of its features:

White population rose by 22 percent, one third faster than in the other States of the Union. Negro population grew by 9 percent, compared with a 50 percent rise outside of the South.

Factory employment jumped 31 percent, more than four times as fast as in other States.

Cars and trucks, a sign of wealth and industry, increased by 68 percent, where the rest of the United States had a 47 percent gain.

Personal income rose from $1,082 per person in the South in 1950 to $1,709 in 1960, a gain of 58 percent. Elsewhere, incomes rose from $1,629 to $2,420, a gain of 49 percent.

As the 1960's begin, the South thus still finds itself lower than the North and West in income, but rising fast. Its progress has prompted historian Walter Prescott Webb to say that in the next 50 years the South may be "economic opportunity No. 1" where it had been "economic problem No. 1" less than 30 years ago.

DEPLETION ALLOWANCE IN BRICK AND CLAY INDUSTRY

Mr. CARLSON. Mr. President, the brick and tile industry is an important element in the prosperity of many local areas, and the Nation as a whole.

In the State of Kansas we have a number of plants which employ a substantial amount of labor in the mining and production of clay for building purposes. I am personally familiar with many of these plants and the importance of maintaining them from an economic standpoint.

In the last session of Congress, the Gore amendment, which effectively reduced the depletion for clay to practically zero, was added to section 613 of the Revenue Code of 1954. Now that we have had 1 year's experience with the effect of this amendment on the industry, it can be proven that it is working a real hardship on brick and tile production.

The problem of depletion is most important to the brick and clay industry, and it is necessary that steps be taken at the earliest possible moment in the legislative and executive branches of the Government to give these people full assurance of fair treatment in the tax policy.

FEDERAL RESERVE CHAIRMAN MARTIN AVOIDS GIVING CONGRESS SPECIFIC PLANS

Mr. PROXMIRE. Mr. President, one of the most celebrated economic disagreements within the Government this year has been that between the Chairman of the Federal Reserve Board, Mr. Martin, and the head of the Council of Economic Advisers, Dr. Heller, over unemployment.

In an appearance before the Joint Congressional Economic Committee, Dr. Heller indicated that, in his judgment, the Government should continue to do what it wisely could do to encourage expansion of the economy until unemployment dropped below 4 percent.

Dr. Heller also presented to the committee a massive analysis of so-called structural unemployment. In this analysis he met in great detail the argument that structural unemployment is not amenable to significant improvement through expansion in demand.

At his appearance Chairman Martin took a sharply contrary view. First he refused to indicate at what level he thought the Government should attempt to "turn the economy around," whereas Dr. Heller had suggested the benchmark of 4 percent. Then Mr. Martin picked up the very argument that Dr. Heller had just met, and argued the other side of it, indicating that structural unemployment could not be significantly reduced by increased national demand.

As a member of the committee, I asked Mr. Martin to document his position. He replied with an eloquent, but generalized defense of his opinion. Later he sent the committee a further expression of his views on the subject, but, like his replies in committee, there was no hard, statistical evidence to support his position. Martin simply offered his generalized impression to Heller's solid chapter-and-verse demonstration.

For this reason, I wrote Mr. Martin and requested him to provide a detailed statistical analysis to support his contentions. I also asked him for an unemployment target, or benchmark, so we would have some idea how substantially we could count on monetary policy to combat unemployment. Finally, I suggested that Mr. Martin, if he hesitated to provide a specific unemployment benchmark without qualifications, could suggest the particular qualifications which would make a particular benchmark appropriate for a decisive change in monetary policy.

Mr. Martin's reply was another refusal to provide any specifics or any statistics. Once again the chairman of the Federal Reserve Board chose to rely entirely on vague, generalized argument and his opinion.

Mr. President, because of the significance of this controversy to the efforts of the Government to reduce unemployment, and because of the grave difficulty of considering economic policies to achieve a reduction of unemployment when the man principally in charge of monetary action operates behind a velvet fog, I ask unanimous consent that my letter to Mr. Martin, making specific requests, and his letter to me, avoiding any statistical commitments, be printed in the RECORD at this point.

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

MARCH 30, 1961.

Hon. WILLIAM MCCHESNEY MARTIN,
Chairman, Board of Governors, Federal Reserve System, Washington, D. C.

DEAR CHAIRMAN MARTIN: Your further statement on unemployment, supplementing your testimony to the Joint Economic Committee, on March 7, 1961, reached me this morning. While I appreciate having these additional comments on the nature of unemployment in the American economy today, it does seem to me that you have failed to come to grips with the salient points raised by the differences between your original testimony and that of Dr. Heller.

As you will recall, I initiated the questioning of those differences during the hearing on March 7. Subsequently, on March 9, I discussed them on the floor of the Senate. I observed that the difference between your testimony and that of Dr. Heller amounts to a sharp and decisive contradiction of economic policy. I inserted a brief analysis of the specific differences at the close of my remarks. An excerpt from the RECORD for March 9 is attached for your convenience.

Your further statement now comments generally on the problem of unemployment without offering any further, deeper analysis of the questions raised by the conflicts between your earlier remarks and those of Dr. Heller. As you know, Dr. Heller attached an appendix to his main statement which specifically challenged the view that unemployment at present is so substantially structural in nature that anticyclical programs would soon be seriously inflationary. He provided statistical tables showing for example, a remarkably uniform increase in unemployment between 1957 and 1960 in a number of industries regardless of their structure or technology. Since you provide no similar statistical support for your position, I would very much appreciate having a detailed, statistical analysis from you which would support your contentions.

To the crucial question of what would constitute an acceptable level of unemployment, Dr. Heller gave a specific answer. He stated that 4 percent unemployment would be the level the economy should attain before policies of contraction; that is, diminution in money supply relative to gross national product, or hiking taxes, decreasing spending, should be adopted. I hope you will also give us your estimate of a satisfactory unemployment reduction target, so that the committee will have a benchmark against which to measure future monetary and fiscal policies.

If you should feel that this should be a matter of balancing a number of criteria such as profits, retail sales, prices, gold outflow, as well as unemployment, please indicate as precisely as possible how significant an upward movement in these criteria would be necessary to suggest Government policies of contraction at 6-, 5-, or 4-percent unemployment.

For example, would you agree that governmental action to contract its effects on the economy would be inappropriate when unemployment is above 4 percent, provided the price level is stable or falling and the international payments picture is not strongly unfavorable?

Sincerely,

WILLIAM PROXMIRE,
U.S. Senate.

APRIL 7, 1961.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: This is in reply to your letter of March 30, 1961, referring to my testimony before the Joint Economic Committee, on March 7, 1961, and my further statement on unemployment supplementing my testimony.

It was my intention in both instances to call attention to the dual nature of our current unemployment problem, arising as it does both from contraction of overall demand and from changes in structural factors in the economy. I also suggested what I thought were the appropriate policies applicable to the differing causes of unemployment.

With respect to your observation of a "sharp and decisive contradiction" between Dr. Heller and me, it is my understanding that the Council of Economic Advisers, in emphasizing the importance of moving to combat cyclical unemployment, was not seeking to minimize the need for appropriate action to help relieve conditions arising from structural changes of the type to which I have referred, as I indicated in the statement supplementing my testimony. Indeed, the Council stated explicitly that such measures should be high on the agenda of national policy.

A large body of information has been gathered in recent years by Congress, various Government officers, and private research organizations dealing with the amount, characteristics and persistence of structural unemployment. While there are differences in emphasis, the general consensus of these studies is that in recent years unemployment has been high and persistent even in periods of expanding activity. An important factor causing such chronic unemployment has been dynamic structural changes in the economy.

Within the past week, the National Planning Association has released an informative document entitled "The Rise of Chronic Unemployment." This report presents a very interesting statistical and interpretive analysis of the increase in structural unemployment in recent years. The National Planning Association also concludes, "However, even if in a cyclical upswing chronic unemployment becomes somewhat alleviated, this does not mean that its causes are being removed. It is a sobering fact that the recovery periods over the last 10 years, far from solving the problems of chronic or structural unemployment, have mainly succeeded in masking its extent and seriousness. Therefore, it is necessary to face up to the fact that the persistence of chronic unemployment presents us with a specific problem and separate measures to combat it will have to be devised in addition to the pursuit of anticyclical policies and those designed to support economic growth."

My response to your question as to an acceptable level of unemployment and goals must be the same as I have made many times to the Joint Economic Committee. The System has long recognized that no single index or simple combination of indicators can serve as a continuing infallible guide to its policy. The goals and the guides of credit and monetary policy must be broad and adaptable to changing times and conditions. However formulated, their pursuit inevitably requires discretion, patience, and skillful judgment in the light of the fullest and widest information available respecting the credit situation and indeed all phases of the national economy. Moreover, their success will be conditioned by various other policies, programs, and activities of Government, by a wide range of private activities, and by the changing moods and impulses of businesses and the public generally with respect to spending, borrowing, and saving.

In answer to your last question I would say that the implicit predominant purpose of the Federal Reserve Board is to contribute, insofar as the limitations of monetary and credit policy permit, to an economic environment favorable to sustained economic growth and the optimum utilization of our expanding industrial and manpower resources. Traditionally this overall policy has been followed by easing credit conditions when deflationary factors prevailed and, conversely, by restrictive measures only when inflationary forces threatened.

Sincerely yours,

WM. MCC. MARTIN, JR.

SOVIET MYTHS AND REALITIES

Mr. PROXMIRE. Mr. President, far too much nonsense and too little precise and authoritative information on Communist Russia is available to the American people. For this reason, I call the attention of the Senate to the lead article in the current issue of the Foreign Affairs Quarterly.

This article spells out some of the most common mistakes made—especially by those who mistily assume that, somehow, this Communist tyranny is gradually evolving toward a peaceful, just nation that will encourage difference and dissent and blossom gradually into a system of freedom. Such dangerously false assumptions are scotched by the author of the article, Philip E. Mosely.

Mr. Mosely is well qualified to write about the Soviet Union. He is director of studies of the Council on Foreign Relations. Formerly, he was director of the Russian Institute, Columbia University; adviser to the U.S. delegation, Moscow Conference, 1943; Potsdam Conference, 1945; and Council of Foreign Ministers, Paris, 1945–46; political adviser to the European Advisory Committee, London, 1944–45.

Mr. Mosely concedes that the pattern for suppressing dissent has changed under Khrushchev, compared with Stalin, but that the consequence for freedom is just as oppressive.

For example, he writes:

In the past 2 years the Soviet state has unsheathed a new weapon against those whom it regards as "antisocial" elements. By the vote of a neighborhood or block meeting assembled and dominated by party members, any "unproductive" member of society can be expelled from his place of residence and ordered to live at a distance of not less than 100 kilometers. In recent months, newspaper articles and letters have been demanding the more frequent application of this form of vigilante law. Apparently this type of exile by popular decree is designed to supplement the specific provisions of the code by holding the threat of ostracism over socially undesirable elements and dissenters. The picture of a Soviet system that has chosen or been driven—by what forces—to abandon its police controls and to leave the way open to all kinds of initiatives welling up from below is a most appealing one, but one that can hardly stand the light of Soviet day.

Mr. Mosely concludes with this warning to Americans:

It would surely be comforting if an analysis of the evolution, recent and prospective, of the Soviet system could lead us to a confident conclusion that it contains the seeds of inevitable and desirable changes, and that we have only to fold our hands, lower taxes, buy a third car, and wait for this development to occur in the fullness of God's time. Unfortunately, such is not the prospect. During the decade of the 1960's we shall, under present prospects, be dealing with a Soviet system that is growing rapidly in economic, scientific, and military strength and which will have fewer rather than more difficulties in preserving political stability and an adequate measure of idealogical uniformity. These growing strengths, not offset by equivalent new weaknesses, will enable its leaders to devote greater rather than smaller resources and political determination to achieving the worldwide purposes that have been proclaimed in an evolving pattern of interpretation by Lenin and Stalin and now by Khrushchev.

Mr. President, I ask unanimous consent that the article be printed in the RECORD at this point.

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

SOVIET MYTHS AND REALITIES

(By Philip E. Mosely)

I

It may be useful, on the eighth anniversary of Stalin's death, to review some of the misconceptions and mirages that have plagued Western efforts to interpret the changing Soviet scene under his successors. A stocktaking, even though brief and incomplete, may help Americans to understand better the international environment in which a new administration will have to cope with old and new challenges to its hopes and purposes.

One persistent theme of Western analysis has been the concept of a debilitating and perhaps fatal struggle for supremacy within the Soviet apparatus of dictatorship. One widespread view runs somewhat as follows. A totalitarian system, by its very nature, cannot be legitimate. It cannot provide for the orderly transmission of absolute power. It is bound to be caught in a dog-eat-dog struggle for supreme control. On this premise, the top Soviet leadership is inevitably riven by a continuing and desperate rivalry among competing leaders and cliques. Hence, it is assumed, Khrushchev is constantly engaged in a struggle against multiple challengers within his own apparatus, and the function of "Kremlinology" is to identify his rivals for power by reading the obscure portents of personnel changes and turgid ideological hints.

One extreme interpretation of this alleged instability was current in May and June 1960. Supposedly, Khrushchev's vehement behavior at the abortive summit conference was dictated to him by unseen forces within the top Soviet hierarchy, perhaps by a ganging up of military leaders and Stalinist ideologues. Supposedly, Khrushchev had initially been willing to overlook the affront of the U–2 flights, with its drastic violation of the Soviet passion for secrecy, and proceed with

the summit meeting and President Eisenhower's visit to the Soviet Union, but was forced by a coalition of rivals within the party apparatus to take a stiff line. According to this view, he was actually enjoined to read to the Paris press conference a statement prepared for him in Moscow, while the Minister of Defense, Marshal Malinovsky, sat beside him to make sure that he did not deviate from the text.

Undoubtedly, a genuine struggle for the succession took place after Stalin's death. The arrest and execution of Beria was an important step in the downgrading of the power of the secret police which had been used by Stalin for many years—at least since 1934—as a personal instrument of terror against the party. And the political police had undoubtedly used its role to dominate Stalin by playing on his many fears and phobias. The demotion of Malenkov, in January 1955, and the dismissal of Malenkov, Molotov and Kaganovich in June 1957, served to consolidate Khrushchev's control. The gestures that Marshal Zhukov made toward promoting his own political prestige and his own control over the army were followed by a swift downfall, in October 1957. Probably the decisive building up of Khrushchev's domination over the party's instruments of power took place approximately between mid-1954 and late 1957. A decisive stage in this process was marked by his famous denunciation of Stalin's arbitrary and cruel rule over the party, at the 20th party congress in February 1956.

Basically Khrushchev's structure of rule is very similar to Stalin's, but his style of administration differs from Stalin's in some important respects. Like Stalin, he has and uses his full power to appoint and remove the members of the party Presidium, the central drive-wheel of decisionmaking, as well as the members of the Central Secretariat. It is clear, at least since late 1957, that Khrushchev's choice of this body of close collaborators is entirely his own; it is not determined by any factions or cliques operating outside his control. He has strengthened the party's, i.e. his own, control over the military establishment and the secret police. Similarly, through appointing a long roster of party secretaries in the various republics and oblasts, Khrushchev has established securely his control over the party machinery. Through the party's regional machinery he also determines the composition of the party congresses, and it is his handpicked party Presidium that selects the membership of the Central Committee of the Party. Whether he has reverted to Stalin's single-handed manipulation of the secret police, or whether he shares control over it with the Presidium, remains obscure. In any case, neither the Presidium nor the secret police is likely today to offer any foothold to would-be challengers to his leadership.

If the structure of control remains basically unchanged, in what ways and why has Khrushchev changed the style or atmosphere of Soviet rule? Clearly Khrushchev allows a much freer expression of views within his entourage, and genuine discussions now take place on many issues before he hands down his decisions, as illustrated in the discussions of agriculture in the January 1961 session of the central committee. In this respect Khrushchev has apparently reverted in fact, as he claims, to a more Leninist style of work. New and important decisions, such as those on reducing the size of the armed forces, on raising the rate of investment in agriculture, on changing the requirements for admission to higher education, are often preceded by fairly open discussions and disputes in public channels, even though the basic work of decisionmaking is carried on within the party secretariat, the Council of Ministers, and the party Presidium, all of which are ultimately appointed by and responsible to Khrushchev.

Does this somewhat enlarged tolerance or even encouragement of more detailed and more frank discussions of ways and means of implementing Soviet purposes and programs mean, as some analysts have stated, that Khrushchev has allowed the reins of power to slip from his hands? Or that decisions are now made by counting votes within the Presidium? Or that Khrushchev can be outvoted by colleagues whom he has appointed? Or that members of the Presidium are free to trade votes on various issues and to form alinements or factions for and against Khrushchev? In the absence of firm information on this highly secret sphere of Soviet inner politics, many shaky assumptions have been given wide currency. Sometimes, it is Suslov, supposed guardian of ideological purity, who is touted abroad as leader of an anti-Khrushchev, Stalinist intrigue. Sometimes other names, such as Marshal Malinovsky's, are mentioned as potential rivals even though Malinovsky is not even a member of the Presidium.

As an absolute ruler Khrushchev needs frank discussions of ways and means to achieve his purpose. But as head of the Soviet party, he certainly knows how to suppress factions just as effectively as Lenin and Stalin did. Unlike Stalin in his later years, Khrushchev has seen the need to lay down broad purposes and then to leave the details to his principal subordinates, subject to his constant threat to check on their performance. But to assume from this useful and necessary subdivision of labor and partial delegation of operating responsibilities that he has carelessly let the reins of control slip from his hands and has somehow become a puppet buffeted by contending factions is clearly to underrate his experience and his willpower, and to underestimate the power that he wields. It can also lead to underestimating the skill and determination with which he is pursuing Soviet aims abroad.

The notion that Khrushchev's power is far from absolute or secure has been zealously spread abroad by Soviet emissaries, in supposedly confidential talks. "Our leader faces strong opposition at home in his effort to bring about a relaxation of tension with America" (or Great Britain, or France, as the case may be). "He needs something concrete to prove that he is right and the Stalinists wrong." From this it is but a step to implying that the West can safely abandon some of its positions and programs—West Berlin, the plans for strengthening NATO, Formosa—in order to assure the political survival of the cooperative Mr. Khrushchev and forestall the rise to power of some unnamed and supposedly more militant rival.

In the past, whenever a genuine struggle for power has been taking place within the Kremlin hierarchy, Soviet spokesmen abroad have been the last to refer to this dangerous subject. In those uneasy circumstances they have tiptoed about, avoiding tete-a-tetes without witnesses, and strongly denying all signs of dissension at home. The recent whispering campaigns seem designed to pave the way for one-sided concessions by the West, rather than representing an unprecedented rending of the veil of Soviet secrecy. The versatility displayed in this new tactic is, I believe, a sign of stability and great self-assurance. Only a very strong and confident Soviet leader can afford to turn to his profit self-launched rumors of his political vulnerability at home.

II

One beneficial feature of Khrushchev's new style of rule has been a greatly lessened reliance on the day-to-day use of political terror. Khrushchev has gained great popularity, within the ranks of the party apparatus and among the Soviet population at large, through the greater sense of individual security and the spreading expectation of a somewhat more impartial justice. From this, however, there is a long jump, which many commentators in the West have not hesitated to take, to assuming that the system of political pressure and even of repression has simply disappeared. In this overoptimistic view, there are now no obstacles to a continuous evolution of the Soviet system toward a status of full freedom of person and opinion and, eventually, of active political liberty. Does this idyllic picture correspond to reality?

Today, factory managers, collective farm chairmen, artists and writers, party officials of many ranks no longer fear sudden disappearance, whether through imprisonment or execution or exile to labor camps or to forced residence. To a great extent the atmosphere of terror has been lifted. Some important improvements have been made in the administration of justice. To a considerable extent, the reforms of the past 2 years have separated the functions of investigation, prosecution and trial. Instead of being investigated, arrested, tried and sentenced by the secret police, an ordinary citizen can now expect that the evidence gathered by the police, secret or conventional, will be examined by a separate prosecutor's office, which decides whether to bring him to trial. And the trial will be conducted usually by courts which are separate in administrative line of command from the police and the prosecutor's office. Of course, all three arms of justice are controlled by the government, under the direction of the party apparatus; all three are subject to appointment and removal from above. All three are responsive to the party's demand for vigilance, whether against hoodlums, embezzlers, speculators in dachas or cars, or disseminators of Western propaganda.

Although the defendant is entitled in theory to the services of counsel, these may or may not be available in practice, and defense attorneys are sometimes punished by the party for an excess of zeal in defending their clients. Outside the system of state courts, the military tribunals are still empowered to judge cases in complete secrecy. Sentences are seldom published, except as a public warning to other potential offenders. Still, with all these defects, intolerable in a true system of law, the new conditions of justice offer a vast improvement over those of Stalin's days, especially for nonpolitical offenders.

In the past, a number of well-run autocracies, without a trace of democratic ideology, have also endeavored to provide their subjects with a regular and safeguarded system of justice, for injustice is a source of serious waste to the state itself. Each person wrongly condemned constitutes a direct loss of resources to the state. And the dread of unpredictable punishment brings with it many other losses, such as fear of taking responsibility, widespread resort to deception, apathy among the people, and corruption within the government apparatus.

The new Soviet leadership has not, as many abroad prematurely assume, laid down its "punishing sword." Its secret police are still active. They are still watching and writing things down. The ordinary Soviet subject, especially anyone over 35, can recall earlier periods when police pressure, but not police vigilance, has been relaxed. And he knows that seemingly innocent remarks and even imputed motives can be brought up against him at a later time, when the pendulum has swung back toward renewed vigilance.

In the past 2 years the Soviet state has unsheathed a new weapon against those whom it regards as antisocial elements. By the vote of a neighborhood or block meeting assembled and dominated by party members, any unproductive member of society can be expelled from his place of residence

and ordered to live at a distance of not less than 100 kilometers. In recent months, newspaper articles and letters have been demanding the more frequent application of this form of vigilante law. Apparently this type of exile by popular decree is designed to supplement the specific provisions of the code by holding the threat of ostracism over socially undesirable elements and dissenters. The picture of a Soviet system that has chosen, or been driven—by what forces?—to abandon its police controls and to leave the way *open to* all kinds of initiatives welling up from below is a most appealing one, but one that can hardly stand the light of Soviet day.

III

But, it is frequently argued, the steady if unspectacular rise in the Soviet standard of living is bound, sooner rather than later, to undermine the dictatorial character of the regime. As people become more prosperous and better fed, housed, and clothed, they will raise their own spiritual demands. They will exact a right to form their own opinions and eventually to tell the authorities what to do.

The rise in Soviet living standards since 1953 is an important and highly desirable development. Since Stalin's death there has been a very substantial improvement in the supply of food. The enormous waste of time through waiting in line has been reduced. Above all, the Soviet housewife is now confident that she will find in the shops the wherewithal to feed her family. Food costs remain high in relation to average earnings, and the variety and quality are poor in relation to Western standards and Soviet desires. In the major cities clothing is available in relative plenty, and prices, though still high, have been reduced almost by one-half; the quality has also been improved, in large part through importing superior goods from China, East Germany, and Czechoslovakia. In Moscow a customer can now shop around for quality and style instead of taking whatever is offered. Markdowns and bargain sales, once decried as examples of inferior capitalist management, have been instituted in some lines, such as TV sets, radios, and shoes.

Housing, long a blight on Soviet comfort, is being built on an impressive scale, especially in some 150 principal industrial cities. At last, under the program instituted in 1957, millions of citizens are being moved from old, dilapidated housing, and from a one-room-per-family standard, to new and clean if not very elegant apartments of two, three, and even four rooms. Nothing can give greater satisfaction and pride than to see and participate in these benefits.

Soviet people are enjoying their increased purchasing power to the full. The peasants receive a much larger cash income and are demanding more good things to buy. A reform instituted in 1956 has given old-age pensioners, formerly condemned to slow attrition, an adequate basic income, buttressed by nominal rents and free medical care. A parallel measure to raise the minimum wage to 300 rubles (30 new rubles of 1961) has, it is estimated, improved the purchasing power of almost one-third of the employed urban population. On the other hand, successful collective farms are still pressed to share their profits with weaker neighbors, and there have been few major reductions in prices since 1955. Still, Soviet incomes on the average are rising markedly and will continue to do so as personal income taxes are gradually eliminated—though not the much more onerous sales taxes. All this can only bring rejoicing that the Soviet people, hard pressed so long and bitterly tried in a very destructive war and its aftermath, are now enjoying a larger share of the fruits of their labor and their forced savings for investment.

For the outside world, however, one major question still remains: Will the improved standard of living build up pressure on the Kremlin to modify its general line of policy, at home or abroad? Will it cause it to abandon its international ambitions, which have been restated so eloquently in the declaration of 81 parties, in December 1960, and by Khrushchev in his program speech of January 6, 1961?

Soviet resources are subjected to multiple and conflicting demands, and since 1953 the Kremlin has given a bigger though modest cut of the pie to the needs of the people. Following his tour of the United States in 1959, Khrushchev promised substantial increases in the allocation of capital for the production of consumer goods; he also announced larger allocations in January 1961. These additional resources, human and material, can be found only by making adjustments in other sectors of the plan, for example, in heavy industry, in military programs, or perhaps in the still modest program of foreign economic aid. It must not be forgotten, however, that light industry is growing more slowly than heavy industry.

In 1960 a Soviet newspaper took the unprecedented step of printing a letter to the editor which asked if it would not be better to spend less on sputniks and more on housing. Of course, the propaganda machine denounced the unnamed author and denied that there was any conflict. Soviet citizens, having received first installments of the long-promised good life, are eager for the day when the Soviet living standard will, as Khrushchev assures them, overtake that of the United States. Indeed, they would be more than pleased to see it equal that of West Germany or even Czechoslovakia. "Prosperity" and "Peace" are powerful slogans in Soviet society as elsewhere, but the effect of their popularity seems quite different there than in countries of free and representative institutions.

One obvious result of the improvement has been to raise Khrushchev's popularity to a peak Stalin never knew. His eagerness to go out among the people, his willingness to explain his policies frequently and at length, his "folksy" manner, are all valuable assets. A further consequence has been to increase enormously the credibility of Soviet propaganda among the people generally. Formerly, when Stalin proclaimed that the Soviet Union enjoyed one of the highest standards of living in the world, his subjects were instinctively on the alert for new sacrifices or new pressures. Aside from the steady rise of the professional and managerial groups to a distinctly superior way of life under Stalin, most of the people saw no evidence to confirm these lofty claims, and their skepticism about domestic propaganda often carried over to the sphere of international politics.

In general, so public opinion analysts tell us, people are best informed about events in which they participate or which they observe at first hand. They find it somewhat harder to form independent judgments about national affairs. And, except in countries where they have access to a continuing and abundant flow of authentic and contradictory information, they find it still harder to form reliable opinions about events and problems in the external world. The increased confidence with which ordinary Soviet people now accept the leader's word in domestic affairs seems to have a strong carryover in the enhanced faith with which they accept his picture of world events. Far from raising a stronger demand for freedom of information and opinion, the rising standard of living seems, from personal observation by many visitors, to have raised the level of popular trust in the party's propaganda. It has positively enhanced Khrushchev's ability to mobilize his people's energies and loyalties behind his foreign as well as his domestic programs.

IV

If the effect of the slow but steady spread of greater material satisfactions has been to relax one of the major sources of tension between the leaders and the led, will not the ideological grip of the party be gradually undermined by the remarkable spread of middle and higher education to more and more layers of Soviet society? Some analysts have asserted that the Soviet regime is thereby digging its own grave. The expansion of education will, they believe, not only equip its beneficiaries to serve the system better but will inevitably give rise to a spirit of questioning, independent reasoning and critical judgment that will sooner or later destroy the party's ideological control.

Certainly there have been some signs, visible even through the strictly regulated Soviet press, of some stirrings of skepticism and dissent. Apparently, many students—at least in Moscow and Leningrad—were shaken by the events of 1956 in Hungary. Some expressed doubts of the Government's explanation that the popular uprising had been provoked solely by "imperialist intrigues." The much freer interpretation of Marxism within Poland has not been without some echoes within the Soviet Union. In the largest cities foreign delegates and tourists are now a commonplace sight. Officially sponsored channels of information, such as the Polish art exhibit and the American exhibition of 1959, have had a wide impact, despite the official effort to discredit the Sokolniki display even before it opened.

Khrushchev's outburst of November 1958 against doubting or dissident students was surely not without cause, and he is not unmindful of the tendency, especially within a part of the younger generation which has grown up since the last period of purge and repression, to press beyond the permitted framework of official dogma. Very often students have shown their boredom with the party's ideology and their eagerness to seek information through other than official channels. Khrushchev's demand, in 1958, that all students should have a 2-year period of productive labor in a factory or on a collective farm, before proceeding to their higher education, was only one expression of his resentment and alarm at the attitudes of a part of the students. However, by the time his proposals were transformed into practice, beginning with the academic year 1959–60, the labor requirement was pretty much waived for students of engineering, pure sciences, and medicine, as well as for technologists of all kinds.

The full impact of the new barrier has fallen on those seeking admission to higher training in the ideologically sensitive fields—social sciences, humanities, law and journalism. The most important provision of the new rules is, of course, the requirement that each candidate, after working at production for 2 years, must present a political recommendation by a social organization, meaning the party or its Young Communist League. As Khrushchev exclaimed in 1958, any student who is dissatisfied with the Soviet system ought to be expelled, so as to make room for the son or daughter of a peasant or worker who will value to the full the state-conferred benefit of higher education.

A spirit of inquiry, dissatisfaction or even dissent can arise even under a totalitarian system, for the demand for individual judgment, for sincerity, lies deep in each individual. This urge may stem from many causes, including boredom, family memories, the influence of Russia's great literature, or the impact of injustices. But the problem of harnessing scientific progress with ideological conformity is not a new one for the Soviet regime. It has persisted, in varying forms, from the beginning. The party and its instruments have developed many ways of shepherding the young toward pro-

ductive and orthodox careers well rewarded by the state, and away from dangerous thoughts. The controls can never work perfectly, and repression of potential dissent exacts its price today, even though that price is probably far smaller than in Stalin's time. The problem of making a uniform and nondiscussable propaganda interesting or even palatable to young people after it has lost its initial savor of scientific infallibility is a continuing one, as witnessed by the party's long and boring decree on propaganda, issued in January 1960.

By and large, foreign observers are left with the impression that any substantial spread of intellectual questioning is pretty much confined to a few major cities, and primarily to the sons and daughters of fairly well-placed and responsible Communists. It often takes the form of wanting to read everything and examine everything for themselves. It reflects a growing suspicion that the party's choice of information may not be very complete or intelligent. For some it takes the form of wishing for more variety and color in a drab way of life, or of a fascination with the far wider range of literary, artistic, and intellectual stimuli available in the West and even in such friendly states as India. For others it takes a less attractive form among the postadolescent stiliagi, or "teddy-boys," who attempt to ape the manners, dress, and haircuts of their Western contemporaries of a few years ago. Naturally, Soviet propaganda tries to equate all interest in the West with the fads and fashions of the stiliagi, and then to lump the latter with "hooligans," an American word which has long since been naturalized in Russian as "khuligany."

With the extreme official and popular emphasis on conformity—extending even to local puritanic attempts to forbid bright-patterned sport shirts and women's slacks on the otherwise fashionable promenades of Sochi—it would be strange if some high-spirited youths did not assert their differentness in various ways, some of them more intellectual than others. On the whole, however, Soviet youth seems highly conformist. For one thing, the college-level study of politically dangerous subjects, such as history, economics, and law, is confined to a relatively few and carefully supervised students. The great majority of students, and often the ablest, are attracted by good stipends and promising careers into technical and scientific fields. For them, the study of world history or foreign literature, even in its carefully selected doses, ends at about 15. What goes by the name of "social studies" after that is simply party history, party theory, and the current party program of do's and don'ts. The widely noted apathy on the part of youth toward the cramming of party ideology into their heads by dull propaganda hacks is probably far more serious than any conscious dissent.

The system of controls and incentives through which the party promotes conformity with its views and goals is reinforced by a strong sense of national pride, even chauvinism. Soviet students are amazed when told that the Moscow subway was not the first one ever built. They assume that the sputniks have proven the superiority of the Soviet system. Most Soviet citizens accept as natural and desirable the extension of the Communist system to other countries, and they are unaware of the methods of control that have been applied or the deep-set hatreds those methods have implanted. They cannot imagine other systems, for example those that allow a genuinely free choice. While often displaying a greedy envy of Western comforts, gadgets, and cars, they proclaim with full sincerity the superiority and inevitable triumph of the Soviet system. Needless to say, they are well briefed on American defects, such as economic fluctuations and unemployment, unequal access to higher education, and regional resistances to equal status for citizens of Negro descent. But they seem totally unequipped to reason critically about possible defects in the Soviet system; those that exist have either been removed by the post-Stalin regime or are bound to disappear with the spread of material plenty.

If anything, the slightly widened access to Western information and the presence in their streets of Western tourists makes ordinary Soviet people less aware than before of being cut off from contrary or thought-provoking information. Even the flow of casual foreign sightseers appears to confirm their confidence that Khrushchev is doing everything he reasonably can to reduce tensions and strengthen the prospects for peace.

Despite occasional outbursts of fear and resentment, as in the case of Pasternak's "Doctor Zhivago," the Soviet system of control seems confident of its ability to identify, contain and, if need be, repress such expressions of doubt or dissent as appear among a small minority of its youth. In handling a problem that has plagued it throughout its existence, the party is alert but not unduly alarmed by its newest manifestations. Unlike some wishful analysts abroad, it is confident that it can train a very large part of its youth to serve the state, especially in engineering and the natural sciences, without letting many of them stray from the approved paths of ideological orthodoxy, reinforced as it is today by national pride and arrogance.

V

What does all this add up to? First, that the Soviet system with which the West will be dealing in the 1960's is likely to retain a high level of political stability, based on premises and methods very different from ours. The dictatorship is not likely to be torn to pieces by internecine struggles at the top, to lose control over its people or to surrender its ideology. The party structure is better equipped today to ride through a new succession crisis than it was in 1953. No doubt, names and labels will change, but the concept of a single party, justified in its absolute rule by its monopoly over truth and foresight, has been strengthened.

Second, the Soviet leadership will not abandon its ultimate power of life and death over its subjects, even though it now exercises this power with new moderation. Its leaders will resort to terror again if they find that necessary to their aims, but they doubt it will be necessary. The farther the Stalinist brand of terror recedes in memory, the more active the confidence and the more energetic the cooperation they can hope to elicit from their people. Any minor movements of dissent can be contained by partial relaxation of controls over intellectual life, combined with methods of repression less cruel than in the past.

Third, the shared desire of the party and the people to raise the standard of living is relaxing very old tensions between the two, is lessening the contrasts between life in Russia and in the West, and is likely to evoke ever greater individual efforts to share in the enlarged rewards offered by the regime for hard fork and right-thinking loyalty. Finally, the spread of education may create some annoying worries for the ideological purity of the new generations, but it is not likely to endanger the stability of the regime or its ability to pursue the goals which its leaders set for the Soviet people at home or abroad.

It would surely be comforting if an analysis of the evolution, recent and prospective, of the Soviet system could lead us to a confident conclusion that it contains the seeds of inevitable and desirable changes, and that we have only to fold our hands, lower taxes, buy a third car and wait for this development to occur in the fullness of God's time. Unfortunately, such is not the prospect. During the decade of the 1960's we shall, under present prospects, be dealing with a Soviet system that is growing rapidly in economic, scientific, and military strength and which will have fewer rather than more difficulties in preserving political stability and an adequate measure of ideological uniformity. These growing strengths, not offset by equivalent new weaknesses, will enable its leaders to devote greater rather than smaller resources and political determination to achieving the worldwide purposes that have been proclaimed in an evolving pattern of interpretation by Lenin and Stalin and now by Khrushchev.

COLLUSIVE BIDDING

Mr. PROXMIRE. Mr. President, through a long and tireless effort, stretching over several years' time, using all the power and means of the Federal Government, the electrical equipment companies which engaged in a conspiracy to fix prices were finally brought to court, tried, found guilty, and sentenced. Unfortunately, it is much more difficult for State, and especially local, governments, to make the same kind of gigantic investigation when they are victimized by collusive bidding.

In the December 1960 issue of the Journal of the Cleveland Bar Association, Mr. Ralph S. Locher, Cleveland's director of law, discusses the difficulties faced by cities and other local units when they are confronted by identical bids or other forms of collusion on the part of companies selling to the government.

Mr. President, I ask unanimous consent that the article, entitled "Collusive Bidding," be printed in the RECORD at this point.

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

COLLUSIVE BIDDING

(By Ralph S. Locher, Esq.)

Collusive bidding practices are a real and ever-present problem facing local, State, and Federal governments. On the Federal or State levels, the governmental units have at their disposal a large body of comparative figures that focus attention on instances when collusion among the bidders is likely to be present. Local governmental subdivisions usually lack the necessary investigative staff to make them aware of collusion among bidders.

Collusion may take many forms. Recently the Federal Government returned indictments against five electrical companies which disclosed rigged bidding, principally among suppliers to municipalities. The indictments alleged that they conspired to share local government business on a fixed percentage basis, and that they connived and bid at certain fixed amounts so that predetermined percentages would be realized. To achieve this result, one group of conspirators met 35 times. To effect the scheme, or formula, for quoting nearly identical prices to electric utility companies and others, a cyclic, rotating, positioning formula was employed whereby one defendant manufacturer would quote the low price, other defendant companies would quote intermediate prices, and others would quote high prices. These positions would be periodically rotated among the manufacturers. With reference to these matters, purchases in the city of Cleveland within the past 12 months total $94,961.

Assuming that other municipalities, counties, townships, school boards, and the State governments have been similarly duped, the magnitude of the problem becomes self-evident.

It is apparent that such rotation would preclude a local government's awareness of the collusion inasmuch as the entire country figures in the rotation and because all of the bids would vary somewhat under the formula submitted. Not all collusive bidders, however, can take such precautions against discovery.

Probably the most apparent cases of collusive bidding are those in which all bids received are identical except for one, which is slightly lower. This immediately throws up a red flag for the alert purchasing agent, director of a department, or anyone who is directly responsible for the purchasing of the specific items being bid upon. Identical bidding, however, is not proof, in and of itself, that there has been collusion in entering bids.

If the product is such that there is a leader in the field, and others follow the leader without collusion, identical bids mean little as proof of collusion. If there is but one supplier, and all bidders use cost plus a commonly recognized percentage of profit, there certainly is no collusion. The problem, of course, is the ability to recognize collusive bids as they appear.

In the city of Clevand, a superficial survey disclosed that in the period of 1 year, purchases amounting to over one-half million dollars were made in cases where all bidders submitted identical bids. This figure does not include bids which are identical, but for the one low bid.

One of the practices that gives impetus to identical bids is rotating the award of contracts; that is, when all bids are identical, the award is made to one other than the last successful bidder for that particular product. Of course in this situation, the bidders know that if they submit identical bids, a certain rotation will be followed. If they are satisfied with an award on that particular product when this turn comes up, the governmental unit has unwittingly assisted the operation of collusion, though it was attempting to do only what was fair under the circumstances. A possible solution is for the award to be made to the last successful bidder if all bids are identical.

Generally, in order to prevent the evil of collusion between officials and suppliers, governments require sealed bids and further require that the award be given to the lowest and best, or the lowest responsible bidder. These requirements have made collusive bidding to governmental subdivisions feasible and attractive to the bidders. Admittedly, the bid requirements cannot be removed or even greater evils will result. However, when the bidders know that the lowest bid, generally speaking, will get the award, even though at a figure higher than is justified by the market, collusion is a tempting means for making a sure profit.

How can such practices be prevented short of court proceedings after lengthy investigations that probably could not produce enough evidence if conducted by local independent governmental units?

If case law or statute permit, rejection of all bids is one possibility. Rejection, however, can work an even greater pecuniary loss to the governmental subdivision than collusion. If the product is needed immediately, as is often the case, rejection of all bids may introduce a costly and time-consuming delay. Query: (1) Should the law provide that where bids are identical, public auction may be made upon the opening of bids, the lowest then receiving the award? (2) Should the award be made 1, 2, or 3 weeks later, thus permitting others to bid below the identical bids? (3) Should a coin be tossed to select the successful bidder?

Some formula to discourage identical bids is certainly needed. The purpose of sealed bids, and awards being made to the lowest and best, is to achieve true competitive bidding. The law in this field, as in all other fields, must change with the changing times. Rather than penal statutes, the need seems to be for law which will forestall the occurrence.

In the early part of this year, the city of Cleveland asked for bids on items having two sources of supply. Four bidders submitted identical bids of $60,120. Each of the bidders was then asked to have a representative appear at a meeting with the director of law where they were asked, quite frankly, "How could four bidders return identical bids on a contract of this size?" The reply was that each, without collusion with the others, added a certain percentage to the cost from the manufacturer and thus identical bids resulted. All bids were rejected. Upon readvertising, the same companies bid again. The bids were no longer identical and, on these bids, the city did realize a saving. If the department of law had not taken the initiative, this saving would never have been realized nor would this irksome practice, at least in this instance, have been stopped. Fortunately, in this case, the material was not urgently needed.

The boldness of some bidders can be seen by the following examples of bids received by the city of Cleveland, within 1 year:

Load break oil switches, four bids (identical), $4,869.

Rock salt, two bids (identical), $248,000.

Fuse cutouts (1,000), five bids (identical), $13,500.

Lightning arresters, five bids; four at $976.20; one at $976.80.

Anhydrous ferric chloride (800 tons), two bids (identical), $64,000.

Sodium silico fluoride (250 tons), seven bids; minimum delivery 25 tons (identical), $34,350; minimum delivery 18 tons (identical), $34,700.

Cable, 10,000 feet, five bids (identical), $13,320.

Cable, five bids; four at $9,455; one at $9,395.

Cable, five bids (identical), $13,970.

Cable, five bids; four at $8,462; one at $8,742.

Cable, five bids (identical), $67,520.

One request or bids covering 20 items of fiber conduit was conditioned upon the bid being broken down per item after which there was response from 4 bidders. Items ran from $10.50 for 50 fiber caps to $11,000 for conduit. Three of the bidders were identical to the penny on each and every item. The fourth bidder was low on each and every item by one-half of 1 percent.

It is inconceivable that such a large total of unvarying bids on such varied articles of merchandise would have been presented by a number of separate bidders if the healthy interplay of competition were present. It is reasonable to assume that when two or more suppliers bid the same dollar figure, the municipality or other governmental body is not receiving a dollar's worth of merchandise for each dollar spent.

Scrutiny of the pleadings and evidence in the Federal cases should be of significant advantage to local governments. In the event that the Government is successful in convicting the defendants, the municipalities that purchase from them will then have a cause of action in treble damages (15 U.S.C.A., p. 15).

The public spotlight must be placed upon organizations which insist upon thwarting the spirit and the law of competitive bidding. Most States have some form of legislation prohibiting collusive bidding or statutes prohibiting agreements in restraint of trade, but proof of an agreement in restraint of trade is difficult to obtain. The problem should be tackled by making it unprofitable or unfeasible on a local level to enter into such agreements.

INVASION OF CUBA

Mr. SMATHERS. Mr. President, it is not always that I find myself in agreement with editorials written in the Washington Post. Particularly have I not found myself in agreement with editorials which have had to do with matters relating to Central and South America. However, I am delighted and pleased with the editorial entitled "Invasion of Cuba," which appeared in this morning's issue of the Washington Post. I think it is recognition of the realities which exist today in that area, and particularly the realities which exist as between the United States, Cuba, and the Soviet Union.

I particularly wish to point out the sentence in the editorial which reads:

> In the second place, there is no law or treaty which precludes American help to people who are seeking to regain their freedom. Nor could there be. Assistance to the cause of liberty is one of the most basic of all American principles.

I am delighted to get that expression from the editors of the Washington Post. I am sure most of us will agree with that statement and applaud the Post for it.

Second, I should like to call attention to another part of the editorial, which reads:

> We need apologize to no one for our championship of freedom for Cuba.

Certainly, I think everyone here would agree it is important to the United States that we support, in every way, the efforts of the freedom-loving people of Cuba to attain their aspirations and to get the control of their government back into their hands, so there will be democracy in Cuba.

Finally, I read another part of the editorial:

> But the overriding problem remains that of the increasing Communist grip on Cuba. The success of the efforts to break that grip is an immediate and proper concern of the United States. And Americans whose credo is liberty have nothing to be ashamed of—indeed, they have every reason for pride—in their sympathy and support for Cubans who are seeking to liberate their country from tyranny.

I wish to commend wholeheartedly the Washington Post, and particularly the individual who wrote this very realistic, sensible, patriotic editorial entitled "Invasion of Cuba."

In that connection, Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point.

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

INVASION OF CUBA

Most Americans will make no secret of their sympathy with the efforts of Cubans to overthrow the Communist-dominated regime of Fidel Castro. The principal immediate question arising from the invasions of Cuba is whether they are in sufficient strength to hold on against the Communist

arms available to Castro. An attempt that failed might aggravate the problem in many ways.

But there probably is no optimum time for a campaign to rid Cuba of the men who betrayed its revolution to Moscow. Arguments are heard that Castro might fall of his own weight if the economic situation became bad enough. But against these arguments are some persuasive counterarguments. The Soviet Union and/or China might well not allow Castro to fall. The difficulties of overthrow would increase as Communist institutions became more ingrained and Communist arms and training took more effect. The imminent arrival of Soviet destroyers and Communist-trained jet pilots, as reported by Marquis Childs today, emphasizes the point.

No doubt there will be uneasiness about U.S. complicity in the efforts. Secretary Rusk has asserted that the invasions did not come from American soil and that Americans are not participating, but there have been many reports of substantial American help to the insurgent Cubans. The Castro government already has sought to indict the United States in the United Nations, with pious assistance from the Soviet Union and the Communist bloc. An unpleasant period for American diplomacy may lie ahead.

Let us assume that the United States has in fact given physical as well as moral support to the anti-Castro Cubans. Is this an evasion of American principles and international commitments? Is it hypocrisy to say that this situation is different from that of Britain and France at the time of Suez? Is it just a matter of whose ox is gored?

It would be easy to dissolve doubts in mere rationalization. The United States is committed in a series of international undertakings to consultative and nonviolent methods in the settlement of disputes, and this country has paid obsequious service to the doctrine of nonintervention. Yet it would be altogether self-defeating to become so wrapped up in narrow legalisms as to miss the point.

In the first place, it is Cubans rather than Americans who are directly involved in the invasions. Hundred of thousands of the best people of Cuba have fled from the Castro tyranny and are dedicated to its overthrow. That is a major difference from Suez. In the second place, there is no law or treaty which precludes American help to people who are seeking to regain their freedom. Nor could there be. Assistance to the cause of liberty is one of the most basic of all American principles.

There is another essential point. The fundamental objection to what Castro has brought about in Cuba is that it affords a beachhead for an alien power system in the Western Hemisphere. The Communists have intervened in Cuba, and quite unabashedly. They thus are trying to alter the world balance of power.

The Communists know perfectly well that the American republics cannot tolerate this any more than the Soviet Union could tolerate an American-dominated regime in Poland or Rumania. Indeed, the statement adopted by the 10th Inter-American Conference at Caracas in 1954 declares flatly that domination of any American state by the international Communist movement would constitute a threat to the sovereignty and political independence of the hemisphere.

It would be monstrous to permit a semantic preoccupation with form to obscure the substantive issues in Cuba. The Communists have been quick to endorse and aid movements over the world that they think will favor their cause, from Greece in 1946 to Laos and Cuba today. We know what we mean by freedom, and we know that the Communist system is the opposite. We need apologize to no one for our championship of freedom for Cuba.

It would be foolish, of course, to overlook the dangers attendant upon American blessings for the Cuban effort to overthrow Castro. One problem is that of world opinion. The degree of Communist domination of Cuba is not clear to some people in this hemisphere, let alone elsewhere. Too long an American association with the right-wing Batista dictatorship has made it difficult to point up the far greater dangers of the totalitarian left.

A second problem involves the possibility of a long-drawn-out civil war in Cuba. That might split the countries of the hemisphere and cause the world generally to choose sides. It might also create pressure upon the United States for direct intervention. The Communists have boasted that they will make the United States pay for its attitude toward Soviet intervention in Hungary.

These considerations need to be kept constantly in mind, for they have an important tactical bearing upon the American relationship to what may be done in Cuba. It is imperative to make clear at every opportunity this country's hope for a liberal government and social and economic justice for the Cuban people.

But the overriding problem remains that of the increasing Communist grip on Cuba. The success of the efforts to break that grip is an immediate and proper concern of the United States. And Americans whose credo is liberty have nothing to be ashamed of—indeed, they have every reason for pride—in their sympathy and support for Cubans who are seeking to liberate their country from tyranny.

WITH APOLOGIES TO GOVERNOR BROWN

Mr. KEATING. Mr. President, Friday I spoke on the floor of the Senate about what I referred to as the need to avoid cartelization as a result of our defense procurement policies. In my statement, I cited a U.S. News & World Report comment on the present situation in California.

I said in colloquy with my distinguished friend from California [Mr. KUCHEL]:

> I do not know whether he read the remarks in the April 3 issue of U.S. News & World Report, in which it was reported that Gov. Pat Brown, of California, has been assured of more defense contracts in anticipation of his 1962 campaign and in view of his State's unemployment problem.

I want to emphasize the fact that I attributed this statement to U.S. News & World Report, and not to the Governor of California.

Thereupon, the Senator from Ohio [Mr. LAUSCHE] asked me the following question:

> Did the Senator read a quotation of Governor Brown?

In reply to my colleague from Ohio, I inadvertently said "Yes," meaning it in the way of acknowledging his question—not meaning "Yes," this was a quote from the Governor of California. I hope I did not confuse my colleague from Ohio.

Yesterday morning who should appear at my senatorial doorstep but the distinguished Governor from California, Pat Brown. He is certainly a good and careful reader of the CONGRESSIONAL RECORD. He corrected me forthwith, and made it clear that the statement which I quoted was never uttered from such experienced political vocal cords as his. I respect him for this correction.

The Governor of California has put me in my place. I am delighted to announce to the world and to the people of New York State that he does not seek more defense contracts for the great State of California. And may I add, Mr. President, this is one of the most important things we have been trying to accomplish all along.

THE AMERICAN WAY OF LIFE

Mrs. SMITH of Maine. Mr. President, I have received a very impressive letter from the sixth grade class of the Fairview School of Auburn, Maine. It is so appealing and so forceful in its simplicity and patriotism that I invite the attention of every Member of this body to it.

It makes me very proud of the young people of our country—particularly proud of the young people of my own State of Maine. It reveals thinking that we elders could well follow. Not only do I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD, but I also nominate it for a Freedoms Award by the Freedoms Foundation of Valley Forge, Pa.

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

FAIRVIEW SCHOOL,
Auburn, Maine, April 10, 1961.

The Honorable MARGARET CHASE SMITH,
The U.S. Senate,
Washington, D.C.

DEAR SENATOR SMITH: Our class appreciated the information you gave us on communism.

We think that the American way of life is one of the best ways of life.

We think that the American Government is very well organized in the peace program, and in the defense program, also in news of the world's happenings.

If we disagree about something in America we do not get sent away to the freezing Siberia or someplace else. We do not have to have our children taken away from us so we would pay more attention to our work than our family, and so we will work. We are very fortunate to have good schools, education, and jobs.

Before we received your pamphlets, we misinterpreted the word "communism." We thought that the Union of Soviet Socialist Republics was all evil, but we found out differently when we read the pamphlets.

We think that communism is quite unfair to the people because the Government owns everything and the people aren't allowed to speak against the Government. You might be sent to Siberia away from your family.

Russia has done well in her scientific fields, but not so well in her economic growth in helping the country.

When we grow up we will be able to choose our own jobs. That is something the Russians are deprived of because the Government does all their choosing for them.

In the U.S.S.R. they are not allowed to broadcast the truth whereas here in America we try to broadcast the truth and nothing but the truth.

We think communism would spoil our life, liberty, and our pursuit of happiness in America.

We're lucky that we're living in the United States, and have the rights that Russia doesn't have. In America we have the economic system that we can buy or raise our food any way we want within the laws. We

also can worship any way we please. We are hoping very much that the cold war doesn't turn into a real war. We vote for one party out of two, while Russia has one party, the Communist Party.

Sincerely yours,

ROOM 20, GRADE 6.

NELLIE V. LOHRY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 128, Senate bill 452.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 452) for the relief of Nellie V. Lohry.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, in the consideration of the bill, pertinent excerpts from the report of the Committee on the Judiciary accompanying the bill.

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

The purpose of the bill is to pay the sum of $3,000 to Nellie V. Lohry of Ashland, Nebr., as an additional amount for certain property purchased from the said Nellie V. Lohry and Fred H. Lohry (deceased), pursuant to an option signed by them on November 14, 1941, by the United States in connection with the construction of an Army ordnance plant, such option having been exercised by the United States notwithstanding a previous attempt made on behalf of the said Nellie V. Lohry and the said Fred H. Lohry (deceased) by the project officer acquiring such property to have such option withdrawn on the grounds that it did not adequately reflect the value of the property.

The claimant, and her deceased husband, owned a tract of 160 acres of land in Saunders County, Nebr., in 1941. The Department of the Army acquired fee title to more than 17,000 acres of land in Saunders County, including the Lohry tract, to accommodate the Nebraska Ordnance Plant.

A field representative of the Quartermaster Corps appraised the value of the Lohry land and the owners executed an option on November 14, 1941, agreeing to convey the land to the Government at a purchase price of $16,505.50, approximately $102 per acre. On November 25, 1941, the option was accepted by the Quartermaster General's Office on behalf of the United States.

Ten days after the option was executed, the project supervisor wrote a letter to the Quartermaster General concerning the Lohry land in which he stated, "the appraisers have made a very careful review of this farm, and after comparing the appraisal of this farm with those of adjoining farms, have decided that the value of this farm should be increased." This letter was received in Washington 1 day after the option agreement had been accepted by the United States.

On November 29, 1941, the chairman of the Saunders County Defense Committee wrote a letter to the Quartermaster General on behalf of the Lohrys in which he stated that the Lohrys had signed an option based on a price of $102 per acre, but that other farms of the same type are being optioned at $145 to $160 per acre. He requested that the option agreement be reconsidered. The Office of the Quartermaster General advised the project supervisor that as the option had been accepted on November 25, 1951, it became a binding contract as of that date and that consequently there was "* * * no authority to return options to landowners for the purpose of increasing the purchase price of land after an agreement as to price has been reached." The land was conveyed to the Government at the option price less certain agreed deductions representing salvage value of minor structures.

Information in the files of the Department of the Army indicates that Mrs. Lohry signed the option only because she felt that her husband was going to have a relapse of his mental condition and, as he was in such a highly nervous state, she thought it would be better to get it over with.

The Department of the Army admits in its report to Congress that while the records do not show that a formal reappraisal of the Lohry's property was made, "it appears quite likely that if the acquisition project supervisor in Nebraska had telephoned Washington, or if the acceptance had been delayed at least 1 day, that a reappraisal would have been completed and an increase in price would have been recommended." The properties surrounding the Lohrys' farm were acquired by direct purchase at a range of $119 to $126 an acre.

Mr. MANSFIELD. Mr. President may I say on behalf of the distinguished acting minority leader the Senator from California [Mr. KUCHEL], and myself, these matters have been cleared on both sides. So far as we know, there is no objection to the passage of these measures.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nellie V. Lohry of Ashland, Nebraska, the sum of $3,000. The payment of such sum shall be in full settlement of all her claims against the United States for payment of an additional amount for certain property purchased from the said Nellie V. Lohry and Fred H. Lohry (deceased), pursuant to an option signed by them on November 14, 1941, by the United States in connection with the construction of an Army ordnance plant, such option having been exercised by the United States notwithstanding a previous attempt made on behalf of the said Nellie V. Lohry and the said Fred H. Lohry (deceased) by the project officer acquiring such property to have such option withdrawn on the grounds that it did not adequately reflect the value of the property: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

T. R. MACKIE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 129, Senate Resolution 123.

The VICE PRESIDENT. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 123) relating to the bill (S. 327) entitled "A bill for the relief of T. R. Mackie."

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD certain excerpts from the report of the Committee on the Judiciary accompanying the resolution.

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

The purpose of the proposed resolution is to refer the bill, S. 327, to the Court of Claims, and to authorize the court to report to the Senate such findings of fact and conclusions of law as will enable the Senate to determine what amount, if any, is legally or equitably due the claimant from the United States.

This resolution is to authorize the Court of Claims to consider and report back to the Congress its recommendations regarding S. 327, for the relief of T. R. Mackie.

A bill in identical terms, S. 3613, was introduced in the last days of the 86th Congress and time limitations prevented action thereon by this committee.

In 1957, a Senate bill, S. 2682, for the relief of Thomas R. Mackie, captain, U.S. Navy, retired, was referred by Senate Resolution 381 to the U.S. Court of Claims for the purpose of obtaining such findings of fact and conclusions of law as shall be sufficient to inform the Congress of the nature and character of the claim as a proper, legal, or equitable obligation against the United States. This bill sought compensation for the claimant for alleged permanent injuries suffered to his brain and eyesight as a result of his blood pressure dropping too low during the course of an operation performed on him in a U.S. Air Force hospital in Ruislip, England, while he was serving as a captain in the U.S. Navy. Since 1958 the Court of Claims has been taking testimony in regard to this bill. The Government has been most persistent in its contention that the only testimony competent for admission under the original reference resolution is testimony directly dealing with the subject of whether or not the blood pressure was, in fact, lowered to a dangerous degree. Testimony has been introduced that would indicate the court might be warranted in basing its decision as to the merit of the claim on facts and circumstances other than the narrow issue as to the disability being due solely to the lowering of blood pressure during the operation for hernia. The nature of this additional information is set forth in technical detail in the communication from Senator JOHN MARSHALL BUTLER, the sponsor of S. 3613, 86th Congress, and S. 327, 87th Congress, which is attached hereto and made a part of this report. Also in this communication Senator BUTLER states:

"In order for the Senate to get a full and complete report from the Court of Claims on this case, it was deemed desirable to file a new bill for the relief of Captain Mackie that would cover the various and sundry aspects of the situation as it actually existed. It has the legal implication of amending the pleadings to conform to the evidence already taken. It would be appreciated if you, as chairman of the Judiciary Committee of the Senate, would arrange to have referred to the Court of Claims my bill, S. 3613, as a supplement to the original bill, S. 2682. It is not

deemed advisable to have this as an original reference but merely as a supplement to Senate Resolution No. 381. The actual effect would be to permit the court to make a report based upon all of the evidence before it so that the Congress can have a complete picture of the factual situation and the opinion of the Court of Claims predicated on such facts."

This committee is in agreement with the position taken by the sponsor that the Senate should obtain a full and complete report from the Court of Claims on this case and that the language of the presently pending bill is adequately designed for that purpose, and should be accepted as a supplement to the original bill, S. 2682.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution (S. Res. 123) was agreed to, as follows:

Resolved, That the bill (S. 327) entitled "A bill for the relief of T. R. Mackie", now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims as a supplement to S. 2682, Eighty-fifth Congress, referred to the Court of Claims by S. Res. 381, Eighty-fifth Congress; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amounts, if any, legally or equitably due from the United States to the claimant.

WIESLAWA BARBARA KRZAK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 133, S. 865.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 865) for the relief of Wieslawa Barbara Krzak.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a pertinent excerpt from the report accompanying S. 865 be printed in the RECORD at this point.

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

The purpose of the bill is to grant to the minor child adopted by citizens of the United States the status of a nonquota immigrant which is the status normally enjoyed by the alien minor children of citizens of the United States.

The beneficiary of the bill is a 2½-year-old native and citizen of Poland, who was adopted in Poland on February 10, 1960, by citizens of the United States. Her natural parents consented to the adoption because of economic hardships and she has been living with a sister of her adoptive mother. Her adoptive parents, who have no other children, presently reside in Clifton, N.J., and information is to the effect that they are financially able to care for the beneficiary.

The VICE PRESIDENT. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 865) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Wieslawa Barbara Krzak, shall be held and considered to be the natural-born alien child of Stanley Krzak and his wife, Maria Krzak, citizens of the United States: *Provided,* That the natural parents of the said Wieslawa Barbara Krzak, shall not, by virtue of such parentage, be accorded any right, privilege or status under the Immigration and Nationality Act.

SAMUEL PISAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 136, S. 1064.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1064) for the relief of Samuel Pisar.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point pertinent material relative to the purpose of the measure before the Senate.

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

The purpose of the bill is to provide that the beneficiary shall be held and considered to have met the residence and physical presence requirements of section 316 of the Immigration and Nationality Act, thus making him eligible to file a petition for naturalization.

The beneficiary of the bill is a 32-year-old native of Poland and citizen of Australia, who first entered the United States on September 14, 1954, as a student. He was married to a native-born U.S. citizen on December 30, 1955, and they have a citizen child nearly 4 years old. The beneficiary's status was adjusted to that of permanent residence on October 31, 1956. He was employed by UNESCO at Paris from December 1956 to June 1959, having spent vacations of approximately 1 month each year in the United States. He was employed as the Paris representative of a U.S. law firm from July 1959 to October 1960, at which time he returned to the United States and has been here since then. Because of his absence from the United States he has been unable to meet the physical presence requirements for naturalization, but is otherwise able to comply with the usual residence requirements for naturalization in the case of the husband of a U.S. citizen.

The VICE PRESIDENT. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1064) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of title III of the Immigration and Nationality Act, Samuel Pisar (A-10022768), admitted to the United States for permanent residence on October 29, 1956, shall be held to have complied with the residential and physical presence requirements of section 316 of the said Act.

PURIFICACION SIAT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 137, S. 1217.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1217) for the relief of Purificacion Siat.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a pertinent excerpt from the report on S. 1217 be printed in the RECORD at this point.

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

The purpose of the bill is to grant the status of permanent residence in the United States to Purificacion Siat. The bill provides for an appropriate quota deduction and for the payment of the required visa fee.

The beneficiary of the bill is a 34-year-old native and citizen of the Philippines, who entered the United States on May 8, 1959, as a visitor. She is a widow and her only child, a daughter aged 13, resides in the Philippines. The beneficiary's father served the United States as an employee of the U.S. naval station at Cavite for many years before he lost his life on December 10, 1941, when the Japanese bombed the installation. The beneficiary presently resides in Lutherville, Md., and serves as a nurse-companion to a woman who is almost blind.

The VICE PRESIDENT. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1217) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act. Purificacion Siat shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANTE GULAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 141, S. 265.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 265) for the relief of Ante Gulon.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 265) for the relief of Ante Gulon, which had been reported from the Committee on the Judiciary, with an amendment, in line 4, after the name "Ante," to strike out "Gulon" and insert "Gulam", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Ante Gulam shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of the status of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a pertinent excerpt from the report on S. 265.

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

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Ante Gulam. The bill provides for an appropriate quota deduction and for the payment of the required visa fee. The bill has been amended to correct the spelling of the beneficiary's name in accordance with the suggestion of the Commissioner of Immigration and Naturalization.

The beneficiary of the bill is a 44-year-old native and citizen of Yugoslavia, who entered the United States as a visitor at New York on November 19, 1958. He presently resides in Biloxi, Miss., where he is employed by the Mavar Shrimp & Oyster Co. The former owner of the company, a U.S. citizen, and an uncle of the beneficiary's first wife who died in Yugoslavia of tuberculosis, is now deceased. His son is presently the interested party and is a partner with his brothers in the company inherited from his father. The beneficiary's present wife and three children reside in Yugoslavia and are dependent upon him for support.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The VICE PRESIDENT. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The bill (S. 265) was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Ante Gulam."

AMENDMENT OF INTERNAL REVENUE CODE OF 1954

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 143, H.R. 5189.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 5189) to amend the Internal Revenue Code of 1954 to exempt from tax income derived by a foreign central bank of issue from obligations of the United States.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H.R. 5189) to amend the Internal Revenue Code of 1954 to exempt from tax income derived by a foreign central bank of issue from obligations of the United States, which had been reported from the Committee on Finance, with an amendment, on page 2, after line 15, to insert a new section, as follows:

SEC. 2. Section 1372 of the Internal Revenue Code of 1954 (relating to elections by small business corporations) is amended by adding at the end thereof the following new subsection:

"(g) SHAREHOLDERS IN COMMUNITY PROPERTY STATES.—In the case of a shareholder in a community property State whose spouse has filed a timely consent to an election under subsection (a), the consent of such shareholder to such election shall also be considered timely filed if it is filed on or before May 15, 1961, or the last day prescribed for making such election, whichever is the later."

Mr. MANSFIELD. Mr. President, I have been in communication with the chairman of the Committee on Finance, and he is desirous that the bill be considered at this time. The bill was reported unanimously by the Senate Committee on Finance.

Mr. President, I ask unanimous consent that a pertinent excerpt from the report accompanying H.R. 5189, a bill which has already passed the House, I believe unanimously, be printed in the RECORD.

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

The House-passed bill provides an exemption from tax for income derived by a foreign central bank of issue from U.S. Government obligations, but only if the obligations are not held for, or used in connection with, commercial banking functions or other commercial activities. This exemption is to be effective with respect to income received in taxable years beginning after 1960.

This exemption will accord foreign central banks of issue which are separately incorporated the same exemption with respect to holdings of U.S. Government obligations as now exists where these obligations are held directly by the foreign government itself. Interest on U.S. bank deposits held by persons not engaged in trade or business in the United States already are free of tax as also are bankers' acceptances held by foreign central banks of issue.

The President of the United States has requested this legislation as one of various desirable steps intended to improve this country's ability to defend its gold reserves. A similar proposal was made by the administration last year but there was not sufficient time for its consideration by Congress. It is anticipated that the bill will have a negligible effect on revenues.

The Committee on Finance added to the House-passed bill an amendment to extend to May 15, 1961, the period in which the spouse of a shareholder in a small business corporation may consent to an election not to be taxed as a corporation. The title of the bill was appropriately amended also.

Under subchapter S, certain small business corporations were permitted to elect not to be taxed as a corporation. The Treasury Department has taken the position that, in the case of an election under this section in a community property State, both husband and wife must make the election. In many situations in community property States, the husband operating as a small business corporation made the election but did not have his wife sign the document. Such elections, the Treasury now holds, are invalid and, as the elections had to be signed within a specified time, the period has expired in which the wife and the husband may now perfect the election. The amendment adopted by the Committee on Finance permits the spouse not signing the election additional time to sign the election. The extended date for perfecting such election is May 15, 1961.

If this amendment is not adopted, many small businessmen in community property States will not be able to take advantage of subchapter S, permitting certain small business corporations not to be taxable as corporations. The amendment only applies where a timely election in the first instance was made by one of the spouses.

Under present law (sec. 881 of the Internal Revenue Code), foreign corporations not engaged in a trade or business in the United States generally are subject to a flat 30-percent tax (collected by withholding at the source) on amounts received from sources within the United States in the form of interest, dividends, rents, salaries, and other fixed or determinable amounts. There are, however, several exceptions to this general rule. The principal ones with respect to interest are specified below. First, there is no tax on interest on bank deposits. Also, there is no tax on interest received from resident alien individuals, resident foreign corporations, or domestic corporations where less than 20 percent of the recipient's gross income for the past 3-year period is derived from sources within the United States. Other exceptions to the rules specified above exist in many of the tax treaties the United States has entered into with 21 different foreign countries. Five of these treaties on a reciprocal basis provide for reduced rates of taxation on interest, and 10 provide for outright exemption of interest. Of the five providing for reduced rates, a rate of 15 percent is specified in four cases and a rate of 5 percent in the other case.

Still another exception to the general rule described above exists in the case of foreign governments and international organizations of which the United States is a member. Present law (sec. 892) provides that these governments or organizations are completely exempt from tax in the case of income earned from sources within the United States. In addition, present law exempts from tax income derived from bankers' acceptances but only in the case of holdings by foreign central banks of issue. A "foreign central bank of issue" is defined under existing regulations as a bank which is by law or government sanction the principal authority, other than the government itself, issuing instruments intended to circulate as currency. Such a bank is generally the custodian of the banking reserve of the country.

This bill is concerned with the tax treatment of interest on U.S. Government obligations received by these foreign central banks of issue where these banks are not a part of the foreign government itself but instead are separately incorporated and in some cases are not wholly owned by the government. Many of them, for example, organize their

central banking somewhat along the lines of our Federal Reserve System. Foreign central banks have increasingly acquired dollar assets as a part of their monetary reserves. These usually take the form of bank deposits, bankers' acceptances, or Treasury bills. As noted above, the United States imposes no tax on this bank deposit interest or on income from bankers' acceptances held by foreign central banks of issue. However, a tax may be imposed with respect to holdings of Treasury bills or other U.S. obligations if the central bank of issue is not a part of the foreign government itself.

Prior to 1946 the Internal Revenue Service held that a foreign corporation which was wholly owned by a foreign government was exempt from tax on income from sources within the United States under the provision exempting foreign governments (sec. 892 of present law). In 1946 the Service reversed its position (I.T. 3789) and held that the tax exemption for a foreign government did not apply to a separate corporation. This reversal of position was based upon the disapproval by the Joint Committee on Internal Revenue Taxation of a tax refund to a corporation incorporated under the laws of the State of New York, the stock of which was wholly owned by a foreign government and which was engaged in commercial activities in this country. The joint committee believed that the exemption from tax for foreign governments did not extend to separate corporations, which may be engaging in commercial activities, even though they are wholly owned by a foreign government. In 1955 the Internal Revenue Service held that the Commonwealth Bank of Australia was entitled to tax exemption as a part of the Australian Government. It was wholly owned by that Government and similar in its functions to our Federal Reserve banks. Upon review of the bank's claim for refund the staff of the Joint Committee on Internal Revenue Taxation disagreed with the position of the Service and recommended that the claim be rejected on the theory that the bank was a separate entity from the Australian Government. It took the position that an entity with the attributes of an ordinary domestic corporation should not be considered a part of a foreign government. As a result, the Service revoked its ruling. However, because of fiscal repercussions anticipated in connection with a shift in U.S. investments of foreign central banks, the revocation of the ruling was suspended after consultations between the staff of the joint committee and representatives of the Treasury Department to the extent such a bank is not engaged in commercial activities.

This bill settles the problem described above by providing an exemption from income tax for income derived by foreign central banks of issue from obligations of the United States unless the obligations are held for, or used in connection with, the conduct of commercial banking functions or any other commercial activity. It applies to income received in taxable years beginning after December 31, 1960, and thus removes any doubt on this problem as to the future.

Your committee believes that this change is desirable because it will provide uniform tax treatment for investments of the reserve funds of various countries in the case of investments in U.S. obligations. It will remove the present distinction which turns on whether or not the central bank operations are carried on through a separate corporation or directly by the foreign government. Thus, countries which organize their foreign central banks as a separate corporation will no longer be subject to U.S. tax with respect to the return on their holdings of U.S. Government obligations.

Also, in the case of these foreign central banks, this bill is desirable because it will remove a distinction between the treatment provided for income from bank deposits and bankers' acceptances on the one hand and U.S. Government obligations on the other. Thus, no longer will a preference be provided these foreign central banks for their holdings of deposits or bankers' acceptances on the grounds that the return is free of U.S. tax, while the return from Treasury bills or other U.S. Government obligations may be subject to tax.

Of particular importance at the present time is the improved effect that this change can be expected to have on the gold reserves of the United States. This is illustrated by the events of the last year when large volumes of funds seeking short-term investments flowed out of the United States because of temporary higher interest rates in foreign countries. Under these conditions the foreign governments where the funds were invested tended to acquire dollar assets as a result of these investments, in order to maintain the strength of the dollar as required by their International Monetary Fund commitments. Once these dollar balances are acquired, they can be converted by the foreign banking authority into gold or into other dollar assets such as bank accounts, bankers' acceptances, or Treasury bills. Conversion of these balances into gold, of course, increases the drain upon the gold reserves of the United States. On the other hand, deposits in U.S. banks, purchases of bankers' acceptances, or purchases of the U.S. Treasury bills do not have this adverse effect. The present tax which may be imposed upon investments in U.S. obligations, however, tends to discourage the purchase of Treasury bills and, therefore, increases the likelihood of conversion into gold.

The exemption provided by the bill will not discriminate against domestic private enterprise because it is limited to U.S. Government obligations held by foreign banks in connection with their central banking functions and is not available in the case of balances held for commercial banking activities or any other commercial activities.

The revenue effect of this proposal is expected to be negligible. It is believed that this will be true because foreign central banks of issue, where the tax is presently applicable, now tend not to hold their reserves in U.S. Government obligations but instead to hold them in gold or in dollar assets, income from which is exempt, such as bank accounts or bankers' acceptances.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

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

The bill (H.R. 5189) was read the third time, and passed.

The title was amended, so as to read: "An act to amend the Internal Revenue Code of 1954 to exempt from tax income derived by a foreign central bank of issue from obligations of the United States, and for other purposes."

Mr. MANSFIELD subsequently said. Mr. President, I ask unanimous consent that the votes by which the committee amendment to Calendar No. 143, H.R. 5189, was ordered to be engrossed and the bill to be read the third time and passed be reconsidered.

The PRESIDING OFFICER (Mr. METCALF in the chair). Without objection, the votes are reconsidered.

Mr. BYRD of Virginia. Mr. President, H.R. 5189 would exempt from the tax income derived by a foreign central bank of issue from obligations of the United States. This exemption was recommended by the prior administration last year but was not acted upon prior to adjournment It was recommended by the present administration again this year.

The committee believes that this change is desirable because it will provide uniform tax treatment for investments of the reserve funds of various countries in the case of investments in U.S. obligations. It will remove the present distinction which turns on whether or not the central bank operations are carried on through a separate corporation or directly by the foreign government. Thus, countries which organize their foreign central banks as a separate corporation will no longer be subject to U.S. tax with respect to the return on their holdings of U.S. Government obligations.

Also, in the case of these foreign central banks, the bill is desirable because it will remove a distinction between the treatment provided for income from bank deposits and bankers' acceptances on the one hand and U.S. Government obligations on the other. Thus, no longer will a preference be provided these foreign central banks for their holdings of deposits or bankers' acceptances on the grounds that the return is free of U.S. tax, while the return from Treasury bills or other U.S. Government obligations may be subject to tax.

Of particular importance at the present time is the improved effect this change can be expected to have on the gold reserves of the United States. This is illustrated by the events of the last year, when large volumes of funds seeking short-term investments flowed out of the United States because of temporary higher interest rates in foreign countries. Under these conditions the foreign governments where the funds were invested tended to acquire dollar assets as a result of the investments, in order to maintain the strength of the dollar as required by their International Monetary Fund commitments. Once these dollar balances are acquired, they can be converted by the foreign banking authority into gold or into other dollar assets such as bank accounts, bankers' acceptances, or Treasury bills. Conversion of these balances into gold, of course, increases the drain upon the gold reserves of the United States. On the other hand, deposits in U.S. banks, purchases of bankers' acceptances, or purchases of the U.S. Treasury bills do not have this adverse effect. The present tax which may be imposed upon investments in U.S. obligations, however, tends to discourage the purchase of Treasury bills and, therefore, increases the likelihood of conversion into gold.

The exemption provided by the bill will not discriminate against domestic private enterprise because it is limited to U.S. Government obligations held by foreign banks in connection with their central banking functions and is not available in the case of balances held

for commercial banking activities or any other commercial activities.

The revenue effect of this proposal is expected to be negligible.

The committee has added one amendment to the bill, which removes a hardship.

Under subchapter S, certain small business corporations were permitted to elect not to be taxed as a corporation. The Treasury Department has taken the position that in the case of an election under this section in a community property State, both husband and wife must make the election. In many situations in community property States, the husband operating as a small business corporation made the election but did not have his wife sign the document. Such elections, the Treasury now holds, are invalid, and as the elections had to be signed within a specified time, the period has expired in which the wife and the husband may now perfect the election. The committee amendment will permit the spouse not signing the election additional time to sign the election. The date for perfecting such election under the committee amendment is May 15, 1961. If this amendment is not adopted, many small businessmen in community property States will not be able to take advantage of subchapter S, permitting certain small business corporations not to be taxable as corporations. The amendment only applies where a timely election in the first instance was made by one of the spouses.

I offer the amendment to the committee amendment which I send to the desk and ask to have stated.

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

The CHIEF CLERK. On page 2, beginning with line 20, it is proposed to strike out all through line 3 on page 3, and in lieu thereof to insert the following:

(g) CONSENT TO ELECTION BY CERTAIN SHAREHOLDERS OF STOCK HELD AS COMMUNITY PROPERTY.—If a husband and wife owned stock which was community property (or the income from which was community income) under the applicable community property law of a State, and if either spouse filed a timely consent to an election under subsection (a) for a taxable year beginning before January 1, 1961, the time for filing the consent of the other spouse to such election shall not expire prior to May 15, 1961.

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

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the committee amendment, as amended, and the third reading of the bill.

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

The bill (H.R. 5189) was read the third time, and passed.

The title was amended, so as to read: "An act to amend the Internal Revenue Code of 1954 to exempt from tax income derived by a foreign central bank of issue from obligations of the United States, and for other purposes."

FEDERAL AID TO EDUCATION

Mr. HUMPHREY. Mr. President, for the past 10 years we have had a program of Federal aid to education, and this program has been a great success.

Under Public Law 815 and Public Law 874 of the 81st Congress, communities with rising school enrollments resulting from nearby Federal installations have received Federal assistance for school construction and for operation and maintenance of their schools.

Almost $2 billion has been allocated under this program of financial assistance to federally impacted school districts since 1950. As of September 30, 1960, this program has made arrangements to provide $807 million for 4,236 classroom construction projects.

And more than $962 million has been appropriated for school maintenance and operations in impacted school districts since 1950. In fiscal 1960, 10 million schoolchildren—about one-third of America's public school enrollment—were attending schools which received Federal financial aid under this Public Law 874 program.

I have always had a deep interest in these programs, for it was my privilege in the 81st Congress to be chairman of the Subcommittee on School Construction, to sponsor this legislation for Federal school aid to the defense-impacted school districts, to hold hearings and to participate in the enactment of this legislation. This is Public Law 874.

It has been most gratifying to me to observe the important contribution to school construction and maintenance that has been made under these laws.

Our Federal aid to impacted school districts shows conclusively that we can have Federal aid to education without Federal controls. Careful investigations have failed to reveal the slightest hint of Federal controls.

Last Friday the New York Times carried an article about a study of the Office of Education which gives a district-by-district breakdown of the benefits which have stemmed from the Federal school aid program under Public Law 874. I hope my coleagues will get this report from the Office of Education and give it careful attention.

Mr. President, I ask unanimous consent that the New York Times article be printed at this point in the RECORD.

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

STUDY PRODS FOES OF AID TO SCHOOLS—ADMINISTRATION REPORT FINDS AREAS OF HOUSE CRITICS GET FEDERAL FUNDS

WASHINGTON, April 13.—The Department of Health, Education, and Welfare issued today a study to be used in the drive for passage of President Kennedy's aid-to-education program.

The study concerns the so-called impacted area program of Federal assistance. Under this program the Government makes grants to local school boards in communities whose school-age population is swollen by the proximity of national defense installations, such as military bases and defense factories.

In the fiscal year ended last June 30, the study shows, the Office of Education approved grants to federally impacted schools in 311 of the 435 congressional districts. The grants ranged from $7,778,154 to the 10th District of Virginia, comprising the Arlington and Fairfax County suburbs of Washington, to barely $1,300 for the 25th Congressional District of Illinois. The grand total was $225,867,836.

AIM OF STUDY

The total funds allocated under Public Laws 815 and 874—the two impacted area programs—have been published every year since 1950, when the legislation was first passed. The 10-year total of appropriations is approaching $2 billion. What is new is the district-by-district breakdown.

The Office of Education revealed the statistical breakdown without public comment, but officials clearly hoped the figures would demonstrate inconsistency in the position taken by Congressmen who oppose Federal aid—namely, that any kind of Federal assistance to education leads to socialism and thought control.

For instance, the district-by-district figures showed that 132 Representatives who voted against the $1,300 million Federal aid program in the House last May had apparently felt less compelled to oppose impacted area grants to schools in their constituencies. The 132 congressional districts whose Representatives voted "no" on the 1960 school bill received nearly $109,400,000 in impacted area aid.

The 1960 school bill passed the House by a vote of 206 to 189, but was successfully blocked by conservatives in the House Rules Committee and was never reconciled with a larger Senate version.

Appropriations for the impacted areas program have consistently been favored legislation.

In 1959 and 1960 President Eisenhower proposed major cuts in the impacted areas programs. In both years, bills to carry out a reduction were quietly killed in committees. Last year the House added a supplemental appropriation of $8,830,000 to pay teachers' salaries under Public Law 815, even though the administration had not requested the money. The Senate added $7,362,000, also unsolicited.

PROJECT HOPE

Mr. HUMPHREY. Mr. President, on April 3 the Senate adopted Senate Concurrent Resolution 8, as amended, which commends Project Hope "as another step forward in increasing good will throughout the world and in bringing the people of all nations together in a bond of mutual trust, friendship, and cooperation."

One does not have to look far to be reminded of the continued fine work which this mission is accomplishing, not only through the alleviation of ignorance and the promotion of medical care, but also by serving as a good will ambassador to the newly developed countries in southeast Asia.

Mr. President, I wish to share with my colleagues another of the many documentaries on Project Hope, and I am most hopeful that the House will see fit to favorably act upon Senate Concurrent Resolution 8 in the near future. I ask unanimous consent that an article concerning Project Hope in Indonesia, entitled "Indonesia Hurdles Many Obstacles in its First Decade of Independence,"

from the February 13 Medical Tribune be printed in the RECORD.

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

INDONESIA HURDLES MANY OBSTACLES IN ITS FIRST DECADE OF INDEPENDENCE

NEW YORK.—With only 1,500 physicians to treat 87 million people who inhabit a sprawling archipelago of 3,600 islands, Indonesia's overworked medical profession has made tremendous strides against overwhelming obstacles in the first decade of the new Repubic's existence.

In an interview with Medical Tribune, Dr. William B. Walsh, president of the People-to-People Health Foundation, gave this opinion after returning from the island of Java, where he supervised the initial training program of *Hope*, the 15,000-ton medical ship now making its maiden voyage to Asian ports.

When the country became independent of the Netherlands, in 1950, Dr. Walsh disclosed, it had only 17 qualified Indonesia physicians. Six medical schools now graduate about 200 physicians a year, and others are being trained in America and Europe.

However, since the Indonesia rupiah is a soft currency, virtually useless for imports, physicians are unable to acquire modern equipment, subscribe to foreign medical publications, or maintain contact with practitioners in other countries.

"Indonesia has almost no medical libraries," Dr. Walsh said.

TRANSPORTATION DIFFICULTIES

"Students often have to share textbooks. A determined effort is being made to send physicians to the outlying islands, devoid of any medical facilities, but boats are hard to come by. In such major cities as Djakarta or Soerabaja, I found many physicians who are well trained, and medically sophisticated; but the whole country suffers from a dearth of surgeons, pathologists, anesthesiologists, and experienced hospital administrators.

"As far as modern scientific facilities are concerned, Indonesia is still a pioneer country. Doctors often have to function like the oldtime circuit riders we once had in American frontier days—covering great distances to remote islands. The difference is, of course, that the American frontier was sparsely populated, whereas Indonesia is densely settled."

Though the Indonesians are scrupulously clean, a high percentage of the population is illiterate and unfamiliar with modern sanitation. "Many villages have no sewage systems or sources of pure drinking water. Villagers bathe in the local stream, wash their clothes in it, and drink its unfiltered water. Small wonder that they suffer from chronic typhoid, bacillary and amebic dysentery, and a host of waterborne infections," Dr. Walsh declared. "Colon lesions from typhoid ruptures are common. As in most of the newer nations of tropical climates, yaws, hookworm, smallpox, plague, and malnutrition diseases are prevalent."

GOVERNMENT SEEKS CONTROLS

The Government is attempting to control malaria, tuberculosis, and Hansen's disease, and a division of leprosy control under the Health Ministry has done effective work through the establishment of leprosaria and outpatient clinics for sulfone medication. But during the Moslem holy season of Ramadan, the patients—and sometimes staff technicians—often pack up and go home.

Tact, ingenuity, and improvisation are demanded from visiting Americans to overcome the dearth of personnel, experience, and facilities, Dr. Walsh said. Even the Indonesian dukun, the native medicine man, has been recruited by the *Hope* training staff of 60 doctors, nurses, and technicians, aided by rotating teams of volunteer specialists flown out from America.

The dukun, who treats ills with herbs, snake venom, chants, and—if he is prosperous—a shot of alcohol, is now being taught to inject penicillin for the control of yaws.

But where disposable needles are not available, he is impressed with the need for sterilization if he is to maintain his status as a competent medicine man.

STATUS OF THE REA

Mr. HUMPHREY. Mr. President, early in 1959, Representative PRICE, of Illinois, and I introduced companion bills to correct an undesirable and unfortunate development which had occurred in the Rural Electrification Administration.

In June 1957, without any public notice and without consultation with the Congress and its committees, the former Secretary of Agriculture directed that all major loans under consideration by REA be screened by the Director of Agricultural Credit Services, one of his appointees, before it could be signed by the REA Administrator.

Since this directive effectively reduced the authority of the Administrator and transferred his loan-making functions to another, it was a clear violation of the spirit and intent of section 4 of Reorganization Plan No. 2 of 1953 that appropriate advance notice be given of any reassignment of major functions of the Department.

H.R. 1321, introduced by Representative PRICE, and S. 144, which I introduced, were designed to correct this erosion of the loan authority conferred by act of Congress upon the REA Administrator, a Presidential appointee.

As passed by the Congress, the Humphrey-Price bill provided that the functions and activities of REA be transferred back to the Administrator of REA and that these functions and activities, with one exception, be exercised under the general direction and supervision of the Secretary of Agriculture. That single exception was the authority to approve or disapprove REA loan applications. Our bill made it clear that this authority was the REA Administrator's authority, and his alone. The measure would have restored to the REA Administrator all the powers and authorities conferred upon him by Congress through the Rural Electrification Act.

The depth of congressional feeling on this matter can be measured by the favorable Senate vote on our bill of 60 to 27 and the House vote of 254 to 131 for passage. The bill was then vetoed. The veto was overridden in the Senate by a vote of 64 to 29. It failed of being overridden in the House by a vote of 280 to 146.

This now is history. It covers an era in REA which we trust is forever behind us. There is a new administration in Washington, a new Secretary in the Department of Agriculture, and a new Administrator at REA.

In his first message to REA employees, Secretary of Agriculture Freeman reiterated President Kennedy's pledge to "restore REA to its former role of preeminence—freeing it from constant concern over political interference."

The Secretary then restored to the new REA Administrator, Norman M. Clapp, full and complete authority to approve or disapprove REA loan applications. Administrator Clapp is going to run REA, just as Congress intended him to do.

Now we have the promise once more of vigorous, fearless leadership in the important REA electric and telephone loan programs. In taking over his duties as REA Administrator, Mr. Clapp promised that his agency would give top priority to problems of power supply. He said that REA will make more loans for generation and transmission facilities. He promised to explore with other agencies and the electric industry the means and methods of interregional transmission ties so that surplus power of one area can be used in other areas of power shortage.

Mr. Clapp promised to stand behind borrowers in their struggle for territorial integrity. He pledged new emphasis on the formation of telephone cooperatives to bring dial telephones to rural areas long neglected by commercial companies.

These pledges are full of exciting promise for the 5 million rural consumers who get their electric service from REA-financed systems and who require increasing amounts of low-cost power each year. They are filled with promise for hundreds of thousands of farm families who already have waited too long for modern dial telephones.

I am proud to announce that under the leadership of the new Administration, the REA programs are back on the track and are rolling along full steam ahead.

CRUSADE FOR DEMOCRACY

Mr. HUMPHREY. Mr. President, the shocking statistics illustrating the widespread poverty and hunger in Latin America only more clearly drives home the need for immediate action by the United States and the Organization of American States. Such conditions, as we all know, lead to social and political discontent, and it is this discontent which communism thrives on. What better example can I point to than that of Cuba?

President Kennedy, in calling for a hemispheric alliance for progress, stated:

> The purpose of our special effort for social progress is to overcome the barriers of geographical and social isolation, illiteracy, and lack of educational opportunities, archaic tax and land tenure structures, and other institutional obstacles to broad participation in economic growth.

One can readily see that such a program can eliminate hemispheric tyranny through social and economic change, thereby promoting political freedom.

But what is political freedom? It is the right of every individual to freely participate in government through democratic institutions? Naturally, the development of representative government does not occur overnight—rather, the people must continually strive toward that goal with the economic and spiritual support of friendly nations.

As a first step toward that goal, I wish to call to the attention of my colleagues a comprehensive proposal by Mr. Luis A. Ferre, a partner in Puerto Rico's Ferre Industries. Mr. Ferre's recommendations specifically outline affirmative steps to promote democratic institutions.

Mr. President, Mr. Ferre's statement is a significant contribution to the acceleration of U.S. hemispheric policy—a knowledgeable supplement to President Kennedy's alliance for progress—and, therefore, I ask unanimous consent that his proposals entitled "The Crusade for Democracy in the Western Hemisphere" be printed in the RECORD.

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

THE CRUSADE FOR DEMOCRACY IN THE WESTERN HEMISPHERE

There are many contradictions in the United States' relations with Latin America. The people of the United States are free and enjoy all the benefits of democratic government. And our country is rich, too. We have the greatest productive machine in the history of the world and we have bolstered our economic system by a whole complex of social safeguards, including minimum wages, social security benefits, FHA home construction loans, free education and many others.

And yet we have complacently acquiesced while our sister republics South of the Rio Grande continue enmeshed in the old social system—exploitation and economic tyranny. What is worse, our own capital investments have many times unwittingly contributed to the perpetuation of that system. Thus, even though we condemn and punish governmental corruption where we find it in the United States, we have felt no compunctions in dealing with corrupt governments in Latin America. As a result we have seemed to condone the economic oligarchies and the military strongmen these regimes have represented.

This sort of inconsistency has provided a veneer of plausibility to communistic propaganda here in the Americas and facilitated the penetration of our hemisphere by Communist agents. There is no difficulty in finding an example; Castro's Cuba is only minutes away from both Florida and Puerto Rico.

Of course, some of the advantages that our tacit acceptance of social injustice provided the Communists have now been undone by Castro. The slogan "To the Wall" epitomizes the violence and mob hysteria that has characterized the Cuban regime. The lesson is unmistakably sinking in with the people of this hemisphere.

And Fidelism has certainly helped to open the eyes of the people of the United States, too. We were not ignorant of Communist oppression before. We had read of the way in which Poland, Czechoslovakia, East Germany, Bulgaria, Rumania and, most poignantly, Hungary, were crushed.

But that seemed remote, somehow. It did not fully register in our minds. Dictatorship is now right on our doorstep, however. Thus, once the haven for Europeans fleeing Old World despotism, our hemisphere now harbors the worst sort of Communist police state. Tyranny, we see, is not a phenomenon of time or geographic situation; unfortunately, it is contained in the very nature of man.

The feeling of isolation which gave all the Americas a sense of security has been shattered by Castro. The barbarians are literally at our gates. Our mission is like that of Charles Martel who fought off the Moors at Tours. This is no mere historical flourish; I deeply believe that the threat to the survival of Western civilization is now precisely as grave as it was in A.D. 732.

What can we do? As the first imperative, we must not any longer accept the defeatist notion that democratic institutions cannot be adapted for use by all peoples. That simply is not true.

Instead, we must convince the people of the world (and certainly of Latin America) that representative democracy is, as Winston Churchill put it, "the best form of government ever devised by man to guarantee his fundamental freedom and to insure his material progress." We must put it across that, given the proper training, any people can and will learn to thrive under democratic institutions. And, basic to all, we must win recognition for the fact that only government "of the people, by the people and for the people" can safeguard against the sort of authoritarianism that has made this a century of war and now threatens a new outbreak that might end civilization and literally vaporize mankind.

But how can we convert this general approach into a working program?

As a first step I urge that we combine with all our fellow members of the Organization of American States and establish a Pan American Code.

The cornerstone upon which such a code should be founded would be a prohibition against the creation of any government in our hemisphere that is not some form of representative democracy. A basic requirement, therefore, would be regular—and absolutely free—elections. Possibly, the code would go as far as laying down some formula under which the OAS would supervise such elections.

Indispensably, the code would also commit the nations to economic progress for all classes. Necessary steps would include:

1. A common market, in which tariffs and other trade barriers are gradually reduced as wages are increased.

2. A Pan-American loan fund to finance economic development (a great part of the capital would, of course, come from the United States, and we should insist upon the same sort of self-help system among the recipients that crowned the success of the Marshall plan).

3. Regional minimum wages, to be attained within a fixed period of time, say 10 years. This phase of the code program should be supervised by regional boards that would review the minimum standards periodically and raise them in line with the gains scored in productivity (which should be considerable thanks to the adoption of better production techniques and the economic stimulation of the common market).

4. A minimum standard of social protection, establishing the rights of unionization and collective bargaining; workman's compensation; maximum hours of work per week and per day; the employee's right to regular vacations with pay; unemployment insurance; social security and all other basic social benefits.

5. The encouragement of private investment (the U.S. Government should help in this by guaranteeing private investments by U.S. entrepreneurs against unlawful and willful expropriation or blocking of currency, provided these investors are willing to permit local participation in their Latin American ventures equaling at least 40 percent of total capital).

6. Special tax treatment by host countries (and by the United States) on profits returned to the United States where the entrepreneur has assumed leadership in the payment of higher wages and broader fringe benefits.

7. A progressive income tax—the foundation of an equitable tax policy—to be established in all countries. The code would prescribe minimum standards.

8. Standards on public education, sanitation and health, norms to be determined in terms of minimum percentages of national budgets to be appropriated to these purposes.

9. An FHA system for all those acceding to the Code in order to spur homebuilding throughout the hemisphere.

10. Pan American cultural centers for the various nations, to be financed from a common fund, with the objective of stimulating the exchange of students throughout the Americas.

This is a practical plan. It would work. And, I am convinced, it can be attained. By it, we shall be able to strike a massive blow against poverty, tyranny, and prejudice.

But there is no value in merely spinning out 10-point programs. Instead, we must all go to work—energized by the huge need that exists and by our moral obligation to extend the frontiers of freedom to all the peoples of the world.

This is another hour of trial for the human spirit. We must recognize that either the whole world will be free, or it will inevitably be wholly slave. Establishing the Pan American Code for a stronger Western Hemisphere can help us tip the world balance toward freedom.

RESOLUTIONS OF CONFIDENCE IN SENATOR AIKEN ADOPTED BY VERMONT LEGISLATURE

Mr. PROUTY. Mr. President, a few days ago a newspaper columnist who has lived in Vermont for only a brief period launched an unreasoned, unfair, and bitter political attack against my distinguished senior colleague [Mr. AIKEN].

Vermonters have always resented below-the-belt tactics, but this is particularly true when such blows are directed against one who commands the affection, respect, and admiration of the average Vermonter to the degree that Senator AIKEN does.

The reaction was immediate. The Vermont Senate, Republicans and Democrats alike, unanimously adopted a resolution expressing unshakeable confidence in Senator AIKEN and praised him for his integrity, constancy, humility, leadership, and wisdom. Shortly thereafter the Vermont House of Representatives adopted a similar resolution.

Certainly a person of Senator AIKEN's stature needs no defense against charges made by an obscure journalist in Vermont or elsewhere. I call attention to this matter only to indicate the pride with which most citizens of the Green Mountain State view Senator AIKEN's notable record of achievement in the interest of his State and Nation.

I ask unanimous consent that the high tributes paid my senior colleague by the two houses of the Vermont Legislature, together with an editorial published in the Rutland, Vt., Herald, be printed at this point in the RECORD.

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

SENATE RESOLUTION 5

Resolution expressing Vermont Senate feelings for GEORGE D. AIKEN

Whereas Vermonters by unique and unprecedented voting majorities, of ever increasing dimensions, have since 1933, continuously elected the Honorable GEORGE AIKEN to successive high public offices of great trust: namely, Speaker of the House of

Representatives, Lieutenant Governor, Governor, and U.S. Senator; and

Whereas the Senator has consistently throughout the course of his long and faithful career dedicated his full fidelity and energies to service to the Nation and to his beloved State of Vermont, above and beyond mere partisan considerations; and

Whereas in this most critical time in world history, the Nation and the world are each day more aware and needful of the wise leadership of GEORGE AIKEN: Now, therefore, be it

Resolved that the Senate of the Sovereign State of Vermont:

Herewith expresses to the Nation at large and to the Senate of the United States in particular, the extreme and high degree of regard and the unshakeable confidence which we have for our senior U.S. Senator GEORGE DAVID AIKEN, his integrity, constancy, humility, leadership, and wisdom.

Asa S. Bloomer, E. G. Janeway, John J. O'Brien, George C. Morse, William J. Burke, Marshall Dunham, Frank D. Jones, John H. Boylan, Mildred Brault, Harold M. Brown, Graham S. Newell, Robert C. Spencer, Robert A. Willey, Pearl I. Keeler, Olin D. Gay, Clyde M. Coffrin, Willard C. Bruso, Robert B. Eldredge, George Cook, Charles L. Delaney, D. L. Garland, Lawrence Jackman, Reid Lefevre, George R. J. McGregor, James Oakes, Loren R. Pierce, Blanche M. Stoddard, Noel Viens, Aline H. Ward, Hazel M. Wills.

Whereas the Vermont House of Representatives was greatly honored in 1933 to have our present U.S. Senator, GEORGE D. AIKEN, as its speaker; and

Whereas we want him to know that we greatly admire his honesty, integrity, and wisdom in the way he conducted the affairs of our fair State as speaker, Lieutenant Governor, Governor, and now as our distinguished senior Senator in Washington; and

Whereas we are mindful of his steadfast courage in the face of the many burdensome problems that confront our Nation: Now, therefore, be it

Resolved by the house of representatives, That we hereby express to the Honorable GEORGE D. AIKEN our complete and absolute confidence in his constant and faithful leadership of the people in these troubled times, and be it further

Resolved, That the clerk of the house be hereby instructed to forward a copy of this resolution to the Honorable GEORGE D. AIKEN.

[From the Rutland Herald, Apr. 15, 1961]

A VERMONT REPUBLICAN

The Vermont State Senate attained the highest degree of unanimity this week in adopting a resolution in support of U.S. Senator GEORGE D. AIKEN for the dedication of his "full fidelity and energies to service to the Nation and Vermont above and beyond mere partisan considerations."

The Senate was unanimous in taking AIKEN's side against Franklin B. Smith, a Burlington Free Press columnist, who charged the Senator with "keen disrespect for political honesty" and urged him either to join the Democratic Party or to form a semi-Socialist Party of his own.

Part of this is old stuff to Vermonters who are accustomed to old guard attacks on AIKEN as a radical and traitor to his party, but it is the first time we recall his honesty ever being questioned, politically or otherwise.

Many Republicans have been unhappy with Senator AIKEN's voting record in Congress from time to time because it has often followed the Democratic line on certain issues rather than the Republican view. Ever since serving as Governor of the State in the thirties, AIKEN has been a vigorous critic of the GOP organization leadership. He has never made any secret of his desire to make the Republican Party a more liberal party. He is much more of a Lincoln-style Republican than one in the McKinley tradition.

Where political honesty is concerned, the legislator who votes according to his convictions regardless of party lines rates higher in integrity than one who always follows the line laid out by his party leadership.

If the Republican Party didn't have room for men like AIKEN, it would be an exceedingly small and enfeebled party. By the same standard, it wouldn't have had room for men like Lincoln, Theodore Roosevelt, Wendell Willkie and a host of others.

Without AIKEN, there is some question whether Vermont would have remained in the Republican column these last few years. More important, as the senate resolution indicated, is the fact that AIKEN's high standing in the U.S. Senate has repeatedly been recognized over a long period of time by his colleagues of both parties, by the press and other authorities on the legislative performance of Members of Congress. He has a record in the Senate which has done the State proud.

NATIONAL RADIO-TELEVISION POLICY

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD several articles which relate to proposed studies in the television industry. The first article is entitled "Affect of TV Merits Study," written by Lawrence Laurent. TV-radio editor and published in the Washington Post of April 16, 1961. The article discusses the merits of investigating the impact of television on the children of this country.

The second article, entitled "Major Shifts Studied in Radio-TV Policy," was written by George Sherman and was published in the Washington Sunday Star of April 16, 1961. This article discusses the merits of shifts in radio and television policy, thus opening new spectrums in the realm of very high frequency channels in addition to the present channels.

The third article was written by John Crosby, a prominent television critic. In the article Mr. Crosby discusses some of the implications of the words and deeds of Mr. Sarnoff, of the National Broadcasting Corp.

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

[From the Sunday Star, Apr. 16, 1961]

MAJOR SHIFTS STUDIED IN RADIO-TV POLICY

(By George Sherman)

The Kennedy administration is intensively studying major shifts in national radio-television policy which would provide more frequencies for civilian use.

White House advisers have informed an informal committee drawn from top echelons of the Defense Department, the Federal Communications Commission, and nine other interested agencies to work out:

1. Reallocation of the radio-television spectrum between Government and non-Government users.

2. Supervision over how Government agencies use frequencies allotted them.

3. What role the Government and private corporations should play in space satellite communications.

"CZAR" RUMORED

Current thinking in the White House leans toward appointing a "czar" who would be directly responsible to the President for the allocation of air space for governmental and nongovernmental use. He also would supervise how governmental frequencies are used and have power to shift them among agencies.

At the moment a large part of the radio-television spectrum is assigned to the Pentagon for top secret "national defense" purposes. Both the Federal Communications Commission and the Senate Committee on Interstate and Foreign Commerce—under Senator MAGNUSON, Democrat, of Washington—have made repeated but unsuccessful efforts to find out how these frequencies are used.

The President obliquely mentioned rethinking on this matter in his special message to Congress on regulatory agencies last week. He noted that a "coordinated effort" is underway to improve allocation of the radio spectrum and regulation of its use.

The idea of a czar over the spectrum runs counter to a bill already introduced in the House by Representative HARRIS, Democrat, of Arkansas, which would divide policy and supervision between a three-man Frequency Allocation Board and a Government Frequency Administrator, both appointed by the President.

MINOW'S FINDINGS

FCC Chairman Minow has noted that 90-plus percent of the problems of American television stem from scarcity of channels. Competition is limited to 12 VHF (very high frequency) channels at the lower end of the spectrum.

The Commission is currently preparing legislative proposals which would compel television manufacturers to make receivers able to tune in UHF channels at the upper end of the television spectrum. Some 70 of these channels have been allocated for commercial use, but only 10 percent of the television sets in the country can receive them.

White House sources note that this impending clash with the television industry would be softened considerably if the military services could be persuaded to give up a few of the VHF and UHF channels reserved now for experimentation.

Present allocation of channels within the Government goes through the Interdepartmental Radio Advisory Committee, which has representatives of 11 interested agencies meeting in the Executive Office Building next to the White House. IRAC is responsible in turn to the Office of Civilian and Defense Mobilization which ratifies its decisions.

Critics in the new administration say that this complicated procedure leads to trading and bartering of channels and frequencies with little regard for overall national interests.

They note the current confusion must end before the United States enters the top-level international conference on telecommunications in Geneva in 1963.

SPACE PRESSURES

On the question of space communications, the administration is being pushed to an early decision by plans of the American Telephone & Telegraph Co. to put its own communications satellite in orbit. The FCC has allotted the company two frequencies for such experimentation, but the National Aeronautics and Space Administration has not yet decided to make its launching pads and rockets available for "private" satellites.

Last week James E. Dingman, vice president and chief engineer of the Bell System, owned by the A.T. & T., said they are prepared to spend nearly $25 million in the coming year for reimbursing Government expenses.

He said A.T. & T. could have an orbital communications system ready 1 year from the time it gets a go-ahead on launching its communications satellites. Under present plans NASA is not scheduled to have its own space communications system going for another 4 years.

The Kennedy administration is torn between its desire to maintain the American lead in space communications, White House officials say, and its fear of giving a private company monopoly over this revolutionary system of radio-telephonic communications.

By bouncing waves off one "active relay" satellite in orbit, 600 more frequencies could be made available for transatlantic communications. All three cables under the Atlantic connecting Europe with the United States now carry only 310 frequencies, and more are desperately needed, the A.T. & T. says.

So far the only hint of President Kennedy's thinking has come in revisions he has made in the Eisenhower budget for NASA for fiscal 1962. The new budget shifts a former $10 million estimated contribution from private sources to a request for outright Federal appropriations from Congress.

The new leadership at NASA has indicated that this shift represents a policy decision to have a long hard look at "partnership development" of communications satellites before the Government makes any firm commitments to private enterprise.

[From the Washington Post, Apr. 16, 1961]

EFFECT OF TV MERITS STUDY

(By Lawrence Laurent)

There has been a tendency in the United States to blame the new medium of television for responsibility in many of the Nation's ailments. It has been charged that TV is turning Americans into nonparticipating spectators, has created a world in which extraordinary violence is commonplace, and a community in which the art of conversation has disappeared.

But these complaints have been mild compared to the anguish over what television is doing to the Nation's children. Scheduled to begin shortly are a series of Senate committee hearings to determine TV's responsibility in the creation of juvenile delinquency. This is a followup to the 1954 hearings on the same subject by Senator ESTES KEFAUVER, Democrat, of Tennessee. The effect of television on children is one of the great interests of Newton N. Minow, the new Chairman of the Federal Communications Commission.

With such high interest, the always important research of Wilbur Schramm has taken on new importance. Schramm is director of the Institute of Communication Research at Stanford University. He has spent years on the questions of children and television. Along with Eleanor and Nathan Maccoby, formerly of Cambridge, Mass., Paul Witty of Northwestern University, and the British research team of Hilde T. Himmelweit, A. N. Oppenheim, and Pamela Vince, Schramm has provided the most valuable research in this field.

Last week brought to the bookstalls a work called "Television in the Lives of Our Children" (Stanford University Press, $6). It was written by Schramm, Jack Lyle of the University of California and Edwin B. Parker of the University of California at Los Angeles (UCLA).

The book is based on studies of over 6,000 children.

Of greatest importance, perhaps, is the child's introduction to the medium of television. This usually happens at the age of 2 and by the age of 3 the child is able to shout for his favorite programs. Schramm writes:

"The chances are, these are children's programs, by which we mean they are billed as children's television, typically have animal heroes or animated cartoon figures, and all have a high proportion of fantasy and broad action. Thus we introduce children to television. It is interesting to speculate what might be the influence on their later uses of television if we let them see the medium very early as a window on the real, rather than the fantasy world."

Almost any parent will tell you that his child has learned a great deal from television, that the offspring has many advantages over his parents (who grew up without TV) and that the child is better equipped to deal with school.

The researchers' conclusions are something like the general ideas. Schramm says: "The child, in this television age, probably brings to school a larger vocabulary and doubtless a larger supply of other kinds of knowledge than a child who lived in the years before television. We believe, therefore, that children get a faster start in learning of the world around them, but the gain is temporary only."

By the time the child reaches the sixth grade his early advantage has disappeared. Schramm writes:

"We found no more evidence than the English investigators did that television improves school performance. Many children think it helps them. Teachers are ambivalent about it. And we found nothing to controvert the conclusion that (after the early years, at least) television does not markedly broaden a child's horizon or stimulate him intellectually or culturally. That is not to say that television does not stimulate or broaden a child; our observation is merely that it probably does not do those things to a greater degree than would be done without television."

Whenever one deals with research about television, there are always questions about the so-called TV child and the non-TV child. Which one is better suited to deal with the world?

The authors of "Television in the Lives of Our Children" put the question in another way: "We found that television children in these upper grades tend to know more than nontelevision children about subjects closely related to the fantasy content of television, and less about subjects related more closely to reality topics and to other media—for example, literature and public affairs. This, indeed, raised the question of whether the amount and kind of thing children learn from their typical television viewing is worth what they miss by taking television time from other learning experiences."

If the Chairman of the FCC is looking for answers, he might find a suggestion that will help. The researchers write:

"The least that the Government could do, it seems to us, is to insure that finances are made available to study the problems of effect and taste, family solidarity and mental health, as they underlie programing policy and public actions affecting television. Government might do more to ease the financial burden of establishing educational television. It may have to do more. But things at this level it can do without taking any control over programs or interfering in any way with things that, according to our political philosophy, are better handled by the media and the public.

"If the media and the public cannot solve the problems," the researchers warn, "then Government will probably have to take more direct action."

If you think television is causing juvenile delinquency, the researchers say you are wrong. After a long discussion of the interaction of TV violence and children, there is this conclusion:

"The roots of delinquency are, therefore, much lower and broader than television. They grow from the homelife, the neighborhood life, and the disturbed personality. The most that television can do is to feed the malignant impulses that already exist."

[From the Washington Post, Apr. 17, 1961]

SARNOFF'S TV HORIZON GETS WIDER

NEW YORK.—It's a great speech. In fact, if you ask me, I think it's a better speech than the Cross of Gold speech of William Jennings Bryan, giving uplift to the emotions and having little relevant reality.

I refer to General Sarnoff's speech the other day that mankind stood on the verge of global television via satellites. "In a world where nearly half the population is illiterate or semiliterate, no other means of mass communication could equal television's reach and impact on the human mind," General Sarnoff said at the University of Detroit. "A billion people might watch a single program," he declared.

As I say, it's a great speech. It better be. After all, General Sarnoff has been making almost the same speech for what seems like generations. Of course, the horizons have constantly expanded in the speech. First, it was transcontinental television which was going to open up the West to the flood of eastern culture—concerts and all that jazz. (Except somehow it's worked the other way around. Transcontinental TV has opened up the East to the cultural splendor of the West, which is to say an uninterrupted diet of cowboys shooting one another.) Then General Sarnoff spelled out for us the imminent glories of transoceanic television which was always just on the verge of happening but somehow hasn't happened yet.

I turned to the TV log the day Sarnoff's speech was reported to see what sort of enlightenment General Sarnoff's own network, NBC, was spreading to his own semiliterate millions, pending the completion of those satellite transmitters, which would carry the word of these other billions.

Well, at 7:30 p.m. NBC's prime time opens Thursdays with "Outlaws." You know something I not only have never seen "Outlaws" but I never heard of it. That's how far I've grown from this mass medium in so short a time. Something with horses in it, I wager. "Outlaws" is followed on Thursday night by "Bat Masterson." Well, I've seen that. "Bat Masterson" has told substantially the same story almost as often as David Sarnoff has made substantially the same speech.

At 9 p.m. NBC offers "Bachelor Father," a situation comedy, at 9:30 Tennessee Ernie Ford—aah, those illiterate billions tuning in on the folk wisdom of Tennessee Ernie—and at 10 o'clock Groucho Marx. Well, Groucho might be enlightening. At least he wouldn't drag the culture of those illiterate billions any lower than it already is. At 10:30 NBC offers "The Third Man" which I guess is some kind of private-eye nonsense based on Graham Greene's book, and at 11:15 until 1 a.m. the mighty voice of Jack Paar, filling in the cultural niches of those famished folks in Asia and Africa, by snarling at Dorothy Kilgallen.

I will say one thing about David Sarnoff. He's a giant in the field of mass communication. He thrust television on the world almost singlehanded and for that he'll be held accountable at the day of judgment. But what has always amazed me is the fact that Sarnoff has managed to preserve his original innocence about the nature of this Genie he has let out of the bottle.

He really thinks television will help cure illiteracy when quite clearly no instrument has done so much to spread illiteracy and to ruin the reading habits of children. Already, our terrible American television programs are corrupting children in Japan, South America, England and Canada—not because they're better than the local prod-

uct but because they're cheaper. In Canada, for instance, a station can buy a Western (which has already made its profit in the United States) for as little as $50 or $75. Why put on an expensive local show when this junk will draw a large audience at practically no expense?

KHRUSHCHEV'S VIEWS

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD two articles written by Walter Lippmann. In the articles, Mr. Lippmann submits his views in regard to his extended discussions with Mr. Khrushchev on the matter of our relations with the Soviet Union.

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

[From the Washington Post, Apr. 17, 1961]

WAR THREAT FADING, KHRUSHCHEV BELIEVES

(By Walter Lippmann)

On this, our second visit, my wife and I were taken on a long journey by plane and auto to Mr. Khrushchev's country place in Sochi on the Black Sea. Before we left Moscow, accompanied by two interpreters and an official of the press department, there was much mystery about all the details of the coming visit, such as when and where we were to see the great man. In fact, as it turned out, he had no other appointments after half-past 11 in the morning, when he met us in the pinewoods near the entrance of his place. Eight hours later, a bit worn by much talk and two large meals, we insisted on leaving in order to go to bed.

I would not like to leave the impression that all 8 hours were devoted to great affairs of the world. Perhaps, all told, three and a half hours were spent in serious talk. The rest of the time went into the two prolonged meals at which Mr. Khrushchev, who is on what appears to be a nonfattening diet, broke the rules, saying joyously that the doctor had gone to Moscow for a day or two. The talk was largely banter between Mr. Khrushchev and Mikoyan, who joined us for lunch, and the banter turned chiefly on Armenian food and Armenian wine and Armenian customs, which include the compulsion to drink all glasses to the end at each toast. Though we all drank a bit more than we wanted, Mikoyan chose to regard us as American ascetics who only sipped their wine. Finally Mr. Khrushchev took pity on us by providing a bowl into which we could pour the wine as fast as Mikoyan filled our glasses.

Between this heroic eating and drinking, we walked around the place, which is large, met Mr. Khrushchev's grandson and Mikoyan's granddaughter, inspected the new and very gadgety swimming pool and, believe it or not, played badminton with Mr. Khrushchev.

In the serious talks, I might say that my wife made fairly full notes, I made a few jottings, but there was no transcript and the translation was done very ably by Mr. Victor M. Sukhodrev who is an official in the Foreign Ministry. It was understood that I was free to write what I liked when I had left Russia and to quote Mr. Khrushchev or not to quote him as seemed desirable. I shall set down my own understanding and interpretation of the most important and interesting points that he made.

For an opening I reminded him that we had last seen him in October 1958, nearly a year before his visit to the United States. Much has happened in these 2½ years and would he tell me what seemed to him the most important events for good or evil?

After a moment or two of hesitation, he replied that during this period the two main forces in the world—the capitalist and the socialist—have concluded that it was useless to test one another by military means. I took him to mean by test the backing of their political aims by the threat of war.

In contrast with 1958, when he professed to believe that the United States and Germany might attack him, he spoke with confidence that because of the growing strength of the Communist orbit, the threat of war from our side was dying down. As a result, the United States was abandoning the "Dulles doctrine" that the neutrality of small states is immoral. He himself welcomed President Kennedy's proposal for a neutral Laos.

You think then, I asked him, that there has been a change in U.S. policy? To this he replied that while there were some signs of a change, as for example in Laos, it was not a "radical" change, as could be seen in the U.S. attitude toward disarmament. What, I asked him, is wrong with the U.S. attitude? We cannot see, he replied, that any change is imminent when the subject of disarmament is put in the hands of such a believer in armaments as Mr. McCloy. We think well of Mr. McCloy and during his time in Germany we had good relations with him. But asking him to deal with disarmament is a case of asking the goat to look after the cabbage patch.

I interjected the remark that the final decisions would be made by the President. But Mr. Khrushchev insisted that the forces behind the Kennedy administration he summed up in the one word "Rockefeller." The view that he is running the Kennedy administration will be news to Governor Rockefeller. I should add that Mr. Khrushchev considers me a Republican, which will be news to Mr. Nixon.

Then we got onto the subject of nuclear testing. He said that the Western Powers were not ready to conclude an agreement and that this was shown, among other things, by the demand for 21 or perhaps 19 inspections a year. He had been led personally to believe that the West would be satisfied with about three "symbolic" inspections. Nineteen inspections, our present demand, were nothing but a demand for the right to conduct complete reconnaissance of the Soviet Union.

I asked him about his attitude toward underground testing. He replied that the U.S.S.R. has never done any underground testing and never will. I asked why? Because, he said, we do not see any value in small tactical atomic weapons. If it comes to war, we shall use only the biggest weapons. The smaller ones are very expensive and they can decide nothing. The fact that they are expensive doesn't bother you because you don't care what you spend and, what is more, many of your generals are connected with big business. But in the U.S.S.R. we have to economize, and tactical weapons are a waste.

I report this without having the technical expertise to comment on it.

Then he went on to say that the second reason why he had no great hopes of an agreement was that the French are now testing and are unlikely to sign the agreement. It is obvious, he said, that if the French are not in the agreement, they will do the testing for the Americans. To which, I said, and the Chinese will do the testing for you. He paused and then said that this was a fair remark. But, he added, while China is moving in the direction where she will be able to make tests, she is not yet able to make them. When the time comes that she can, there will be a new problem. We would like all states to sign a nuclear agreement.

Finally, he came to his third reason why an agreement may not be possible. It turns on the problem of the administrator of the agreement. Here, he was vehement and unqualified. He would never accept a single neutral administrator. Why? Because, he said, while there are neutral countries, there are no neutral men. You would not accept a Communist administrator and I cannot accept a non-Communist administrator. I will never entrust the security of the Soviet Union to any foreigner. We cannot have another Hammarskjold, no matter where he comes from among the neutral countries.

I found this enlightening. It was plain to me that here is a new dogma, that there are no neutral men. After all the Soviet Union had accepted Trygve Lie and Hammarskjold. The Soviet Government has now come to the conclusion that there can be no such thing as an impartial civil servant in this deeply divided world, and that the kind of political celibacy which the British theory of the civil service calls for is in international affairs a fiction. This new dogma has long consequences. It means that there can be international cooperation only if, in the administration as well as in the policymaking, the Soviet Union has a veto.

Our talk went on to Cuba, Iran, revolutionary movements in general, and finally to Germany. I shall report on these topics in subsequent articles.

[From the Washington Post, Apr. 18, 1961]

LIPPMANN BELIEVES KHRUSHCHEV FEELS RED TRIUMPH IS INEVITABLE

(By Walter Lippmann)

In this article I shall put together those parts of the talk which dealt with the revolutionary movement among small nations. Mr. Khrushchev spoke specifically of three of them—Laos, Cuba, and Iran. But for him these three are merely examples of what he regards as a worldwide and historic revolutionary movement—akin to the change from feudalism to capitalism—which is surely destined to bring the old colonial countries into the Communist orbit. I could detect no doubt or reservation in his mind that this will surely happen, that there is no alternative, that while he will help this manifest destiny and while we will oppose it, the destiny would be realized no matter what either of us did.

Speaking of Iran, which he did without my raising the subject, he said that Iran had a very weak Communist Party but that nevertheless the misery of the masses and the corruption of the government was surely producing a revolution. "You will assert," he said, "that the Shah has been overthrown by the Communists, and we shall be very glad to have it thought in the world that all the progressive people in Iran recognize that we are the leaders of the progress of mankind."

Judging by the general tenor of what he said about Iran, it would be fair to conclude that he is not contemplating military intervention and occupation—"Iran is a poor country which is of no use to the Soviet Union"—but that he will do all he can by propaganda and indirect intervention to bring down the Shah.

In his mind, Iran is the most immediate example of the inevitable movement of history in which he believes so completely. He would not admit that we can divert this historic movement by championing liberal democratic reforms. Nothing that any of us can say can change his mind, which is that of a true believer, except a demonstration in some country that we can promote deep democratic reforms.

His attitude toward Cuba is based on this same dogma. Castro's revolution is inevitable and predetermined. It was not made by the Soviet Union but by the history of Cuba, and the Soviet Union is involved because Castro appealed for economic help when the United States tried to strangle the revolution with an embargo.

He said flatly, but not, I thought, with much passion, that we were preparing a landing in Cuba, a landing not with American troops but with Cubans armed and supported by the United States. He said that if this happened, the Soviet Union would oppose the United States.

I hope I was not misled in understanding him to mean that he would oppose us by propaganda and diplomacy, and that he did not have in mind military intervention. I would in fact go a bit further, based not on what he said but on the general tone of his remarks, that in his book it is normal for a great power to undermine an unfriendly government within its own sphere of interest. He has been doing this himself in Laos and Iran and his feeling about American support of subversion in Cuba is altogether different in quality from his feeling about the encouragement of resistance in the satellite states of Europe. Mr. Khrushchev thinks much more like Richelieu and Metternich than like Woodrow Wilson.

I had an overall impression that his primary interest is not in the cold war about the small and underdeveloped countries. The support of the revolutionary movement among these countries is for him an interesting, hopeful, agreeable opportunity, but it is not a vital interest in the sense that he would go to war about it. He is quite sure that he will win this cold war without military force because he is on the side of history, and because he has the military power to deter us from a serious military intervention.

His primary concern is with the strong countries, especially with the United States, Germany, and China. I could not ask him direct questions about China. But there is no doubt that in his calculations of world power, China is a major factor. I felt that he thought of China as a problem of the future, and that may be one of the reasons why for him the immediate and passionate questions have to do with Germany and disarmament. In my next article, I shall deal with what he had to say about Germany, which he discussed at some length.

For the present I should add a few miscellaneous impressions. During our walk after lunch, Mikoyan being with us then, I tried to find out what they thought of President Kennedy's purpose to bring the American economy not only out of the current recession but out of its chronic sluggishness. For quite evidently, much of his buoyant confidence in the historic destiny of the Soviet Union is based on the undoubted material progress of Soviet industry as compared with our slow rate of growth.

I had put the question to Mikoyan, assuming that he was the economic expert, but he deferred at once to Mr. Khrushchev. To Mr. Khrushchev it was certain that President Kennedy cannot succeed in accelerating American-economic growth. He had, he told me, explained that to Mrs. Roosevelt when he was in New York during the American election. Why can't President Kennedy succeed? Because, he said, of "Rockefeller," and then added, "Du Pont." They will not let him. This was, it appears, one of those truths that cannot be doubted by any sane man.

None of this, however, was said with any personal animus against President Kennedy. Rather it was said as one might speak of the seasons and the tides and about mortality, about natural events which man does not control. While he has no confidence in the New Frontier, he has obvious respect for the President personally, though he confessed he could hardly understand how any man who had not been in a big government for a long time could suddenly become the head of it. Moreover, as I shall report tomorrow in talking about the German question, it is clear, I think, that he looks forward to another round of international negotiations before he precipitates a crisis over Berlin.

"BIRCHSAPS"?

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD a brief statement in regard to the John Birch Society. The statement was published in the St. Louis Post-Dispatch, and refers to a speech made by Robert Welch, to which I addressed my remarks a few days ago. The burden of the article in the Post-Dispatch is that Robert Welch's coining of words such as "comsymps," in connection with his attack on the Protestant churches of the country, be matched by using a new word to describe the members of the John Birch Society; and the Post-Dispatch suggests the word "Birchsaps." I think the use of that name might help put the John Birch Society into proper perspective.

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

[From the St. Louis Post-Dispatch, Apr. 17, 1961]

OTHER SIDE OF THE COINED WORD

Robert Welch, the John Birch Society man, has coined a word to describe Communist sympathizers—"comsymps," the second syllable no doubt being short for "simpleton." It would be a pity if sympathizers with his own views were to have to struggle along without proper means of identification, and just to start thought flowing on the subject we offer a tentative suggestion: Birchsaps?

CUBA

Mr. KEATING. Mr. President, I should like to refer to an International Press Service dispatch which states that Khrushchev apparently has sent to President Kennedy a cable stating that the U.S.S.R. will give the Cuban people and the Government of Cuba all aid necessary to repulse the armed attack which Khrushchev says comes from the United States; and the dispatch also states that Khrushchev says the Soviet Union will give Cuba "all the assistance necessary to repel the aggressors."

Mr. President, if Khrushchev is as much interested in international justice and in the prevention of bloodshed as he has been quoted as stating in the cable, one wonders why he did not intervene in the Hungarian revolution, to prevent the massacre of Hungarian patriots at that time. If he is as much interested in helping people win their freedom as he says he is, insofar as Cuba is concerned, we may ask why he did not intervene in Tibet, to save an innocent nation from foreign aggression and slavery. If he is so much concerned with peace the world over, we ask why he does not right now intervene in Laos, to bring about a cease-fire there. It is indeed ironic that Khrushchev should call for an end of civil dissension in the Caribbean, while he is deliberately encouraging it in southeast Asia. Khrushchev's aim is all too apparent. He is not interested in the genuine liberation of peoples; he is interested only in enslaving them under the tyranny of communism.

Meanwhile the freedom fighters, composed of refugees and defecting Cubans, are struggling toward Havana. There is no doubt that they are meeting some opposition, armed with Communist-supplied weapons and tanks; but they know that they are fighting for the cause of freedom and progress for Cuba and their cause is a just one.

Mr. President, under present circumstances there has been no armed American intervention in Cuba; and, as Secretary of State Rusk has indicated, there is no intention on our part to intervene. Our sympathies are with the rebels; but we are not intervening in the affairs of another American republic, because that would be contrary to OAS programs and to U.S. policy.

But, Mr. President, if there should be any attempt at Soviet intervention in the Cuban conflict, or at any other point in this hemisphere, then the United States must not stand by idly. If the Soviet Union makes a single move toward intervention in any form in Cuba or in the Caribbean, then the United States will have a clear and present obligation to blockade the island and prevent the entry of any forces from outside of the hemisphere. Mr. President, all of us sincerely hope that Khrushchev's words are mere propaganda and bluff. But if they are not, we must stand ready, in cooperation with the OAS to block him by any appropriate and effective means.

DEATH OF ROBERT L. WILEY

Mr. DIRKSEN. Mr. President, it is with sorrow that I inform the Senate that because of the death of his brother, the distinguished senior Senator from Wisconsin [Mr. WILEY] will be absent briefly from the Senate.

Last Friday, the saddening news came that Robert L. Wiley had—as our good friend from Wisconsin familiarly states—

"Gone ahead on the journey."

At 11 o'clock this morning the funeral was held in the Presbyterian church in Chippewa Falls, Wis.

I ask unanimous consent that a biographical statement about Robert L. Wiley, a fine public servant, be printed at this point in the RECORD.

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

ROBERT L. WILEY

Robert L. Wiley, brother of Senator ALEXANDER WILEY, passed away Friday in Minneapolis, Minn. Seventy years of age, he leaves behind a widow, Tommy Louise Wiley; two children, Woodard Wiley Heath, and Robert L. Wiley, Jr.; and three grandchildren.

Bob, as many called him, had a countless number of friends. As a young man in high school, he was on the championship football team. He was on the 32d Division's football team. He loved the outdoors.

During the First World War, Bob Wiley served as captain in the 32d Division. He

was in the midst of the battle of the Argonne. When he came back, he finished his law course and then joined with his brother, ALEXANDER WILEY, as a member of the Wiley & Wiley law firm in Chippewa Falls, Wis.

When the Second World War broke out, Robert Wiley became a member of the American legal staff in Japan under Gen. Douglas MacArthur and served there a number of years.

Following World War II, he served with the Central Intelligence Agency on work covering the States of Minnesota, Wisconsin, and the Dakotas. Upon learning of Captain Wiley's passing, Director of the Central Intelligence Agency Allen Dulles stated in a message to Senator WILEY:

"He had served us long and faithfully and his death is a great loss to us."

REPRESENTATION OF INDIGENT DEFENDANTS IN CRIMINAL CASES

Mr. ERVIN. Mr. President, I have requested that my name be added as a cosponsor of S. 655, introduced by Senators KEFAUVER, WILEY, and JAVITS; and of S. 1484, introduced by Senators HRUSKA, COTTON, and KEATING. Both bills provide for the representation of indigent defendants in criminal cases in the district courts of the United States.

I am proud to join these distinguished Senators as a cosponsor of this important proposed legislation.

I have long felt, Mr. President, that the present system of assigning counsel without pay to defendants who lack the necessary funds to hire their own lawyers is woefully inadequate to carry out the mandate of the sixth amendment to the Constitution that "in all criminal prosecutions, the accused shall enjoy the right to have the assistance of counsel for his defense."

S. 655 and S. 1484 would provide for the appointment of public defenders, paid by the district courts, for the purpose of representing indigent defendants in criminal cases. The bills are similar to proposed legislation which was approved by the Senate during the 86th Congress, but which never reached the floor of the House of Representatives. These measures have the endorsement of the Department of Justice, the Judicial Conference, the American Bar Association, and the Legal Aid Association.

The enactment by Congress last year of the District of Columbia Legal Act of 1959 was a step in the right direction, but it applied only to the District of Columbia; and indigent defendants in Federal courts throughout the 50 States are still without adequate legal representation.

I submit, Mr. President, that we should no longer permit the denial of full and adequate legal counsel to defendants who are without the financial means to employ their own defense. The constitutional guarantee of the right to counsel is a hollow right indeed if it is not to be accompanied with proper safeguards that all accused persons will be provided with adequate counsel, even those who cannot afford to pay for it.

The Subcommittee on Constitutional Rights, of which I have the honor to be chairman, has recently prepared a staff study on the problem of providing legal counsel for indigent defendants in Federal courts.

This study should soon be available to all Members of the Senate as a subcommittee print. The study urges the enactment of legislation in which I have joined as a cosponsor.

Mr. President, I hope that the Committee on the Judiciary will hold immediate hearings on these and other bills which have been introduced on this subject, so that both Houses of Congress will have the opportunity to act during the present session.

SOUTHEASTERN REGIONAL INDIAN CONFERENCE

Mr. ERVIN. Mr. President, the Southeastern Regional Indian Conference was held at Pembroke State College, Pembroke, N.C., April 13 to April 15, 1961.

This regional conference was one of nine preparatory conferences being held throughout the country to compile background information regarding present-day conditions of the American Indians. This marks the first time that Indians, themselves, have been asked to survey their development with a view to making recommendations for future progress. The findings of the nine conferences will be presented and assembled at the American Indian Chicago Conference under the aegis of the University of Chicago, June 13 through June 20, 1961.

It is my understanding that from the Chicago conference a proposed Declaration of Indian Purpose will be presented to President John F. Kennedy.

Mr. President, I had hoped to attend the Southeastern Conference in Pembroke, N.C., but the Senate was in session through Friday; therefore, it was not possible for me to do so.

I ask unanimous consent to have printed in the body of the RECORD the text of a speech which I prepared for delivery at the Southeastern Regional Indian Conference.

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

PROGRESS IN INDIAN RIGHTS AND RESPONSIBILITIES

(Address by Senator SAM J. ERVIN, JR., Pembroke College, Pembroke, N.C., Apr. 14, 1961)

Mr. Chairman, ladies and gentlemen, I am happy to have the opportunity to appear before you today and talk about a subject which is of great personal interest to me. The subject is the rights and responsibilities of the American Indian. It is most appropriate that we are meeting today at an Indian institution of higher learning. We cannot help but be inspired by the surroundings which constitute the pride and the heart of this fine and highly developed Indian community. This spacious campus with its modern buildings is a symbol of the educational progress which the American Indian has made, and it is a portent of even greater achievements in the years ahead. An institution such as this is loved and respected not only by Indians, but by all the citizens of our State and Nation, because through it they can see a brighter and fairer future for Indian children and the Nation as a whole.

We North Carolinians pride ourselves in our history. We are proud of the fact that the first English settlement in North America was here in our State. The story of the lost colony of Roanoke is today as fresh in the memory of our people as it was when first told, and we are informed by some anthropologists and historians that some of our Indians are the descendants of the lost colony of Roanoke and still others are descendants of Revolutionary soldiers in the War of Independence. All North Carolinians are proud of our State's heritage of Indian traditions and early English settlement.

When the first English colonists settled in the New World, in what now is our great State, they were made welcome by Manteo, the Indian lord of Roanoke. They reported our land as being of natural beauty and unsurpassed fertility; that the rivers teemed with fish, while the forests were filled with deer and other game; that hundreds of Indian settlements lined the Cape Fear, Neuse, Roanoke, and Lumbee Rivers and their tributaries and that, near their banks, vegetables, fruits and corn were cultivated by the Indians. Many of the towns and cities of our State today are located on the identical spots of our early Indian villages. In an account entitled, "The First Voyage to the Coast of America, 1584, Report of Arthur Barlowe to Sir Walter Raleigh," the natural beauty of North Carolina is described for the first time. The soil is referred to as "the most plentiful, fruitful and wholesome of all the world." It is further noted that its people were "most gentle, loving, and faithful, devoid of all treason and guile, and such as live after the manner of the golden age." Tradition has it that the Lumbee Indians here at Pembroke are descended from the settlers of Raleigh's lost colony of Roanoke Island. It is said that after abandoning Roanoke Island they moved southward on the mainland and settled in this area of our State. Several years ago I enjoyed the opportunity to advocate in the U.S. Senate legislation recognizing the inhabitants of this community as Lumbee Indians, thereby officially designating them with the tribal name which they have carried over the years.

At this point I would like to digress a moment to pay tribute to a great American of Indian descent who, although not a North Carolinian, was one who was greatly beloved in this State. I am referring to the late Will Rogers, who as I am sure you know, was part Cherokee Indian. Will Rogers was rightfully proud of his Indian ancestors. His father served as a senator in the Cherokee tribe for a number of years and Will Rogers himself was a member of the convention that drafted the Constitution of the State of Oklahoma. I am reminded of Will Rogers at this point by a story which he told. As I remember it, Will Rogers was confronted by some New Englanders who were boasting that their ancestors had come over on the Mayflower. Well, after hearing their proud remarks, Will Rogers allowed as to how it was fitting they should be proud of their early American ancestors and revealed that his parents both had Cherokee blood in their veins. Will concluded by saying, "My ancestors didn't come over on the Mayflower; they met it."

Full appreciation of the American Indian and his contribution to our country has been late in arriving upon the national scene. After World War I, however, there developed a great sense of gratitude for the fine Indian soldiers who fought in that war. And, by an act of Congress in 1924, the American Indians were made citizens, and efforts were made to better their reservation life through social surveys and other means.

The Institute of Government Affairs, now called the Brookings Institution, initiated a study of the Indian condition in 1926.

The result of the study was a report entitled, "The Problem of Indian Administration." An Indian anthropologist, Dr. Henry Roe Cloud, was a tower of strength to his coworkers in the herculean task of visiting and studying 95 field jurisdictions through all the Western States. The survey staff visited Indian homes and farms, Indian schools, Indian councils, and missionaries, officials, traders, and other non-Indians on Indian reservations. Altogether this effort amounted to one of the most detailed and exhaustive surveys ever made of the Indian population of this country.

The Meriam report, as the survey was known, pointed up the need for native leadership if the Indian was to emerge from the unfavorable conditions which surrounded him in 1928. It also pointed out that leadership goes with responsibility for one's own affairs and the need for getting the Indian people interested in their own future. As a result of this emphasis, Congress passed the Indian Reorganization Act in 1934 which authorized the Indian tribes, for which the Federal Government held responsibility, to adopt constitutions and charters for cooperative self-betterment.

Along with the development of tribal councils in which the Indian people could meet and decide their own needs and ways of improvement, there came a renewed interest in the history of the tribes and consciousness of a proud ancestral heritage which had been neglected. And I might add at this point that there developed also an awareness by many of our citizens, other than Indians of our great Indian heritage.

In 1944 the National Congress of American Indians was organized by Indians at Denver, Colo., to further the rights of Indians. According to the articles of incorporation of this body, its purpose is to secure for the Indian people of the United States and their descendants the rights and benefits to which they are entitled under the laws of the United States and the several States thereof; "to enlighten the public toward a better understanding of the Indian race; to preserve Indian cultural values; to seek an equitable adjustment of tribal affairs; to secure and to preserve rights under Indian treaties or agreements with the United States; and otherwise to promote the common welfare of the American Indians." [1]

The role of the National Congress of American Indians has been to furnish information on legislative matters to the various tribes and to testify at hearings on Indian affairs. It holds an annual convention in which the tribes act on resolutions of mutual interest. It also tries to do everything possible to ascertain Indian views and wishes and to transmit them to Congressmen and committees of Congress. It represents, in sum, an attempt to answer the problem of communication between a large sector of the organized Indian tribes and the U.S. Congress.

Another organization springing from the Indians themselves is Arrow, Inc., whose program includes the assembling and publication of materials presenting the cultural, economic, and legal conditions affecting American Indians; the encouragement of Indians to seek advanced and professional training by obtaining and granting to them scholarship assistance; the promotion of self-help research and action projects designed to improve living standards and learning opportunities on reservations, and relations between Indians and the total community in which they live.[2] In January of this year this organization sponsored a 2-day American Indian Housing Conference at the National Housing Center in Washington, D.C., at which ways and means were considered for bringing about housing improvements for Indians in the United States.

Indians are now doing things for themselves and taking an increased interest and an increased pride in improving their own situation. But, as was pointed out at the housing conference just mentioned, the Indian is affected by restrictive laws and regulations which hamper his development to the same standards as other citizens. This situation must be rectified and I believe that it will be corrected by the administration of President John F. Kennedy.

The President was elected on the platform of the Democratic Party which asserted that a new look at the Indian problem is needed. By appointing a friend of the Indian, Congressman Steward Udall of Arizona, to the post of Secretary of the Interior, President Kennedy indicated that "genuinely cooperative relations between Federal administrators and Indians" [3] was to be an immediate objective of his administration. Under the guidance of Secretary Udall the Indian community can be assured that this administration will lose no time in getting on with the problems of the Indians.

The U.S. Senate is helping Indian citizens through the Subcommittee on Constitutional Rights of which I am chairman. The subcommittee is currently studying the restrictions which are said to affect Indians in the exercise of their constitutional rights. It is hoped that these obstacles to Indian progress will be brought to light and the Indian march to better things will proceed unhampered.

I am happy to report to you that this subcommittee intends to go into the matter of the constitutional rights of the American Indian through intensive investigation. We expect to hold hearings on this subject later this year and it may very well be that some of you here tonight will want to appear as witnesses before the subcommittee at that time.

The subcommittee feels very fortunate in having as a member of its staff working on this subject, Miss Helen Maynor, who, as many of you know, is a native of Pembroke. Miss Maynor is a young lady of whom any community would be proud. She is alert and intelligent and in the tradition of her father, Judge Lacy W. Maynor, she is making a fine contribution to the overall work of the Subcommittee on Constitutional Rights and specifically on the subcommittee study of the constitutional rights of the American Indians.

In the field of education, the Indians of North Carolina have shown their interest in many ways. The Cherokees were perhaps the first Indians in the United States to ask that money received from treaties be applied to the education of the tribe. The Lumbees have maintained an interest in schools and higher education for their children for over 60 years. The examples of these two tribes have inspired many other Indians in their search for education and betterment of their economic conditions.

I point with pride to the achievements of the Indians of our State. The progress of the Cherokees in the last 15 years, for example, is no less than phenomenal. Business and other enterprises have been launched, and self-help is proceeding rapidly as millions of tourists visit the Eastern Cherokee Reservation.

I was happy to learn earlier this month that the Indian Claims Commission has handed down a landmark decision in the history of Indian claims with an award of almost $15 million to the Cherokee nation of Oklahoma. This award was for the difference in the value of lands acquired by the Federal Government in 1893 and the price which the Government paid to the Cherokees at that time. It has taken the Cherokees a long time to achieve justice but I hope that this is an indication that the Federal Government, and indeed all Americans, are coming of age in the area of Indian relations.

It was interesting to me to note that in the Statuary Hall of our Nation's Capitol in Washington there stands the figure of Sequoyah, the Cherokee Indian who invented the alphabet for his people's language. His name recalls memories of what the Indians can do for themselves if they are given a chance. Raised in the backwoods of the southern Appalachians he proved himself superior to his environment and achieved something which places his name alongside of the greatest that history or tradition can provide. His life is an inspiraton to us all, an inspiration arising from an example of what the human spirit can accomplish if it but wills to do so. It reminds us that the Indian can do great things if he is unhampered by restrictions on his God-given rights.

In the words of Thomas Wolfe, "The true discovery of America is before us—the true fulfillment of our mighty and immortal land is yet to come."

[1] Pp. 275–276, House Committee Print No. 38, 85th Cong. 2d sess., Dec. 31, 1958.

[2] P. 225, House Committee Print No. 38, 85th Cong., 2d sess. Dec. 31, 1958.

[3] Quotation contained in article, "What the Indians Want," New Republic, Dec. 19, 1960.

ADDRESSES BY SENATOR MAGNUSON AND SENATOR BOGGS BEFORE AMEN CORNER, PITTSBURGH, PA.

Mr. SCOTT. Mr. President, on April 8, 1961, two distinguished Members of this body addressed the Amen Corner at Pittsburgh. An exceedingly interesting and informative address was delivered by the distinguished senior Senator from Washington [Mr. MAGNUSON]. The Senator spoke without script; therefore, much as I regret it, I am unable to place his most interesting speech in the RECORD.

However, I ask unanimous consent to have printed at this point in the RECORD another very informative, scholarly, and interesting speech delivered by the distinguished junior Senator from Delaware [Mr. BOGGS].

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

ADDRESS BY SENATOR J. CALEB BOGGS, OF DELAWARE, AMEN CORNER, PITTSBURGH, PA., APRIL 8, 1961

It is always a great pleasure for me to visit the State of Pennsylvania and especially the beautiful city of Pittsburgh. I was here last September for a reunion of the 6th Armored Division, with which I served during the war. Each time I visit Pittsburgh, I can't help but marvel at the tremendous strides which have been made here, especially in the area of urban redevelopment. Your world-famous Golden Triangle is certainly a tribute to the leaders of this community and an example to all metropolitan areas of what can be accomplished through community teamwork.

Of course, I always think of teamwork when I think of Pennsylvania. It has only been a few short months since I completed 8 years as Governor of my home State of Delaware, and during that period it was a wonderful opportunity for me to be able to work with Governor Lawrence and Governor Leader before him on matters of mutual concern to our neighboring States. This is not a spirit of cooperation limited to the gubernatorial level of government. During the 6 years I spent in Congress, I was the only and somewhat lonely Representative from Delaware, and it was comforting to be invited into the meetings of some of my colleagues from Pennsylvania. Even today, in the U.S. Senate, this

same relationship exists, not only in my personal relationship with Senators SCOTT and CLARK, but also in the matter of problems affecting both our States, such as the recently introduced legislation on the Delaware River water compact which will have such a great bearing on the well-being of the citizens of Pennsylvania, Delaware, New Jersey, and New York and on the industrial growth of that vital four-State area.

Teamwork and growth—industrial and economic growth—certainly go hand in hand, for without one, it is unlikely we can have the other. And today, perhaps more than ever before in the history of this Nation, the future economic well-being and strength of the United States are being watched closely by our friends and our enemies around the world as a sort of barometer in this somewhat strange conflict we have come to know and accept as the cold war.

To maintain and strengthen the economic health of this Nation today has become a complex problem. Just as the difficulties of modern medicine often require the combined teamwork of specialists instead of the exclusive attention of the general practitioner, so it is necessary for the numerous segments of our governmental and industrial society to join forces to encourage the health of our economy.

The Federal Government stands ready to offer assistance to our depressed and distressed areas, to the small businessman, and to the unemployed worker. Our State governments are anxious to join in such programs where necessary. Local governments, industry, organized labor, and community groups also stand ready to assist. But in most of these cases, the action is remedial rather than preventive, and it seems to me that we must somehow see to it that all the forces I just mentioned are brought into play on the upswing, rather than called in when conditions decay.

There is one particular problem which has concerned me for quite some time, just as I am certain it has concerned many of you. It is the problem of the men and women of this Nation whom I refer to as technically handicapped. These are the growing number of men and women whose skills have not kept pace or have been displaced by the rapid pace of technological change. There is urgent need for a national effort to encourage and stimulate the retraining of these technically handicapped persons. They are being caught up in the swirl of a second industrial revolution, and it is imperative that we all recognize this developing problem before the technological advances designed to strengthen our economy actually weaken it in certain places.

There is no question of the essential need for a farsighted effort to encourage and stimulate the retraining of these technically handicapped persons. Fortunately, there are concrete signs of such efforts, by Government, industry, and organized labor. But that might not be enough. It is urgent that the Federal Government, management, and labor be joined by community groups and State and local governments in a united effort to head off what could become an increasingly critical nationwide problem.

There seems to be general agreement among scientists and economists that, in the long run, technical progress will benefit everyone. Our experts are convinced that employment will expand tremendously, just as it has since the first industrial revolution 100 years ago. With these technological improvements creating more jobs and new opportunities, there will be higher wages and a higher standard of living for employee and employer alike.

That's the long-range picture. But right now, this technological change is having a reverse effect on many working men and women. It is causing patches or pockets of unemployment where work forces are being reduced in a particular area or where specially trained workers who operate new, complex machinery are displacing workers with now outdated skills. The long-range benefits of technological progress are of little comfort to these people. It is the present that counts—their day-to-day existence which has been undermined by progress. And, of course, the problems which are confronting them affect all of us. No soft spot in the economy of this Nation can be totally isolated in the overall national and international evaluation of our economic health.

This situation could be greatly alleviated by some solid planning under able leadership. I mentioned a few minutes ago that there are increasing signs of industry and labor awareness of this problem. Even more important, they are trying to do something about it.

For instance, many large industries are undertaking retraining programs for workers whose skills have been rendered obsolete by some modern process. Rather than turning out workers who have been doing the job well over the years, these firms are teaching their workers new skills, and in some cases they are even teaching them to operate the new machines which might otherwise have displaced them. So technological change, in such cases, is becoming a new source of secure employment.

In some instances, these large industries have found another solution to the problems of technological change. In plants where new processes have displaced some of the working force, the affected employees have been transferred to other plants within the company where their skills are still needed.

Many of you probably know that several labor organizations are taking an increasingly vital role in this problem. They have adopted full-scale retraining programs for their members whose skills are in less demand because of technological change.

Perhaps one answer is the type of program initiated by Armour & Co. and representatives of the 14,000 unionized employees. They have set up a half-million-dollar fund under the auspices of a labor-management committee to establish retraining and relocation programs for workers whose jobs have been eliminated by new technological processes.

This isn't just a difficult employment situation. It is a great educational challenge. It is not just a problem which confronts our working men and women. It could place—and perhaps already is placing—great economic stress on certain communities. When that happens, its effects are felt in government through increasing numbers of public dependents and decreasing numbers of wage-earning taxpayers. Its effects are felt throughout the community * * * in the form of declining retail business, a softening of the real estate market, and a general decaying of the community's economy.

This is really a problem that affects just about everyone. And that is why I believe it must be tackled by industry, labor, community organizations and government, in a team effort. It must be tackled on a local level, but with some form of national leadership to provide the coordination and direction.

I said earlier that our States share many mutual problems. A recent one—in fact, a continuing one—offers a perfect example of what might happen to a given community with the advent of new technological processes and what might be done to solve the inherited problem through community effort.

The city of Chester, Pa., is located only a few miles north of Delaware. Many of our citizens are employed at the large plant which the Ford Motor Co. has operated in Chester for many years. Recently, Ford announced that because of the increased demand for compact cars—sort of a technological advance, I guess—it was closing its Chester plant. This meant that a sizable work force, numbering more than 3,000, was faced with unemployment. And you can certainly understand the impact this action had on the economy of the Chester area.

Ford officials sat down with representatives of the State of Pennsylvania and the city of Chester in an effort to solve the problem faced by that community. Ford had offered transfers to many of its Chester employees, but, as in all instances of this sort, many of the workers were reluctant to transfer to another city because of their ties in Chester. And so another formula for the solution of this problem was worked out. In a joint program of action, Ford, the State, the city of Chester and the Chester school system developed a plan whereby displaced Ford workers are being retrained in Chester vocational and public schools for other work presently located in the Chester area.

This is the kind of a community program which I believe holds great promise for the eventual solution of the problems of the technically handicapped. I believe this situation can be dealt with most effectively at the local level because of the intimate knowledge of the problem and the awareness of other existing industry which can use additional, properly trained employees.

However, as I said before, I am convinced that some sort of national leadership will be necessary if community programs for the retraining of the technically handicapped are to be effective.

The Federal Government can provide some of that leadership, as well as financial assistance, through a concentrated vocational education program specifically designed to help the technically handicapped worker learn new and useful trade or skill. In addition, a joint cooperative program shared by management and labor, similar to the union-management plan at Armour, could go a long way toward heading off what threatens to become an extremely serious nationwide problem.

The present administration in Washington has expressed its concern over the hardships of the technically handicapped. Several pieces of legislation have been introduced to deal with specific phases of the overall difficulty such as Senator CLARK'S bill. Most of these bills are still under committee study and the problem is too complex to demand an immediate and simple solution. However, I am confident that sensible and effective legislation will finally result from these studies to help thwart this growing problem.

In the meantime, I believe it is incumbent upon every community leader—people like yourselves—to give serious thought to this matter. You know what can be done in your own community and you are aware of the groups and organizations which can get the job done. In addition, many of you have association with national groups which are capable of tackling the problem on a broader scale.

The problems of the technically handicapped are tied hand in hand with the prospects for future economic growth in this Nation. Technological improvements are essential if we are to move ahead in all phases of our economic race with the Communists. But we must be certain that we do not become modern-day Frankensteins whose monster is a sizable bloc of the American working force laid obsolete by technological change.

We cannot prosper under such conditions, and we cannot compete for world leadership on any level if unemployment is rampant. This Nation can meet and defeat the challenge of the Communist economic offensive

if the various segments of our society work together for the common good. We must have a strong economy and the strength must come from many sources. It must come from the hands, the brains and the determination of the working men and women of this country. It must come from improvements and advancements in our industrial know-how and technology. It must come from growing businesses that can provide more jobs for our people. These are essential if we are to win this bread-and-butter struggle.

EDUCATION FOR RESPONSIBILITY

Mr. ALLOTT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an address entitled "Education for Responsibility—The Answer to the Communist Challenge," delivered by Adm. Arleigh Burke, Chief of Naval Operations, before the National Military-Industrial and Educational Conference in Chicago, Ill., on April 11, 1961.

I believe all Members of Congress and other Americans will wish to be acquainted with the opinion which this great American has placed before the people. In plain, simple language, it is a challenge to education and a challenge to ourselves in the days ahead.

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

EDUCATION FOR RESPONSIBILITY—THE ANSWER TO THE COMMUNIST CHALLENGE

(Address by Adm. Arleigh Burke, U.S. Navy, Chief of Naval Operations, before the National Military-Industrial and Educational Conference, Chicago, Ill., April 11, 1961)

It is a great privilege for me to attend this annual National Military-Industrial and Educational Conference. And I am indeed honored to have this opportunity to share some of my thoughts with you.

I have reviewed your agenda in detail, and I wish to congratulate the committee responsible for its preparation. It explores almost every aspect of your theme "Education and Freedom in a World in Conflict." And this is important. For today more than ever, education and freedom are truly inseparable.

Each age must face its own conflicts; each age must face its own challenges. But the striking fact of our age is that the challenge that we face holds grave consequences not only for ourselves, but for future generations as well. To put it bluntly: the future of the free world, the conditions of human life for years to come are now being determined. And we, we the people of the United States, must win this conflict or witness the death of freedom and the end of free society. The fate of our country depends on what we as a Nation and as individual citizens are willing to do today. In our hands rests the responsibility for the future of the American concept.

Fortunately millions of our fellow citizens sense the urgency of our times—and the importance of the actions that such times require. But there remain many others in private life in our "affluent society" who are so self-satisfied, so comfortable, so content that they cannot be bothered with the realities and the dangers which surround them. To such people, the conflict, the challenge, the urgent need for action are meant for someone else. If this seems critical let me assure you that it is meant to be. It is meant to be critical of every American in any walk of life who fails to recognize the forces of aggression that are now at work in the world. Most of all, this criticism is meant for those who shirk their responsibility to do something about it.

For should we shrink from the hard contests, bolder men will pass us by. Years ago a brilliant statesman said: "For evil men to succeed it is only necessary that good men do nothing." And this perhaps is one of the most perplexing problems of our times: to discover why so many of our "good men" do nothing, to discover why they refuse to grasp the grave significance of the threat that confronts us.

We've been told with almost tiresome repetition of the struggle for the minds of men. We've been warned by eminent people in our own society, and perhaps more importantly, we have been warned by those who seek to dominate us. As our Secretary of State, Mr. Rusk, said recently: "Those who would bury us are moving with energy, speed and sophistication. We cannot compete by consulting our comforts, nor by nourishing our illusions."

Why then, when we observe these forces relentlessly at work, when we see storm flags flying everywhere, do so many fool themselves that there is no threat? Why do so many stubbornly refuse to understand the grim realities of the conflict in which we are engaged?

One of the answers may lie in our own national character, in the fact that Americans are naturally optimistic. Our Nation was founded with optimism; and generation after generation, we have been inclined to look at the brighter side of issues. We often tend to indulge in wishful thinking. And when faced with stern realities, Americans often have a nostalgia for "the good old days." We want to return to "normalcy." But a troubled world will be normal for a long, long time. Our problems are not going to disappear in this generation or even in the next.

And there is perhaps another reason that some Americans have become casual about the threat we face. They have become preoccupied with only one phase of this struggle between vigorously competing ideologies. For them the totality of the conflict has become obscured. This is dangerous. For we cannot become so absorbed with any single aspect of this conflict that we underestimate all the others.

Some Americans have done just this. They have become preoccupied with the military aspect, with the strength of our Armed Forces. They are aware of our tremendous military power, and they feel secure. I have no intention of saying military strength is unimportant. We need Armed Forces, and we need good ones. We must continue to maintain strong national military power all across the board. We must possess not only the means but the will to deal with military aggression in any form. In the words of President Kennedy, "We dare not tempt those nations who would make themselves our adversary with weakness. For only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed."

But at the same time we must recognize that the ruthless forces threatening our society today depend primarily on nonmilitary means to achieve their objectives. The real threat covers the whole spectrum of human activity. Our Communist opponent fights in the field of politics, in the fields of economics, psychology, culture, and even athletics. And he fights just as hard as any soldier, sailor or airman.

But the Communists also depend on us to make their jobs easier. They hope that our own indifference, our own apathy, our own preoccupation with material things, will in themselves weaken the ideal and the ideals they seek to destroy The totalitarian prediction for the ultimate destiny of society is based on the assumption that stupidity and selfishness dominate the conduct of freemen. The Communists have based their expectations on the assumption that the values which free people profess are not the values by which they live. Should this assumption be correct for us individually or as a nation, all the thermonuclear power we can produce could not protect our freedom.

That is why today more than ever, freedom and education are inseparable. That is why we must teach our young citizens coming to maturity the values of the American heritage, teach them to respect these values in their daily lives. For in these values lie the real strength of our society.

And what are these values that must be taught to American youth?

The first thing, the most important thing our Nation's youth must learn is the real meaning of the word "freedom." We hear a lot of Fourth of July speeches about freedom. We read about it. But there is good cause to wonder if all those who praise the blessings and enjoy the privileges of freedom, really understand it.

Freedom really describes that magnificent privilege, with its grave responsibility, which permits a man to work out his destiny according to his own mind and according to his own abilities. This is the essence of freedom: the unhindered opportunity for man to choose. And our country's future will depend on the wisdom of those choices. Our moral fiber will depend on whether we choose what is right or what is wrong. Our national strength will depend on how much stamina, how much courage we choose to display. The achievements of our industry will depend on how hard we choose to work. And these achievements will be made by the individuals in the Nation, by the work the individuals choose to perform, by the self-discipline individuals choose to exercise, by the principles individuals choose to support.

That is why it is so important that the youth in America, the new generation, learn to make the correct choices. For the essential questions, the vital questions, which all freemen must answer are: How do we use our freedom? What kind of choices do we make?

Just living in a free society is no great achievement. Nations do not become great, nor do they remain great, just because of freedom. Recently I read about a nation which was described as a pleasant place for business enterprise, a place where young men were taught to get on, where extravagance kept pace with shrewd finance. Its citizens were self-satisfied, placid, self-confident, money-getting, pleasure-loving people, honoring success and hugging their financial security. This description sounded familiar, and it was very disturbing. For that nation was Carthage, just before its fall.

History is filled with accounts of wealth, civilized nations that lost their perspective, sunk in the desire for self-gratification, unable to cope with hardship. And history records that they fell, overwhelmed by other nations less wealthy, less secure, but more willing to accept hardship. The Greeks and Romans, masters of the ancient world, saw empires slip away. They saw their freedom vanish, simply because their citizens made the easy choices, which all too often were the wrong choices. The citizens of Athens and Rome chose no longer to support their states. They chose the pleasures of soft living. They chose to look after their private wealth, their private success, their private interests, while public interests took second place.

Life has become considerably more complicated since the days of Greece and Rome. And it is even more difficult always to make the right choice. But in any age there is one concept, one sure guide that can be relied on in making choices. And that guide is a well-developed sense of responsibility. A deep sense of personal responsibility has remained at the root of progress down

through the years. And continued progress rests squarely upon the idea of individual freedom of choice and action, with that same personal responsibility for one's own decisions.

But responsibility cannot be ordered into being. There are a lot of people who would like to create a sense of responsibility merely by passing a law. This looks like the simple solution, the easy way. But it is not the way people learn to be responsible. Responsibility like everything else must be learned. And responsibility must be learned today by the new generation that is emerging, learned by those who will take charge in the 21st century. Learning to be responsible is a long process. No one just suddenly learns to accept responsibilities. He must be educated in them, trained, slowly and carefully. The process starts in childhood, in the home, and it continues in our churches and in our schools.

That is why we cannot wait until our youngsters have become adults before preparing them to take their full place in society. Children as they grow up must be given responsibilities. They must be faced with making choices. And when they have made their choice, they must be held accountable for that choice. They must learn to accept the consequences for their actions or for their failure to act. They must learn the meaning of reward and of punishment.

Sometimes it is simpler to overlook an irresponsible act. It causes less trouble, less bother. No one's feelings get hurt. But in the long run, sanctions and punishments are far kinder to both the child and society than permissiveness and license. Because if we can't be troubled by responsibilities today, we can be sure we will be troubled tomorrow. We will be troubled by irresponsible citizens, by men and women without a sense of duty or obligation to their families, to their communities, or to their Nation.

Our youth must learn less about how to make money and much more about their responsibilities. We must educate them in the basic values that have made our country great. We must demonstrate by our example the importance of hard work, of competition, the importance of patriotism and integrity. Most of all, we must teach our young people to respect and to stand up for principles. For at the very heart of a man's sense of responsibility are his principles, his beliefs, his convictions. Responsibility rests on a man's convictions because a man's judgment is also based on his convictions.

Our country was built by men with principles. Our fathers and our grandfathers were stanch men, men who held fast to their principles even when the rewards seemed to go to those who compromised their integrity. Our forebears knew that they could compromise on issues, but never with principles. They knew what future generations must learn that a man's strength, a nation's strength, is founded on principles and on a willingness to stand up for them.

Today some people seem to feel that this modern age has removed the need for principles. There are those who believe that situations now control principles, that principles no longer control situations. But fundamental principles never change. A man must have convictions in which he believes deeply and for which he must be willing to stand up and be counted. When a man sacrifices his principles, he loses everything. He loses his self-confidence. He loses his self-respect and the respect of others. He loses his sense of purpose; he becomes weak and vacillating. Ultimately he becomes fearful: he loses his courage.

In the final analysis, national security is based on courage, not on money, nor on material wealth, nor on military power. Military strength can reinforce courage, can help make resolution effective and believable. But there can be no substitute for courage itself. That is why it is so important that our future citizens learn the meaning of principles, learn to accept responsibility for them, learn to safeguard them with courage.

The fundamental qualities of our national life are being tested by the forces of tyranny. We are engaged in a struggle that will last for a long, long time. And we must have the strength, the stamina, and the courage for the long pull. The future won't be easy for us. But when has the future ever been easy?

Was the future easy for our 13 little Colonies when they defied the overwhelming power of the British Empire? Was the future easy for our pioneers when they moved west, toward a hostile frontier with "a little powder, a little salt, and a great deal of determination"?

We've known trouble before. Our way of life was born in struggle and has survived some appalling tests. We've faced up to tyranny before. We've watched dictatorships rise and fall. Since 1776 extraordinary men and women, extraordinary Americans, have overcome extraordinary obstacles. And I am confident future Americans will overcome them again.

Our Nation is fundamentally sound; within our Republic are the sparks of courage and the latent qualities to meet any task, to answer any challenge. Our duty—yours and mine—is to bring out those qualities in ourselves and in others, to provide the example that young America can follow with pride. If we carry out this duty, we can look to the future with confidence. The future will be in good hands.

MOTION PICTURE INDUSTRY AWARDS

Mr. ENGLE. Mr. President, last evening the annual ceremony of presenting awards of achievement for outstanding performance in the motion picture industry was held in Santa Monica, Calif. The program was witnessed by one of the largest television audiences on record, and many more millions of viewers in other lands will see the tape and film during the next few days since no American product is more widely known or more universally followed than the movie.

Known more familiarly as the Oscar award ceremony, it is a means of the American motion picture industry honoring the artists and the craftsmen of the worldwide motion picture industry. A jury of their peers—more than 2,000 members of the Academy of Motion Picture Arts and Sciences—chose the best in each category achieved during 1960.

It demonstrates too, in another way, the uniqueness of this industry which started in a shed in a citrus grove less than half a century ago and is now among the largest and certainly the best known in my State. Dealing as it does in glamour and entertainment, it is nonetheless big business by every measurement.

Few realize that the American motion picture business brought back $225 million in foreign earnings last year. Even fewer realize that this equals more than 40 percent of the total earned abroad by all U.S. manufacturing industries put together. All American service industries—shipping, airlines, and similar service business—earned $330 million abroad in 1960 and $225 million of this sum was earned by American movies. All U.S. manufacturing industries earned abroad last year $549 million and the movies alone earned more than 40 percent of this sum.

I mention this business side of our California industry since it is frequently overlooked by those who regard Hollywood merely as a place where beautiful women and handsome men live in a world of make-believe. There is no make-believe to $330 million of annual earnings abroad for this country.

So, in requesting that a list of the winners in the various categories of endeavor appear following my remarks, I not only compliment these men and women on their talent but I also salute the American motion picture industry for singling out the best achievement and honoring it publicly and beautifully as was done last night.

The award winners are:

Best motion picture: "The Apartment," Mirisch Co.

Best motion picture actor: Burt Lancaster.

Best motion picture actress: Elizabeth Taylor.

Best supporting roles: Shirley Jones in "Elmer Gantry" and Peter Ustinov in "Spartacus."

Best documentary feature: "The Horse With the Flying Tail," made by Walt Disney.

Best short subject: "Giuseppina," Lester A. Schoenfeld Films—British.

Best special effects: "The Time Machine," made by MGM, Gene Warren and Tim Baer.

Best costume design for a black and white picture: Edith Head and Edward Stevenson for "The Facts of Life," United Artists.

Best costume design for a color production: Valles and Bill Thomas for "Spartacus," Universal-International.

Best score for a musical picture: Morris Stoloff and Harry Sukman for "Song Without End," Goetz-Vidor Pictures.

Best score for a drama or comedy: Ernest Gold for "Exodus," Carlyle-Alpina S.A. Production.

Best song first used in an eligible picture: Manos Hadjidakis, "Never on Sunday," Melinafilm Production, Lopert Pictures Corp.—Greek.

Best directing: Billy Wilder for "The Apartment," Mirisch Co.

Best screenplay based on material from another medium: Richard Brooks for "Elmer Gantry," Burt Lancaster-Richard Brooks Production.

Best story and screenplay written directly for the screen: Billy Wilder and I. A. L. Diamond for "The Apartment," Mirisch Co.

Best foreign language film: "The Virgin Spring," A. B. Svensk Filmindustri—Sweden.

Best art direction in black and white: Alexander Trauner in "The Apartment," Mirisch Co. Set decoration by Edward G. Boyle.

Best art direction in color: Alexander Golitzen and Eric Orborm for "Spartacus," Byrna Productions. Set decorations: Russell A. Gausman and Julia Heron.

Best cinematography in black and white: Freddie Francis for "Sons and Lovers," Company of Artists.

Best cinematography in color: Russell Metty for "Spartacus," Byrna Productions.

Special Jean Hersholt Humanitarian Award to Producer Sol Lesser.

Best sound achievement to Gordon E. Sawyer for "The Alamo," Samuel Goldwyn Sound Department.

Special honorary awards to Gary Cooper and comedian Stan Laurel.

Special honorary juvenile award to Hayley Mills.

Best short subjects: Cartoons, "Munro," Rembrandt Films, William L. Snyder, producer. Live action subjects, "Day of the Painter," Little Movies, Kingsley-Union Films, Ezra R. Baker, producer.

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

FAIR LABOR STANDARDS AMENDMENTS OF 1961

The Senate resumed the consideration of the bill (H.R. 3935) 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 commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum; but in that connection I ask that the time required for the quorum call not be charged to the time available to either side under the unanimous-consent agreement.

The VICE PRESIDENT. Is there objection? The Chair hears none. Without objection, it is so ordered; and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 27]

Aiken	Engle	McNamara
Allott	Ervin	Metcalf
Anderson	Fong	Miller
Bartlett	Fulbright	Monroney
Beall	Goldwater	Morse
Bennett	Gore	Morton
Bible	Gruening	Moss
Blakley	Hart	Mundt
Boggs	Hartke	Muskie
Bridges	Hayden	Neuberger
Burdick	Hickenlooper	Pastore
Bush	Hickey	Pell
Butler	Hill	Prouty
Byrd, Va.	Holland	Proxmire
Byrd, W.Va.	Hruska	Randolph
Cannon	Humphrey	Russell
Capehart	Jackson	Saltonstall
Carlson	Javits	Schoeppel
Carroll	Johnston	Scott
Case, N.J.	Jordan	Smathers
Case, S. Dak.	Keating	Smith, Mass.
Chavez	Kefauver	Smith, Maine
Church	Kerr	Sparkman
Clark	Kuchel	Stennis
Cooper	Lausche	Symington
Cotton	Long, Mo.	Talmadge
Curtis	Long, Hawaii	Thurmond
Dirksen	Long, La.	Williams, N.J.
Dodd	Magnuson	Williams, Del.
Douglas	Mansfield	Yarborough
Dworshak	McCarthy	Young, N. Dak.
Eastland	McClellan	Young, Ohio
Ellender	McGee	

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. ROBERTSON] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Wisconsin [Mr. WILEY] is absent because of death of his brother.

The PRESIDING OFFICER. (Mrs. NEUBERGER in the chair.) A quorum is present.

Mr. MANSFIELD. Madam President, I yield myself 1 minute. Is the pending business the so-called Dirksen substitute?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN] in the nature of a substitute for the bill. Under the unanimous consent agreement 1 hour is allotted to each side on the amendment.

ORDER OF BUSINESS

Mr. DIRKSEN. Madam President, at this time I should like to ask the majority leader what the schedule generally will be for the remainder of the day.

Mr. MANSFIELD. Madam President, if Senators will indulge me, I should like to announce that due to foreseen circumstances, it is the intention of the leadership to request the Senate to adjourn at approximately 6:30 p.m. this evening. This subject has been discussed with the distinguished minority leader. It is also our intention to convene at 12 o'clock noon tomorrow.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 12 o'clock noon tomorrow.

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

FAIR LABOR STANDARDS AMENDMENTS OF 1961

The Senate resumed the consideration of the bill (H.R. 3935) 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 commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes.

Mr. DIRKSEN. Madam President, under the unanimous-consent agreement an hour is allowed on any substitute or any motion, with the exception of a motion to table, but 4 hours will be allotted on the bill. If any amendments are offered, and it would appear rather difficult to develop those amendments fully within the hour limitation, I shall within reason always be ready to allocate some time on the bill.

The pending business before the Senate at the present time is the substitute for the committee bill. In substance, the substitute is almost identical with the House bill. I might develop a little history of the entire question, because I was in the other body when the House passed the first Wage and Hour Act in 1938.

Mr. MORTON. Madam President, will the Senator yield before he develops his background?

Mr. DIRKSEN. I yield.

Mr. MORTON. As the Senator knows, I have an amendment to his substitute which I wish to offer before the vote comes on the substitute. What would the parliamentary situation then be?

Mr. DIRKSEN. The amendment may be offered to the pending substitute at any time, because I think it is within the rule of degrees. I might consult the Chair and ask for an opinion from the Parliamentarian as to whether my statement is correct.

The PRESIDING OFFICER. An amendment to an amendment in the nature of a substitute takes precedence over the substitute.

Mr. DIRKSEN. Amendments to the substitute?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. I ask the distinguished Senator from Kentucky whether he would care to offer his amendment at this time.

Mr. MORTON. I shall offer it as soon as the Senator from Illinois has finished his general discussion of the substitute with the background that I understand he is now prepared to develop.

Mr. LAUSCHE. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Does the substitute bill contain the identical per-hour wage contained in the House bill?

Mr. DIRKSEN. One dollar and fifteen cents.

Mr. LAUSCHE. Yes. I contemplate offering an amendment to the substitute. I should like at this time to state what I have in mind. My amendment would eliminate the wage provision of $1.15 provided in the Dirksen substitute and substitute therefor the wage provision contained in the committee bill.

Mr. DIRKSEN. Madam President, substantially that amendment may be offered by the distinguished Senator from Kentucky [Mr. MORTON]. If I may be permitted, I shall develop a few thoughts with respect to the pending bill and the substitute.

Mr. HOLLAND. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. Earlier today I understood that the Senator from Illinois would be gracious enough to allow me 30 minutes additional for the presentation of my amendment. I wish to find out at this time whether his plans will still permit that much generosity.

Mr. DIRKSEN. I am sure there will be time available, and I shall be glad to do so.

Mr. HOLLAND. My only reason for asking is that I have had requests for time, and I wish to know what I can apportion among the various Senators who have requested time. I thank the Senator from Illinois.

Mr. DIRKSEN. Madam President, when this subject was before the House and the House passed the first Fair Labor Standards Act of 1938, I believe there were four basic questions. The first one was whether the Federal Government should intrude into this field, and, second, whether it ought to be limited within the terms of the commerce

clause of the Constitution. Specifically, the other questions which arose were the question of wages that ought to be established, with the matter of overtime, and the matter of exemptions.

Frankly, the problems which confront us today are virtually no different than those that confronted us then, when the original act was passed in 1938. I read, for purposes of the RECORD, the commerce clause that was carried in the original act. It states:

"Commerce" means trade, commerce, transportation, transmission, or communication among the several States or from any State to any place outside thereof.

That definition has remained consistently in the law, and up to last year no effort was made to modify it.

The word "enterprise" did not appear in the original bill. It never appeared in any bill amendatory of the act until the Kennedy bill of 1960. It was a point which was rather generously discussed in committee before the bill ever reached the floor. It was a matter which received great emphasis in the House of Representatives. It received additional emphasis in the committee on conference. I speak advisedly, because I was a member of the conference committee. Much importance was attached to the use of the word "enterprise," and such terms as "affecting activities in commerce."

Since 1938 there has been a progressive unfoldment of the bill. We started with 20 cents. That was raised to 40 cents. Then the wage was raised progressively until we got to a dollar. The last change in the Wage-Hour Act was made in 1956, when the minimum wage was established at $1. By that time the coverage in the act had reached 24 million. It was said from time to time that there were still, roughly, 20 million people, mainly retail, domestic, and agricultural employees, who were still uncovered.

In 1960 this matter took on a new burst of interest, when 20 measures were introduced, most of them on the House side, because there is no multiple sponsorship of bills in the House.

We went to conference with the Senate bill and the House bill. I forget exactly how long that conference lasted, but I know it continued day after day for quite some time. The distinguished Senator from West Virginia [Mr. RANDOLPH] nods his head in agreement, that the conference did last for quite a while.

The first point I make is that there could have been a bill in 1960. There could have been an increase in the minimum wage from a dollar to a dollar and fifteen cents. Incidentally, I point out in connection with the minority views, to which I generally subscribe, that I have never taken the position that I am opposed to an increase in the minimum wage. Therefore, out of the conference there could have come a bill, and it would have been at the House figure of $1.15. However, the question of enterprise, the question of activities affecting commerce, and the question of distorting the commerce clause engaged much of the time and much of the discussion in the conference. As a result, the bill failed in conference, and no bill was enacted.

I reemphasize the fact that we could have increased the minimum wage in 1960 if we had not got into the hassle with respect to the extension of the commerce clause and provisions which in the first instance were estimated to bring within the purview of the act another 10,700,000 people. That was the first estimate with respect to the bill then before the Senate committee as to the number of additional people that would be covered.

Mr. CASE of South Dakota. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. Do I understand that the amendment which the Senator from Illinois is offering in the nature of a substitute would preserve the requirement that an enterprise is one which is a multiple retail establishment and which operates in two or more States?

Mr. DIRKSEN. That is correct.

Mr. CASE of South Dakota. The Senator's amendment would preserve the traditional concept of interstate commerce. Is that correct?

Mr. DIRKSEN. It clearly preserves not only our understanding of the interstate commerce clause with reference to the Fair Labor Standards Act, but it also maintains what in fact is in a sense the existing law. If we set up the requirement of five establishments in two or more States, there can be no question that the substitute conforms to the commerce clause.

Mr. RANDOLPH. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. RANDOLPH. I plan to participate in the debate later, when certain Senators will oppose the Holland and Monroney amendments. At this time I shall not call that argument into focus. However, I am sure the distinguished minority leader would not wish to indicate at this point in his remarks that the failure of the Senate and House conferees in 1960 to agree on a bill was based on any single proposal or disagreement.

Mr. DIRKSEN. Oh, no.

Mr. RANDOLPH. It was not based on any one problem which divided us.

Mr. DIRKSEN. There were many factors before the conference committee. I point out that there will be a conference problem, now that the House has passed a bill. It is fair to assume that the Senate will take final action on the pending bill today or tomorrow. So we will get right back to the questions which have beset us heretofore; first, the commerce clause and, second, the coverage of local enterprises, depending on the volume of business expressed in terms of dollars. Then, too, we had the problem of the changed concept. Then I point out that the original act puts the emphasis on the relationship between the employee and the employer, and carries the language "any employee" shall receive the minimum wage at a given amount. The concept now, however, is to bring not merely individuals under the act, but also to bring establishments under the act.

The bill reported by the committee is quite clear on the point that if two people are identified with commerce in an establishment the whole establishment comes within the jurisdiction of the Fair Labor Standards Act.

Now, in 1961, the House bill will do this. First, it includes those who process shade grown tobacco. It redefines board and lodging. It carries a provision with respect to what constitutes enterprise within the Fair Labor Standards Act and within the jurisdiction of the Federal Government. It sets a minimum of five establishments in two or more States. Then of course there are various exclusions of retail services. Then there is a foreign competition study. It starts the new wage at $1.15, and for noncovered persons—those who are not presently covered under the statute—it sets the wage at $1. There is the customary exemption on child labor. Then there are the usual exemptions with respect to restaurants, farm equipment dealers, auto dealers, radio stations, and TV stations in areas with populations of 100,000 or less.

That is the coverage in the bill passed by the House this year. Then comes the substitute which was offered by the distinguished assistant leader of the House, the whip, the Member from the State of Oklahoma, known as the Albert bill. It was generally assumed that that bill was a substitute which had the approval of the administration. I hastily cover the items. For those who were already covered by the Fair Labor Standards Act the new wage increase was to start at $1.15 and obtain for a period of 2 years.

Then, 28 months after the effective date of the bill, the minimum wage was to go to $1.25. The noncovered employees, who are not now under the Fair Labor Standards Act, but who would be brought within its purview by the Albert bill, were to start at $1; and the original idea of escalation, from $1 to 1.05, $1.10, $1.20, and ultimately $1.25, was stricken from the bill. No overtime was provided in the Albert bill for noncovered employees. There was a provision with respect to retailers who had $1 million worth of sales—not profits, but sales—provided that 25 percent of such sales were out of State.

There was an exclusion for all retail establishments having sales under $250,000. Hotels and motels were exempt, and restaurants were exempt unless they were included in a department store or a drugstore, or other establishment, which was already covered. That is a rather interesting device. It shows the confusion and difficulty of administration which can develop in a measure of this kind when we start playing around with exemptions and modifying the original law, when most of these proposals have already been tested.

Motion picture theaters were exempt; likewise hospitals; likewise laundries, notwithstanding the fact that the idea of including laundries was discussed at length in the Senate committee and also in the House committee, but then were finally deleted by a floor amendment

offered by the distinguished Representative from Georgia.

In the case of transit employees, the wage increase applied only to those who worked for bus companies, interurban transit systems, and so forth, provided, in the Albert bill, that the annual revenue was a million dollars or more.

In the case of persons engaged in the canning business—and they were covered by the Cooper amendment last week—we stayed with the original bill, namely, 14 plus 14, or 28 weeks of exemptions. In the Senate bill, it was proposed to reduce those figures to 10 and 10. However, I think that question has now been fairly disposed of, so far as the Senate is concerned.

With respect to the committee bill now before the Senate, first I point out that in many respects it is arbitrary. One could take all the time to discuss the original provisions of the committee bill, but there will not be sufficient time to do so.

A moment ago I pointed out one provision in connection with restaurants. This is the situation: On one side of Main Street is an independent restaurant. Normally, we would try to cover it, provided its gross sales were within the range of the committee bill. Then came the question of the department store which operated a lunch counter or a restaurant. If the department store was covered, its restaurant was covered. The point was made that that would be unfair competition. Therefore, it was necessary to exclude all food establishments to make certain that there would be fairness in competition.

Second, with respect to the committee bill, there is the problem of enterprise. I must say that that is a problem in itself. First, with respect to enterprise, there was a slight modification in the language this year as compared with the language last year. I shall read it, because I can think of no better way to explain and make clear the difficulties involved in bringing almost every business establishment within the purview of the Federal Government than to go back to the committee bill which is now before the Senate. The proposed definition of "enterprise engaged in commerce" is as follows:

"Enterprise engaged in commerce or in the production of goods for commerce" means any of the following in the activities of which employees are so engaged, including employees handling, selling, or otherwise working on goods that have been moved in or produced for commerce by any person.

I point out that under the language "have been moved" goods could have been moved for a period of 10 years before, but they would still come within the purview of the committee bill.

Then the language is particularized, after the general definition of "enterprise":

Any such enterprise which has one or more retail or service establishments—

No exception is made; it includes retailers and service establishments—

if the annual gross volume of sales of such enterprise is not less than $1,000,000, exclusive of excise taxes at the retail level which are separately stated and if such enterprise purchases or receives goods for resale that move or have moved across States lines (not in deliveries from the reselling establishment) which amount in total annual volume to $250,000 or more.

In this day of high prices and inflation, we can readily imagine how many establishments at the retail level would be included under the definition of $1 million in gross sales where $250,000 of the sales comes across State lines.

The second definition under "enterprise" reads:

Any such enterprise which has one or more establishments engaged in laundering, cleaning, or repairing clothings or fabrics if the annual gross volume of sales of such enterprise is not less than $1,000,000, exclusive of excise taxes at the retail level which are separately stated.

It had been hoped that the language would reach industrial laundries, but the language does not so provide. The result was that when I asked the Secretary of Commerce in the committee how many laundries would be affected, he said, "Roughly about 90."

I said, "Suppose one laundry does more than $1 million business annually, and another laundry does $900,000 business annually. One laundry is covered, and one laundry is not. How do you justify that from the competitive standpoint?"

The third group defined under "enterprise" is as follows:

Any such enterprise which is engaged in the business of operating a street, suburban or interurban electric railway, or local trolley or motorbus carrier.

I should like to know what commercial aspect there is which would place under the commerce clause the bus system in my hometown of 25,000 people. It has no identity with any other carrier. It has no interstate commerce attribute of any kind. But if it did a million dollars' worth of business, it would come within the provisions of the act.

The fourth definition of "enterprise" reads:

Any establishment of any such enterprise, except establishments and enterprises referred to in other paragraphs of this subsection, which has employees engaged in commerce or in the production of goods for commerce if the annual gross volume of sales of such enterprise is not less than $1,000,000.

This is the residual clause:

Any establishment or any enterprise which has employees engaged in commerce.

How many are needed? Only two, to satisfy the plural language in that subsection. If one employs two persons, his establishment comes within the definition of "commerce."

I know it is argued that there are other criteria. There must be a million dollars' worth of sales. An enterprise must do a million dollars' worth of business. If that is not hooking the dollar sign upon the commerce clause of the Constitution, then I do not understand the English language. So we have the concept of bringing a million employees and employers within the purview of the act. It is designed to bring certain establishments under the act. The fact that a cutoff is provided does not obviate the fact that the Government extends its Federal jurisdiction over all these establishments, and then says to certain establishments, under this section of the committee bill: "You, however, are out, because you do not do a million dollars' worth of business." But they are under the jurisdiction of the Federal Government, notwithstanding, and that never was within the contemplation of those who first pioneered the Fair Labor Standards Act.

Mr. RANDOLPH. Madam President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. RANDOLPH. The Senator, I feel certain, would not wish to indicate that in prior legislation which has been enacted, not specifically pertaining to the subject matter before us, but in many areas, there have been limitations in the laws and there have been cutoffs to be covered in administration of the acts. Is not that correct?

Mr. DIRKSEN. Oh, there may have been in some laws, for aught I know.

Mr. RANDOLPH. There have been; that is a fact. We must recognize that there are certain criteria or limitations or levels of coverage.

Mr. DIRKSEN. Specifically, to what does the Senator from West Virginia refer?

Mr. RANDOLPH. I refer to agricultural measures and other bills that have become law.

The Walsh-Healy Act, since 1936, and the Davis-Bacon Act, since 1935, have based the application of Federal labor standards to Government contract work on dollar amount cutoffs.

The Fair Labor Standards Act itself contains cutoffs.

The telegraph agency provision in section 13(a)(13) applies the act to agencies having gross revenues of more than $500 a month and excludes those with gross revenues of less than $500.

The provision in section 13(a)(8) uses a circulation cutoff of 4,000 as a test to determine whether a newspaper does or does not come under the act.

Telephone switchboard operators are protected or not protected by the act depending on whether the exchange they serve has more or less than 750 stations.

Less than 2 years ago the Congress, in section 701 of the Labor-Management Reporting and Disclosure Act of 1959, put its stamp of approval on the jurisdictional dollar volume cutoffs of the National Labor Relations Board.

Mr. DIRKSEN. I have to be guided by the subject matter before the Senate and the language with which the Senate has to deal. When the bill defines "enterprise engaged in commerce" in that fashion, by means of the general clause, it would extend Federal jurisdiction; and then the Federal Government would say, "But you are out, at least for the time being, because your business does not amount to $1 million a year." But we must remember what Mr. Biemiller, the legislative representative of the American Federation of Labor, said when he was before the committee. I said to him:

Mr. Biemiller, when you were before the House committee and were discussing laun-

dries, you were not satisfied with a $1 million limitation; you wanted it to be reduced to $250,000.

He replied:

That is correct.

At any time Congress can simply wipe out the dollar limitations in this measure, and then all these businesses will be placed under the jurisdiction of the Federal Government. But that was not contemplated even by President Roosevelt or Mr. Justice Black, who then was a Member of the Senate, and carried the bill through the Senate.

Mr. RANDOLPH. Madam President, will the Senator from Illinois yield further?

Mr. DIRKSEN. I yield.

Mr. RANDOLPH. I appreciate the opportunity to comment further in regard to the $1 million business limitation. The Senator from Illinois will recall that I offered that amendment in the 86th Congress when the measure was being considered last year in our Labor and Public Welfare Committee; it was the amendment which increased the limitation from $500,000 to $1 million. It has been retained in the present committee bill. I think it is proper and understandable that one Congress may look at a subject differently from the way in which it is considered by another Congress. In that regard, I agree with the Senator from Illinois. We cannot allow the status quo to stop legislative action based on realism.

But I also believe that with the $1 million limitation, rather than the $500,000 limitation originally proposed, we have reached at least a certain reasonable concept. Madam President, we have attempted to cushion the hardship cases and the problems inherent in small business. Such an approach was our purpose in the committee. Republican Members and Democratic Members recognize this fact.

Mr. DIRKSEN. Madam President, the only difficulty is that my recollection, like Banquo's ghost, rises up to indicate that over 28 years since I have been around the legislative branch of the Government, I have seen these plasters added to bill after bill and the jurisdiction of the Federal Government extended.

Here we have a classic example. It was not within the contemplation of anyone in 1938, and I heard no such averments on the floor of the House of Representatives, that the Government would reach out and would regulate local enterprises. In fact, Mr. Justice Black, then Senator Black, stated specifically on the floor of the Senate and in the committee that it was not within his contemplation that that should be done, because the Federal Government could not effectively administer and monitor those local businesses. So they kept them to one side.

But here is just another advance in this entire field; and the next one will come, if Mr. Biemiller has his way, by reducing the second dollar-amount criterion. Who can say when a subsequent Congress will wipe out every bit of it; and then the entire list of criteria will vanish into thin air, and Uncle Sam will intrude his jurisdiction upon all these business enterprises.

The PRESIDING OFFICER. The time available to the Senator from Illinois has expired.

Mr. DIRKSEN. Madam President, I yield myself 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 10 minutes on the bill.

Mr. RANDOLPH. Madam President, will the Senator from Illinois yield further?

Mr. DIRKSEN. I yield.

Mr. RANDOLPH. The Senator from Illinois has presented argument with his characteristic eloquence, and it is compelling. But I remind him that certainly legislation is not a static force. Neither is the Nation static. Neither are its people static. We have not only the desire but, ofttimes, also the compulsion to improve legislation, rather than destroy it; and such improvement can come about, to a degree, by compromise. Such challenges are not always black or white; sometimes we cannot say there are only two sides. Often there are as many sides to these problems as there are parties at issue. That is why there has to be not only mobility, as we recognize it within our business structure, but also a desire to recognize, here in the Senate, that sometimes the very fact of change is the most difficult fact to recognize.

Mr. DIRKSEN. Madam President, never was my friend, the Senator from West Virginia, so correct and so eloquent on that point in all his life as when he said it is not static; and that is just as sure as it is sure that there is a sun in heaven. I had hoped that there might be something a little more static about the commerce clause of the Constitution. But here we have an example of the dynamic, as distinguished from the static—moving ever forward. And there will be other steps forward, until finally the States will become mere geographical subdivisions shown on the maps distributed by the oil companies, which tourists obtain at the gasoline service stations, for their convenience—and nothing more.

Mr. HUMPHREY. Madam President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. I wonder whether the Senator from Illinois made the same moving argument in regard to expansion of the commerce clause of the Constitution when he voted for the Landrum-Griffin amendments, here in the Senate.

Mr. DIRKSEN. Exactly so.

Mr. HUMPHREY. Did the Senator from Illinois then make the same argument?

Mr. DIRKSEN. Yes.

Mr. HUMPHREY. And yet the Senator from Illinois voted for that bill.

Mr. DIRKSEN. Yes; but the Senator forgets that the bill we voted for, here in the Senate, was voted on after I served on the chairman of the subcommittee notice that I would exercise my right to have the Senate act on the bill by a fair motion. That is what happened. That is why we got the Landrum-Griffin bill, as a matter of fact. But the modifications made in that bill are known to those who sat in the conference for 11 long days, over in the old Supreme Court chambers; and I was one of them.

Mr. HUMPHREY. Madam President, will the Senator from Illinois yield further to me?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. The Senator from Illinois has again given us a very articulate and generalized statement about his action in regard to the Landrum-Griffin bill. His presentation was dramatic, but it was not precise. I am asking whether he offered an amendment to restrict the application of that bill, so that it would not affect a small union which might have had little or nothing to do with interstate commerce. Did the Senator from Illinois submit such an amendment?

Mr. DIRKSEN. Oh, Madam President, they were brought into the stream of commerce a long time ago.

Mr. HUMPHREY. But the Senator did not have the same emotional urge to do something to protect the restricted application of the commerce clause in that case, a year ago. However, now he has a strong feeling that we must protect the limited interpretation of the commerce clause—which limited interpretation, by the way, does not exist in fact, for there is no doubt that law after law is based upon a very broad interpretation of the commerce clause.

Mr. DIRKSEN. The Senator from Minnesota should have been here when we discussed the question of covering small businesses, such as the blueprint manufacturer in Utah. Then he would have discovered where I stood with respect to the question of commerce. I held up my hand eight times in the other body and twice in the Senate in taking an oath to uphold and defend the Constitution and the laws of the United States; and I have to defend them on the basis of how I interpret the commerce clause of the Constitution. And that I mean to do so long as I am a Member of this body or so long as I have any place in this Government or any other government.

Now, Madam President, I get along to the rest of it. I would like to know how construction comes under the commerce clause. Is it because a contractor in Illinois buys machinery from Connecticut, but does all his contracting in my hometown? Does that put him in interstate commerce? The bill provides that, if he does $350,000 worth of business and if he comes within the enterprise definition, he obviously comes within the purview of the bill. What does it say? The language is clear as crystal with respect to contractors, because they are one of the five groups that are covered. All a contractor has to do is have two persons who may handle something that has been shipped in interstate commerce, and he may get every dollar he makes out of my hometown, but the bill puts him under the definition. I can see no commerce about that. The same is true of gas stations.

But I am not unmindful of the fact that others may differ as to my concept of the Constitution and the commerce

clause. To me it is clear as crystal that we are extending the Federal domain to such dimensions that we go far beyond the intention. Our only hope is a court interpretation. But I am not content to depend only on the court. I have a responsibility of my own, and I expect to fulfill it as best I know how. That is the reason for the substitute proposal. It is the House bill. If the Senate agreed to it, we would have a bill.

I said earlier we could have had a bill last year, but we could not get an agreement in conference. If we got an agreement on the substitute, we would move to a bill that raises the minimum wage from $1 to $1.15. With that, the bill will have to go to conference. Before it gets to conference, the Senate will have to select its conferees. So will the House. It will have to be sent back for appointment of conferees. If there is a single objection on the floor of the House, under the House rules the matter will have to go to the Rules Committee in order to get a rule to send it to conference. Then the conferees will be appointed. Then we shall be back where we were when we deliberated for 11 days in the old Supreme Court room.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. I yield myself 3 additional minutes.

What will happen? Will the same thing happen as happened last year? I would rather have a bill. I would rather be honest about it. I would rather not distort the commerce clause of the Constitution. There is precisely where we stand.

In my considered judgment, this is the best opportunity to get a bill. I say it out of what I deem to be a wealth of experience. I am not insensible of the fact that there was a narrow vote in the other body. That does not prevent the House from instructing the conferees to stand by the House bill. If the Senate conferees stand by the bill as approved by the committee, we may have the same difficulty all over again.

That is the reason why I am submitting this substitute. It has passed the House. It offers an excellent opportunity to get a bill, as distinguished from the fruitless and abortive action that took place last year. Here is a chance to get some bread when we are not seeking quite a whole loaf. On that point I am willing to relinquish the discussion and submit the substitution for the consideration of the Senate.

Mr. LAUSCHE. Madam President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. The substitute amendment and the House bill both exempt hotels, motels, restaurants, and motion picture theaters. The substitute bill does so on the basis that they are engaged in the rendition of service, as distinguished from the sale of goods. The reason for exempting these business establishments in the bill as reported from the committee are not set forth. Last year my recollection is that hotels, motels, automobile agencies, restaurants, and farm implement dealers were exempted as a last minute measure to defeat the Monroney amendment.

May I ask on what theory, if there is to be a coverage of workers, it is justifiable to exempt employees of hotels, motels, restaurants, motion picture theaters, and so forth, merely because they are engaged in the rendition of service, as contemplated by the substitute bill?

Mr. DIRKSEN. I cannot say that there is any particular line of logic by which many of these exemptions were made. Take, for instance, newsboys, who were exempted under the original act, and a great many other businesses. The question of administration, the question of difficulty of application, the question of how many might be covered or not covered, because there might be only a handful, and various other reasons were assigned when the exemptions were considered in committee. I cannot say to the distinguished Senator from Ohio that the reasoning followed any particular line or pattern, except as witnesses made their case in their testimony before the committee and it became apparent we were going to run into difficulty, the question was, Should they be exempt? Then, all through the consideration of the measure, ran the question, Well, why not exempt them if it is in the interest of securing enactment of the bill? That is sometimes a highly additional reason for taking some of the employees from under coverage of the bill.

The PRESIDING OFFICER. The time of the Senator from Illinois has again expired.

Mr. LAUSCHE. Will the Senator yield further?

Mr. DIRKSEN. I yield myself 1 additional minute, and I yield to the Senator from Ohio.

Mr. LAUSCHE. Obviously there has come about a change in thinking in 1961 from that which prevailed in 1960. The proponents of the bill as reported from committee in 1960 said, "We recommend that hotels, motels, restaurants, farm implement dealers, and automobile agencies, be included." Then, the Senator from Illinois will probably recall, what happened when the Monroney proposal came up on the floor was that it was decided to liberate the hotels, motels, and the others I have identified. It meant to me that at that time that the strong were freed and the weak were harnessed.

Mr. DIRKSEN. On that particular point, let me just summarize how the entire matter came about. The original Senate bill exempted hotels and motels. The Albert bill, which was the substitute administration bill in the House, did the same. The proposal I offered here did the same. The bill we considered in committee covered the nontipped employees in hotel enterprises with $1 million in annual sales. I cannot tell the Senator why, because I could not follow some of the perplexing logic advanced. Then the Senate bill passed last year exempted hotels and motels. Senate bill 1457, introduced last year, also exempted hotels and motels. So the Senator can take his choice out of the various approaches.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORTON. Madam President, I call up my amendments to the substitute of the Senator from Illinois, identified as "4–14–61—A."

The PRESIDING OFFICER. Is there objection to the amendments of the Senator from Kentucky to the Dirksen substitute being offered at this time? Without objection, it is so ordered. The clerk will state the amendments.

The LEGISLATIVE CLERK. On page 5, lines 14 and 15, it is proposed to strike out paragraph (1) and insert in lieu thereof the following:

(1) not less than $1.15 an hour during the first two years from the effective date of the Fair Labor Standards Amendments of 1961, and not less than $1.25 an hour thereafter, except as otherwise provided in this section.

On page 6, it is proposed to strike out all of lines 18 and 19, and insert in lieu thereof the following:

Amendments of 1961, wages at rates not less than $1.05 an hour during the first two years from the effective date of such amendments; not less than $1.15 an hour during the third year from such date; not less than the rate effective under paragraph (1) of subsection (a) thereafter.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. MORTON. Madam President, the amendments are very simple, and apply to the Dirksen substitute. All the proposal would do is to take the wage rates out of controversy. The proposal would adopt the wage rates of the committee bill, of the McNamara bill, with one minor exception with regard to the newly covered workers, who would be given a rate of $1.05 an hour rather than $1 an hour.

I did this because the rate of $1.05 is already in the Dirksen substitute, and I saw no reason to change it.

What I seek to do is to narrow the issue. The wage rate, which will reach $1.25 would be the same, if my amendment is agreed to in respect to the Dirksen substitute, as is provided in the committee bill.

I have no quarrel with the wage rate sought by the administration. I do have some questions as to the matter of coverage. I think most of the controversy, as the Senate considers the proposed legislation, will be in regard to the areas of coverage.

I hope my amendment will be agreed to. It is simple. It speaks for itself. I shall be glad to answer any questions any Senators may have.

If I may have the attention of the Senator from Illinois [Mr. DIRKSEN], I wonder if the Senator will accept my amendment, or modify his amendment to incorporate the features of my amendment?

Mr. LAUSCHE. Madam President——

Mr. DIRKSEN. Madam President——

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. LAUSCHE. Madam President, will the Senator yield to me before the Senator from Illinois answered the question?

Mr. MORTON. I yield to the Senator from Ohio.

Mr. LAUSCHE. A few moments ago I showed to the Senator from Kentucky an amendment which I have prepared, in substance on the same subject. I contemplate eliminating the wage provisions of the Dirksen proposal and substituting therefor the wage provisions of the committee bill.

How does the proposal of the Senator from Kentucky differ from my amendment?

Mr. MORTON. I hastily read the amendment of the Senator from Ohio, and I did not find in it any section which dealt with newly covered employees.

Mr. LAUSCHE. The Senator is correct. My amendment would not deal separately with newly covered employees. My amendment would provide that the pay shall be:

> Not less than $1.15 an hour during the first two years from the effective date of the Fair Labor Standards Amendments of 1961, and not less than $1.25 an hour thereafter, except as otherwise provided in this section.

Am I correct in my understanding that the amendment of the Senator from Kentucky would apply a different schedule to newly covered employees?

Mr. MORTON. Yes, the Senator is correct. My application to newly covered employees follows the committee procedure, except that I would start with $1.05, as does the Dirksen substitute, instead of $1 for the first 2 years. It would be not less than $1.15 for the third year, and not less than the rate effective under the bill, which would be $1.25, for the fourth year and thereafter.

In other words, under my proposal, as under the proposal which came from the committee, the rate for newly covered employees would go up more gradually and would start at a lower figure, but at the end of 4 years all workers would have $1.25 an hour. Those presently covered would have the rate of $1.25 under my amendment, as they would under the Senator's proposal, after 2 years.

Mr. LAUSCHE. Am I correct in my understanding that the Senator from Kentucky has offered the amendment while subscribing generally to the proposition that we ought not, by legislative fiat, say that when goods have come to rest the goods are classed as in interstate commerce, when historically after the goods have been moved across State lines and have come to rest they have become a matter of domestic and local concern and not under congressional jurisdiction?

Mr. MORTON. The amendment of the junior Senator from Kentucky does not go into that question at all. The amendment deals only with the wage rates for those workers who would come under whatever legislation we shall ultimately pass. I do not get into that question.

I agree with the Senator's position on the question, but my amendment does not go to that point. The amendment deals specifically with rates.

I would welcome the cosponsorship of the Senator from Ohio, if he should feel so inclined.

Mr. LAUSCHE. I should like to look over the amendment before deciding.

Mr. MORTON. It is on the Senator's desk. It is marked "4–14–61—A."

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. MORTON. I am happy to yield.

Mr. HUMPHREY. In order to clarify the parliamentary situation, what the Senator from Kentucky is suggesting is a modification of the amendment in the nature of a substitute offered by the Senator from Illinois, insofar as the wage provisions are concerned. The modification would be that the committee bill provisions on wages be placed in the Dirksen amendment in the nature of a substitute, leaving the Dirksen amendment in the nature of a substitute with limited coverage provisions as the major point of contest between the supporters of the administration bill and of the Dirksen amendment in the nature of a substitute, as modified.

Mr. MORTON. The Senator from Minnesota has stated it well and accurately. There is one minor exception, which I pointed out, that the newly covered workers under the terms of my amendment, as well as under the terms of the Dirksen substitute, would start at $1.05 instead of $1 as proposed by the committee in the so-called McNamara bill.

Mr. HUMPHREY. There would be an increase for the newly covered workers of 5 cents an hour.

Mr. MORTON. That would be the only difference. It is very minor.

Mr. HUMPHREY. The issue is quite clear, Madam President. The Dirksen amendment in the nature of a substitute, if modified by the amendment of the Senator from Kentucky, would include provisions with respect to wage rates identical to those in the committee bill, with the exception of the rate for the newly covered workers, which would be $1.05 an hour. The provisions of the Dirksen amendment in the nature of a substitute relating to coverage would be sharply different from the provisions in the committee bill. On the issue of coverage, essentially, the vote would be taken.

Mr. MORTON. The Senator is correct.

Mr. HUMPHREY. I think the Senator from Kentucky has made the issue quite obvious for us. I am confident that someone from the committee will wish to make some comment in due time relating to the amendment.

Mr. McNAMARA rose.

Mr. MORTON. Does the Senator from Michigan desire to have me yield to him? If not, I reserve the balance of my time.

Mr. McNAMARA. Madam President, I yield myself 5 minutes.

At the outset I wish to say I am not speaking in opposition to and am not taking any position on the amendment of the Senator from Kentucky, because I understand the Senator is waiting to get an answer to his question as to whether the Senator from Illinois will accept his amendment. I shall speak with reference to the Dirksen amendment.

Madam President, the purpose of the legislation as proposed by the committee, which has the support of the administration, is to do a very simple thing—to raise the salaries of the lowest paid workers in the United States.

We become involved in a lot of technical questions, and we sometimes resort to pettifoggery to confuse the issue, but the issue is very simply stated. This is an attempt to raise the salaries of workers so that their living standard may be closer to the minimum American standard of living which is accepted in this country generally. That is the sole purpose of the proposed legislation.

The Dirksen substitute, Madam President, would establish a $1.05 an hour wage rate for the newly covered workers. Those workers would stay at that wage rate, while other workers who are presently covered would have their wage rate go up to $1.15 an hour.

Thus, under the Dirksen substitute, we would have two separate rates permanently, in effect making second-class citizens of one group of people. One group would be those receiving $1.05, for all practical purposes, under the bill; the other $1.15. The committee bill would eventually bring all workers covered under the act up to the $1.25 minimum.

There is nothing new about a program of escalation. The original Fair Labor Standards Act had an escalation rate in it under which wages rose from 25 cents an hour to 40 cents an hour.

A number of the State laws calling for minimum wages have contained similar step-up provisions.

NO OVERTIME FOR NEWLY COVERED WORKERS

The Dirksen substitute would withhold overtime protection from those workers to whom it seeks to give new coverage.

By that provision one of the essential purposes of the Fair Labor Standards Act would be destroyed.

Retail workers are among those most in need of overtime protection.

Long hours are common in that industry.

The committee bill recognizes the need for an adjustment period in the retail field to enable employers to establish overtime provisions in their employment agreements. The committee bill allows employers 52 months to reach the 40-hour maximum workweek which has become the standard of employment.

I want to emphasize that those industrial groups which have particular problems because of particular working patterns have been exempted from overtime requirements under the committee bill. The provisions for overtime would not apply to seamen; employees processing seafood; employees of transit systems; employees of retail establishments engaged in selling automobiles, trucks, or farm implements; employees of gasoline service stations; and certain employees of establishments engaged in the bulk distribution of petroleum products.

NUMBER OF NEWLY COVERED WORKERS

Not the least of the defects in the Dirksen substitute is the fact that only 1.4 million workers would be given new coverage.

This compares to the committee bill's coverage of 4.1 million additional workers.

RETAIL FIRMS WHICH WOULD BE EXCLUDED

Finally, the Dirksen substitute would create economic inequities in the retail field. I would like to read just a few examples of companies which would be excluded under the Dirksen substitute.

One chain in California has 15 stores which sell apparel, accessories, and home furnishings, and another 5 stores engages in selling appliances. The company which operates these stores has nearly 7,000 employees, and its sales total about $160 million annually.

A department store chain in Pennsylvania operates four department stores which have nearly 3,000 employees, and sales of over $60 million.

A drugstore chain in Indiana has 49 stores, 1,500 employees, and sales of $13 million. Another drugstore chain operates 22 stores in Texas, and has 500 employees and annual sales of over $6 million.

A grocery chain operates 185 stores in the State of New York, has over 4,000 employees, and has sales of over $150 million annually.

An Arizona company operates 29 supermarkets, has over 1,200 employees, and has sales of $40 million annually.

On the other hand, thousands of little chain units would be covered. I refer all interested Senators to the list of such units which I inserted in the RECORD yesterday.

Mr. LAUSCHE. Madam President, will the Senator yield for a question directed to the Senator from Michigan?

Mr. MORTON. I am happy to yield.

Mr. LAUSCHE. Why cannot States such as California, New York, Pennsylvania, Texas, and others mentioned by the Senator from Michigan pass laws which would do for workers in those States with respect to wage and hour problems arising within them what it has been suggested the Congress ought to do for employees engaged in legitimate interstate commerce?

Mr. McNAMARA. My only answer is that the question suggests that we do nothing and that we ought to leave the problem to the States. The reason we need Federal legislation in this field is that, under existing circumstances, in States where nothing is being done, people are working for less than a reasonable salary, even though they work full time. The workers are still dependent on the Government or charity for handouts. I believe that when people work 40 hours a week they ought to receive a minimum of $40 a week, which is the wage proposed for the uncovered workers.

Mr. CARLSON. Madam President, will the Senator yield?

Mr. MORTON. I yield.

Mr. CARLSON. I do not care to make inquiry regarding the pending amendment. The distinguished Senator from Michigan has devoted many months to the proposed legislation. I wonder if any thought has been given to what would be the general effect of the proposed legislation on wages in this Nation as a whole, assuming that the minimum wage is increased to $1.25. Would not the proposed increase result in the person who is presently receiving $1.25 asking for $1.40, and the person who is receiving $1.40 requesting $1.75? Then would not such an increase bring about a general increase in wages at a time when we are already suffering from severe competition with foreign countries? Has some study been given to that possibility?

Mr. McNAMARA. The question has been discussed every time proposed legislation in this field has been before us, including this year in committee. Certainly attention has been given to that possibility. There is no provision in the bill that would increase wages beyond $1.25 an hour after an extended period of time?

Mr. CARLSON. Madam President, will the Senator further yield?

Mr. MORTON. I yield.

Mr. CARLSON. Is it not reasonable to assume that should the proposed legislation be enacted, those who are presently receiving $1.25 will naturally insist, or at least request, increases in wages, and would there not at least be the possibility of a general wage rise in the Nation at a time when we are having the competitive problem about which I spoke?

Mr. McNAMARA. I expect the processes of collective bargaining to continue. I want them to continue. I believe the general feeling is that management and labor should continue to negotiate, and the guess of the Senator from Kansas is as good as my own as to what negotiators will do at the bargaining table.

Mr. LAUSCHE. Madam President, will the Senator yield?

Mr. MORTON. I yield to the Senator from Ohio.

Mr. LAUSCHE. I ask unanimous consent that I may be permitted to join the Senator from Kentucky as a sponsor of the amendment which he has offered.

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

Mr. MORTON. I thank the Senator from Ohio for his support. I have no requests for time on our side. I ask the author of the substitute as to his pleasure with respect to having the question put on the amendment by revising the substitute to conform with the amendment.

Mr. DIRKSEN. Madam President, my concern with the entire bill has been on the questions of coverage and the commerce clause.

While I think of the impact of a wage increase on the country at a time like this, yet I would have no objection to modifying my own substitute to include the wage provisions of the Morton amendment.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. RUSSELL. Madam President, may we know what the amendment is upon which agreement is requested?

Mr. DIRKSEN. The amendment would be effective only as to the wage provision, and would provide that the wage be $1.15 for the first 2 years and $1.25 thereafter. The amendment would have no impact on the coverage.

Mr. HUMPHREY. Madam President, I ask for the yeas and nays on the Dirksen substitute.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the amendment in the nature of a substitute, as modified, as offered by the Senator from Illinois.

Mr. HUMPHREY. Madam President, has the Senator from Illinois exhausted all his time?

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. HUMPHREY. I yield back the remaining time in opposition.

The PRESIDING OFFICER. All time for debate has expired.

Mr. HUMPHREY. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. HUMPHREY. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Am I correct in understanding that the question before the Senate is the amendment offered by the Senator from Illinois [Mr. DIRKSEN], in the nature of a substitute, as modified by the amendment offered by the Senator from Kentucky [Mr. MORTON]?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. Am I correct in understanding that the modification relates to the wage provisions only, and does not alter the coverage provisions?

The PRESIDING OFFICER. The Chair has no authority to interpret the amendment.

Mr. HUMPHREY. I may say that I believe that that is a proper interpretation.

The PRESIDING OFFICER. The yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Washington [Mr. MAGNUSON] is absent on official business.

I also announce that the Senator from Virginia [Mr. ROBERTSON] is absent because of illness.

On this vote, the Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Virginia [Mr. ROBERTSON].

If present and voting, the Senator from Washington would vote "nay" and the Senator from Virginia would vote "yea."

Mr. KUCHEL. I announce that the Senator from Wisconsin [Mr. WILEY] is absent because of the death of his brother.

The result was announced—yeas 34, nays 63, as follows:

[No. 28]

YEAS—34

Allott	Curtis	Miller
Beall	Dirksen	Morton
Bennett	Dworshak	Mundt
Blakley	Eastland	Saltonstall
Boggs	Ellender	Schoeppel
Bridges	Fulbright	Scott
Butler	Goldwater	Talmadge
Byrd, Va.	Hickenlooper	Thurmond
Capehart	Holland	Williams, Del.
Carlson	Hruska	Young, N. Dak.
Case, S. Dak.	Lausche	
Cotton	McClellan	

NAYS—63

Aiken	Hart	Metcalf
Anderson	Hartke	Monroney
Bartlett	Hayden	Morse
Bible	Hickey	Moss
Burdick	Hill	Muskie
Bush	Humphrey	Neuberger
Byrd, W. Va.	Jackson	Pastore
Cannon	Javits	Pell
Carroll	Johnston	Prouty
Case, N.J.	Jordan	Proxmire
Chavez	Keating	Randolph
Church	Kefauver	Russell
Clark	Kerr	Smathers
Cooper	Kuchel	Smith, Mass.
Dodd	Long, Mo.	Smith, Maine
Douglas	Long, Hawaii	Sparkman
Engle	Long, La.	Stennis
Ervin	Mansfield	Symington
Fong	McCarthy	Williams, N.J.
Gore	McGee	Yarborough
Gruening	McNamara	Young, Ohio

NOT VOTING—3

Magnuson	Robertson	Wiley

So Mr. DIRKSEN's amendment in the nature of a substitute, as modified, was rejected.

Mr. MANSFIELD. Madam President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. HUMPHREY. I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. RUSSELL. Madam President, I offer the amendment in the nature of a substitute which I submitted last week and had printed.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the language of the committee amendment, it is proposed to insert the following:

That this Act may be cited as the "Fair Labor Standards Amendments of 1961".

SEC. 2. Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended, is amended to read as follows:

"(1) not less than $1.15 an hour during the first two years from the effective date of the Fair Labor Standards Amendments of 1961, and not less than $1.25 an hour thereafter, except as otherwise provided in this section;".

SEC. 3. The Secretary of Labor shall study the complicated system of exemptions now available for the handling and processing of agricultural products under such Act and particularly sections 7(c), 13(a)(10), and 7(b)(3), and shall submit to the second session of the Eighty-seventh Congress at the time of his report under section 4(d) of such Act a special report containing the results of such study and information, data, and recommendations for further legislation designed to simplify and remove the inequities in the application of such exemptions.

SEC. 4. This Act shall take effect upon the expiration of one hundred and twenty days after the date of its enactment.

VISIT BY THE PRIME MINISTER, THE MINISTER OF FOREIGN AFFAIRS, AND THE AMBASSADOR OF GREECE

Mr. MANSFIELD. Madam President, will the Senator from Georgia yield?

Mr. RUSSELL. I am glad to yield.

Mr. MANSFIELD. The Senate is extremely fortunate in having in the Senate Chamber at the present time three most distinguished guests from a country which has been most friendly and most contributory to the ideals of democracy.

The first guest to whom I wish to call the attention of the Senate is His Excellency Constantine Caramanlis, the Prime Minister of Greece. [Applause, Senators rising.]

Mr. MANSFIELD. Also His Excellency Evanghelos Averoff-Tossizza, the Minister of Foreign Affairs. [Applause, Senators rising.]

Mr. MANSFIELD. And His Excellency Alexis S. Liatis, the Ambassador of Greece to the United States of America. [Applause, Senators rising.]

Mr. MANSFIELD. Mr. President (Mr. METCALF in the chair), after a consultation with the distinguished minority leader, and as a mark of respect for our distinguished visitors, I ask unanimous consent that the Senate now stand in recess for 10 minutes, so that the Members of the Senate may greet our distinguished visitors.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECESS

At 1 o'clock and 8 minutes p.m., the Senate took a recess until 1 o'clock and 18 minutes p.m., when it was called to order by the Presiding Officer (Mr. METCALF in the chair).

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I yield myself 1 minute on the bill.

I ask unanimous consent that the Committee on Government Operations may meet during the session of the Senate today.

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

FAIR LABOR STANDARDS AMENDMENTS OF 1961

The Senate resumed the consideration of the bill (H.R. 3935) 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 commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. RUSSELL. Mr. President, the substitute that I have offered has many virtues, at least one of which cannot be challenged. Every Senator who votes upon the substitute can understand the issues involved, for it is a very simple substitute.

The amendment in the nature of a substitute would increase the minimum wage for all of those who are presently covered by existing law to $1.25 an hour in the two steps suggested by the administration, but would leave for future determination an issue which to me is perplexing and confusing, and that is the attempt to apply dollar standards to constitutional rights.

We are told that fortunate clerks in stores doing a gross business of $1 million a year and having $250,000 of business across States lines in, I assume, the purchase of materials and the commodities for resale, are entitled to constitutional relief at the hands of Congress, and that we have the right and the power to increase their wages. On the other hand, Congress is powerless to help those who work in stores that do only $900,000 gross business a year, even though such store does $600,000 of business across State lines.

What provision of our Constitution justifies such fantasy?

That simple comparison dispels forever the argument made time and again in this Chamber that the measure is an effort to help the poorest people in the country and those who are most in need of help.

I am familiar with conditions in my own State. I have not seen statistics for the Nation. I know as a practical matter that in my own State those who receive the highest wages for work in retail stores, filling stations, and laundries, are the ones who work for the larger laundries, stores, and filling stations. Those who undoubtedly have the lowest wage scale are those who work for laundries doing a business of less than $100,000 or a store that is doing a $200,000 a year business or a filling station that likewise has a small amount of business.

In my humble opinion the interstate commerce clause of the Constitution of the United States has already been severely tortured and stretched under the present rulings and regulations of the Department of Labor. Congress should give the most careful scrutiny to any proposal which undertakes to provide that the constitutional rights of the individual American citizen shall be measured altogether by a dollar standard. Any

proposal that the Constitution should be applied merely in terms of the amount of dollar business that may be done by a concern is revolting to me. The picture is not black and white. If the right of Congress under the Constitution to legislate, covers one person who works anywhere in this land, it covers all persons engaged in similar work.

Some few of us who still remain in the Senate are more and more concerned during the passing days with the movement, driven by pressure groups that exercise a power and authority much greater than they actually deserve, to centralize all of the Government of the United States on the banks of the Potomac River in Washington.

We lament the passing of our great Federal system of dual government with sovereign States having powers guaranteed to them by the Constitution that we have all sworn to uphold and defend, and a Federal Government of limited powers that are specifically and explicitly spelled out in that document.

How can we ever preserve any rights to the States of this Nation if we do not leave to them the regulation and control of a retail grocery store? What is left to a proud State, other than a geographical designation, if the States does not have the right to regulate a laundry that cleans the clothes of the housewives of a small community?

We are gradually but relentlessly crushing and destroying the States save as names on a map. Today the drive continues. We do so under the whip of great pressure groups in this country. Why do they do so? I suggest that it is much simpler for them to come to the Congress of the United States and control one body of men, who are as susceptible as any to political pressures, than it is to elect or control a majority of fifty legislative bodies in the sovereign States. They do so because of the fact that their power is concentrated in the great cities of this land and they exercise a great influence upon the Federal Congress. They do so by control of the communication media of this land, and strong men in this body flinch and quail when the great press and television media of this Nation launch an attack on them and criticize them for their actions.

We are more susceptible here to the pressures of organized groups, whether they be veterans, labor organizations, or other groups, than are the several representative bodies that are supposed under our system to control the internal government within the States.

Sometimes I not only feel a sense of frustration, but also I feel that I can almost see the doom of the Federal system. Congress, under the whip of these pressure groups, step by step continues to reach out and to seize control for the Central Government over the lives of our people in every little activity, every facet, every phase of their lives. We propose to increase that power in the bill.

Make no mistake. If the committee bill is passed this year, there will be another bill before the Senate next year that will be all encompassing, and will apply to everything from farm to factory and from ship to store throughout the United States.

When we make the Congress of the United States subject to the pressures of all of those who are covered by these bills, as we are today subject to the pressures of all of those who are covered by social security and those who receive benefits through the Veterans' Administration, we shall have in my opinion not only destroyed our dual form of government, but also the great economy and the great production machine that has given this Nation preeminence among all of the peoples of the earth.

We will have forever demolished the idea of being 50 States, 50 different laboratories for trying out different schemes and different plans, to see if they work. If a scheme works in one State, it may not be applicable in another State. If it does, it can be applied. If it is disastrous in one State, the other States do not have to embrace it.

Here we seem to be determined to pour all men into a federally supervised conformity mold—to pour them in when they are young and grind them out when they reach maturity, all of them exactly alike.

We cannot bring every power of government and every power to regulate the lives of people into one central place without at the same time destroying the dream of our Founding Fathers and the hopes that some of us have for those who follow us in this land.

Therefore, Mr. President, I offer the substitute, even though I believe the interstate commerce clause has already been tortured somewhat by regulations issued by the Department of Labor and by some decisions of the courts which enable the Federal Government to operate in this field, whether it is justified or not. The amendment would benefit all people without doing violence to our system and our economy and our free enterprise system which have made us the envy of the earth.

I yield 5 minutes to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator from Georgia for yielding to me. I share with him the view on the major point he has expressed with reference to the constitutional point that is so clearly presented by his amendment. As I understand, the Senator from Georgia proposes an increase in the wage rate, and to accept the coverage that exists now.

I voted against the Dirksen amendment a few moments ago because it would have carried with it in express form, law which, to me, is an obnoxious regulation that attempts to measure constitutional rights by a dollar sign, or by the dollar value of a split-level volume of business which a firm may do or by which an employee who works for a firm may be affected.

As the Senator from Georgia has said, there is already a very strained overinterpretation of the interstate commerce clause of the Constitution. However, the proposed provisions with reference to adopting a dollar value, or a split-level volume of business, as a guide for a constitutional principle, has never been written into the law of the land. It is used now, as the Senator understands, by regulation of the Department of Labor, in figuring applications of the present law and in making certain discriminations with reference to matters in which the Department has some authority.

For us to adopt a formula of that kind into the hardened, established law through the passage of the pending bill would be to adopt the principle of these regulations without any basis or foundation or authority in the Constitution.

In my State I live near the Alabama line, and retail establishments in that area engage in what could be called interstate commerce, because there is a good trade at the retail level and other levels between the people of this area of our country. At the same time, there are parts of my State where there is virtually no trade of that kind.

It is now proposed that we pass a law which would put them all in the same straitjacket. This is a practical illustration in the everyday affairs of the lives of people which is an impractical way as well as an unconstitutional way of trying to get at a problem.

Furthermore, even though the proposal of the Senator from Georgia does carry some increase in the rate, it does not increase the coverage. We have in my part of the country—and I believe this is true everywhere else—a good many fine and valued citizens who cannot actually earn the amounts which are proposed in order for them to be retained under the extended coverage. If they do not earn it, they will soon lose their jobs. I attended a convention last fall where there were over 3,000 people in the hotel attending the same convention. There was not a single elevator operator to take care of that vast crowd as they thronged back and forth from their meetings to the banquets and to their rooms. Everything was automation. The hotel manager told me the rates had become so high that the hotel had installed the elevators at enormous expense, solely because it would save them money; that he was forced to lay off employees who had been elevator operators and who had been an asset to their organization. There is no doubt that many such fine people in small establishments, who would be brought under the provisions of the other bill, would have to get out and look for other jobs. Most of them would not be able to find other jobs, simply because they could not earn enough to carry the load of the added burden imposed, not only on the employee, but on the business, as well.

So, Mr. President, I hope we can, in this atmosphere of practical reasoning, commonsense, logic, and down-to-earth application of the facts of life to our responsibilities, consider the amendment and consider the bill, and then take the approach presented by the amendment rather than one that might be the result of pressure groups. They have a right to be considered, of course, because they have an interest. However, we should not adopt their pattern in one form or another in passing legislation of this kind

on the ground that it helps someone, when it will sweep many more into oblivion.

If we keep on along this path, I believe it will be only a few years before the States will have no more power or responsibility, even in the economic affairs of their people, than a county board of supervisors now has. I believe we are rapidly reducing our States to a status where they will be so overwhelmed by these far-reaching bills, in the field of our economy, that all other powers will be gradually, and by inference, swept away.

In the opinion of the Senator from Mississippi, once the economy has been controlled down through hours and wages, and in every other way, then the people will be controlled in their other rights and activities. A halt should be called to this movement. I hope the amendment will be adopted.

Mr. McNAMARA. Mr. President, in the absence of the majority leader, I yield myself the necessary time in which to make a short reply.

The purpose of the amendment has been stated very frankly by the distinguished Senator from Georgia [Mr. RUSSELL] and the distinguished Senator from Mississippi [Mr. STENNIS]. It is to prohibit the extension of coverage to any additional workers. The amendment accepts the increase in the minimum wage which we have proposed in our bill. The distinguished Senator from Georgia indicates that we might just as well propose a $100,000 cutoff or a $1 million cutoff. Certainly I have no quarrel with that, but the proponents of the extension of the minimum wage desire that $1 million figure. They do not wish a figure of $100,000.

Mention has been made of pressure groups. Certainly everyone in the country, especially those concerned with labor and management, has some idea of what is being proposed. I think those who have come to Washington to express themselves before the committees of Congress have self-serving interests, and to refer to them as pressure groups is, I think, quite proper. I like to think of them as self-serving persons who have come here to present their views and arguments. Certainly they have spoken on both sides of minimum wage legislation over a long period of years.

The argument about States' rights has been made. I feel certain it will continue to be made. My only answer is that under the present circumstances the determination is left to the States. It is not satisfactory to the administration or to the Committee on Labor and Public Welfare to continue in the present manner, because too many persons are not receiving anything like an adequate wage, and the purpose of the proposed legislation is to make certain that they do.

It has been charged that this proposal will ultimately reduce wages rather than increase them. The history of the approximately 25 years of existence of the minimum wage law indicates that that is not true.

The opponents argue that the bill will have an escalator effect which will not only raise wages which are now below $1.25, but will also raise wages which are now above $1.25. For them to say in the same breath that wages will be reduced is to argue against their own position. The history of the law indicates that the bill will increase the income of the lowest paid workers. That has been the experience in the past three decades.

I hope the amendment will be rejected.

Mr. RUSSELL. Mr. President, I yield 3 minutes to the distinguished Senator from North Carolina.

Mr. JORDAN. Mr. President, in support of the amendment of the Senator from Georgia, I should like to ask him a question or two. Is it not true that many smaller stores which would be brought under the bill would not be brought under the $1 million coverage, and would therefore have a big advantage over the store doing a million dollars worth of business?

Mr. RUSSELL. That is one objection to the committee bill.

Mr. JORDAN. That is one objection. It is now the law of the land that selling prices must be kept in line. If the wage which one man must pay is 75 cents an hour, while the wage which another man pays is $1.25 an hour, the man who pays the higher wage cannot compete with the man who pays the lower wage. Pretty soon the big merchant will be down where the little one is.

Mr. RUSSELL. I think the Senator's logic is inescapable.

Mr. JORDAN. I have made many visits to small stores, especially variety stores, whose total volume of business is not in the $1 million area. They employ many persons of advanced age who cannot save large sums because of their inability to do so. If those merchants were forced out of business, their employees would simply be out of jobs. I do not know of anyone else who would employ them, because they are not capable of employment in other fields. Has the Senator from Georgia found that to be the case?

Mr. RUSSELL. I think there is no question that many people, due to physical disabilities or other difficulties, now have work which pays them less than $1.25 an hour. If the proposed coverage is extended to them, they will in all likelihood lose the jobs which they now have, because their employers simply cannot pay them $1.25 an hour.

Mr. JORDAN. I should like to reiterate a statement which the Senator from Georgia made earlier. Perhaps the next Congress will drop the cutoff point to $200,000, and the next Congress will drop it to $100,000.

Mr. RUSSELL. The Senator from Michigan indicated that that would be the course.

Mr. JORDAN. The Senator from Michigan indicated that that is probably what will take place. Pretty soon everybody will be controlled.

Mr. RUSSELL. I am opposed to using the dollar sign as the only measure of the rights of our people under the Constitution. Let us consider two laundries, one doing $1 million worth of business, and another laundry doing exactly the same amount of business. One of them might lose a shirt which had been sent in to it for laundering. If the cost of the shirt were deducted from that laundry's gross business, it would exempt that laundry from coverage under the bill. The laundry which did not lose a shirt would be covered by the bill, on the theory that it was affecting interstate commerce.

Mr. JORDAN. I thank the Senator from Georgia.

Mr. RUSSELL. Mr. President, I yield any remaining time which I may have to the Senator from Florida.

Mr. HOLLAND. Mr. President, I strongly support the amendment in the nature of a substitute offered by the distinguished senior Senator from Georgia. I think it runs to the heart of the problem. It distinguishes clearly between that part of the bill which seeks to affect persons who are already covered by the present law, and the multifarious provisions which bring in, under all sorts of situations, other workers who happen to be working in other industries, most of which have always been regarded up to this time as intrastate rather than interstate in character.

It would be amusing to hear Senators who sponsor the bill say that no constitutional question is involved, were it not for the fact that there is involved a constitutional question of such complete complexity that no one can figure out how it will be interpreted; and if it were properly interpreted by the Court, in accordance with the wishes of the advocates of the bill, at least, as to how it would operate. That is the provision on page 14 of the bill, which attempts to change the constitutional ground upon which the Supreme Court has decided the Schechter case and other cases, by actually providing that the bill applies to those working upon goods which have been moved into a State in interstate commerce and have come to rest there, and which by contemplation of other laws and Supreme Court decisions would from that time forth be subject to the laws of the State in which they came to rest. Senators will find that provision stated on page 14, lines 8 and 9 of the bill.

There is no question about its being there, and there is no question that if the provision were interpreted as intended by the offerers of the bill, it would effect a very great change in the constitutional interpretation by the highest Court as to what constitutes interstate commerce and what constitutes intrastate commerce. That question exists, and how it would affect the bill, no one knows. How it would affect the millions of people who are proposed to be brought under the provisions of the bill, no one knows. I simply call attention in passing to the fact that that provision is in the bill, and that it runs directly to the question of what constitutionally may be regarded as interstate commerce coming within the purview of the Federal Constitution and laws, and of what should be held to be intrastate commerce, reserved to the States for handling.

However, I shall not dwell upon that point now. I simply wish to point out the completely complicated structure of the bill, under which one rule is sought to be applied to one type of business and its employees, and another rule and another measure to other businesses and to their employees. For instance, in the case of retail stores, the cutoff figure is $1 million. That is to be found on page 15 of the bill, in line 9.

Four lines further along it is stated that the cutoff provision under which construction businesses or reconstruction businesses and their employees shall be brought under the provisions of the bill is $350,000. And three lines further along it is stated that any gasoline service establishment comes under the provisions of the bill at the figure $250,000.

What more monstrous complexity could be found than to have the same bill, in the course of a very few lines, provide one standard by which the employees of one type of business would be governed, and another standard by which the employees of a business just across the street or just next door would be governed?

Mr. ERVIN. Mr. President, at this point, will the Senator from Florida yield for a question?

Mr. HOLLAND. I yield.

Mr. ERVIN. I ask the Senator from Florida whether those differences in monetary amounts do not raise a serious question of constitutionality, under the decisions that classifications for the purpose of regulation must be reasonable. Is there any reasonable distinction between making a filling station subject to the act if it does a gross business of $250,000, and making a retail establishment subject if it does a gross business of $1 million. Is there any reasonable basis for making such a drastic difference as that in classification?

Mr. HOLLAND. No such basis for distinction which would be reasonable is known to me, and I appreciate the courtesy of the Senator from North Carolina in calling attention to this fact.

Mr. ERVIN. The due process clause of the Constitution applies to the Federal Government. So I ask the Senator from Florida this question: Is it not true that it has been held that under that clause, a person is deprived of his property without due process of law if he is placed under a regulation which is more severe than that which is applied to others, if there is no reasonable basis for making such a distinction?

Mr. HOLLAND. Certainly there is every reason to believe that it would be unconstitutional for such a distinction to be made by this measure, if it is enacted. That is but another manner in which the constitutionality of this measure would be brought under consideration and would have to pass the scrutiny of the courts.

Mr. President, in a moment I shall be through. At this point I wish to refer to the provision of the bill in regard to laundries. Senators will note on page 14, in subdivision (2) of paragraph (s), a provision to the effect that a $1 million standard is to be applied in connection with the annual gross volume of sales of a laundry, in order to have it come within the purview of the proposed law. But on page 30, in line 17, we find that in addition to that $1 million limitation, there is also set forth, to apply to laundries, but not to any others—a provision which is proposed in order to protect competition among laundries, although there is no such provision in regard to protecting competition among grocery stores, gasoline filling stations, construction businesses, or other businesses covered by this measure. I now read the provision on page 30, beginning in line 14:

this exemption shall not apply to any employee of any such establishment which has an annual dollar volume of sales of such services—

That is to say, laundry services—

of $250,000 or more and which is engaged in substantial competition in the same metropolitan area with an establishment less than 50 per centum of whose annual dollar volume of sales of such services is made within the State in which it is located; * * *

In other words, the competition feature is made applicable by the imposition of a different standard as regards laundry businesses, depending upon whether there is sufficient competition; but, to the contrary, our good friends who drew up this bill must have decided that there is no such thing as competition as regards grocery businesses or hardware businesses or any of the other retail businesses and services covered by the bill, because in the bill there is no recognition of the fact that a store next door to a retail store which is doing an annual business of more than $1 million is in competition with the larger store, even though its volume of business is only a few thousand dollars below the $1 million gross business figure provided at that point in the bill.

In fact, Mr. President, the entire bill is full of both complexities and absurdities of the type I have mentioned just now; and they present matters which not only will invite the attention of the Court, but also—and I believe this is even more serious—will make people wonder why their businesses are treated differently by the Congress, away off in Washington, from the way businesses next door or across the street are treated.

Mr. President, such provisions make no sense to me. The bill is so complicated, so abstruse, so unusual, and proposes such very different standards to be applied as between different businesses and as between hundreds of thousands of persons throughout the Nation who are employed by different businesses, that I do not believe the bill is worthy of serious consideration by the Congress.

Mr. MONRONEY. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. MONRONEY. In line with the statement the distinguished Senator has been making about the inconsistency of the bill, I wonder whether he has noticed, on page 14, another glaring inconsistency. At that point, where the bill presumes to bring retailers under the commerce clause, the committee has established what it calls an input of commerce amounting to $250,000 a year or more. I may say that brings retailing under the bill if it has an input of $250,000. But the bill does not state whether it is input at wholesale cost, which perhaps would be $150,000 or $175,000, or whether it is input at retail or input at wholesale, plus freight.

Furthermore, in paragraph (2) there is a glaring inconsistency by which laundries which do an annual gross volume of business of $1 million would be brought under the provisions of the bill; and no input requirement is made in that connection. Although the bill has a $250,000 input requirement in regard to retailing, the bill ignores that standard when it deals with laundries—perhaps because the laundries cannot purchase that much soap a year.

And in paragraph (3) there is no such input requirement in regard to streetcars or buses; and in paragraph (5) there is no such input requirement as regards the construction trade; and in paragraph (6) there is no such requirement in regard to gasoline filling stations. The only requirement as to them is a certain dollar volume of sales.

All of this seems to me to be a most glaring inconsistency. If the bill is to be consistent in holding that a certain amount of input will cause a business to come under application of the commerce clause, then the input requirement should be applied equally to all the other businesses dealt with in these paragraphs.

Mr. HOLLAND. I thank the Senator from Oklahoma. He has cited numerous instances similar to the ones I cited a few minutes ago. In fact, many more of them can be cited, because the bill is full of inconsistencies which, in my view, at least, amount to monstrosities. The Senator from Oklahoma certainly has made an important contribution when he has referred to the additional discrepancies as between the businesses he has mentioned and others which are dealt with in the bill.

Mr. JORDAN. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. JORDAN. Is it not true that a retail establishment doing $1 million of busineess a year must compete with neighboring stores selling exactly the same kinds of merchandise—for instance, dresses or shoes, or other commodities?

Mr. HOLLAND. Of course that is correct.

Mr. JORDAN. Our State has a minimum wage law of 75 cents an hour. That law was passeed after long debate in our State legislature; it took the legislature several years and several terms to pass that law, because the members of the legislature knew what was the going wage in North Carolina and knew the requirements of the population.

Is it not a fact that a business which today does $1 million of gross annual business very likely will not do that much business very long, if this bill is enacted into law, because the smaller business will put it out of business?

Mr. HOLLAND. I am glad the Senator from North Carolina has referred to that point; and I am glad that he and his able colleague have decided what I

think is elementary under our system of law; namely, that it is entirely proper to have a measure dealing with this subject, one which reaches into every community and every State, dealt with by the States' legislators, who are selected periodically and frequently by the people of the States, and know the standards of work and pay and working hours and conditions which prevail in their States. The Senator has, by implication, in his most recent statement made entirely clear that he is perfectly willing to accord to the North Carolina legislators the ability to deal with this problem as it exists in North Carolina—an ability which he knows they possess.

Mr. JORDAN. I certainly am, because I think every State knows about its problems and its own conditions much better than does someone in Washington. I would not try to tell the people in Michigan, for instance, what I think they ought to be paid, because I do not know what they ought to be paid. So I do not think we should let anybody from outside a State tell the people in that State what they ought to be paid. I think we are going to do a lot of people much harm if we enact the legislation proposed here today. Many more will be put on the relief rolls. Instead of giving people jobs, we are going to put them on relief. I am not going to support legislation which is going to hurt people instead of help them.

Mr. HOLLAND. I approve of the sentiments expressed by the Senator from North Carolina. I think he has pointed to one problem implicit in this whole matter. At a time when we are struggling with the problems of unemployment and when we are bending every effort to meet those problems, here we have a suggestion which is going to bring, as surely as we are talking here today, additional unemployment, as well as ruin to employers, who will not be able to continue to employ people who now have jobs.

I thank the Senator for yielding to me. I yield the floor.

Mr. RUSSELL. Mr. President, I yield my remaining time to the Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. Mr. President, how much time remains?

The PRESIDING OFFICER. The proponents have 7 minutes remaining, and the opponents have 9 minutes remaining.

Mr. ALLOTT. First, Mr. President, I thank the Senator from Georgia for yielding this time to me, because I want to use it not only to support his amendment, but to explain my philosophy in regard to the bill. It is quite akin to that which has been expounded by the Senator from Georgia, the Senator from Mississippi, the Senator from North Carolina, and the Senator from Florida.

I wish to speak, in a preliminary way first, about the State aspects of the bill. I believe implicitly that the States can take care of the problem to which the bill relates much better than the Federal Government ever can. There is no greater confession of the weakness of the bill as a piece of Federal legislation than the fact that the bill begins by making a great inclusion, and then continues by making dozens of exceptions. In itself this is a confession that the bill tramples in an area where the Federal Government has no business legislating as a matter of right. It is a confession that the bill should not be here.

As a member of the Committee on Labor and Public Welfare, although not in the last 2 years, I listened to many, many days of testimony. I have heard those who propose this type of legislation state, time after time, unequivocally, that, without a doubt, the cost of living is the same, in every little town and hamlet in the United States, as it is in Washington, Detroit, and New York, for example.

Those who propose this legislation proceed on the assumption that the same living standard and the same cost of living applies all over this country. That is a false assumption. The Legislature of my own State of Colorado is better qualified to impose a minimum wage for the citizens of the State, and has the right to do so by virtue of its sovereignty. Contrary to the opinion expressed by those who have testified before the Labor and Public Welfare Committee, over and over again, Colorado has recognized that there is a difference in living costs even within the State. As a result it has placed in the law three different wage rates and wage scales applicable within the State of Colorado.

I personally would rather rely upon the judgment of the lawmakers of Colorado rather than the judgment of those who come before the Senate Labor and Public Welfare Committee and say that the cost of living is on an equal basis all over the United States. It is not.

Let us take a look at another aspect of the bill. It proposes to establish the criterion of $1 million in gross sales for retail establishments. In the same paragraph there is the additional proviso relating to the purchase or receipt of goods which move across State lines, amounting to $250,000 or more. In my opinion, the figure of $250,000 is utterly meaningless. That amount could just as well have been left out, because the number of businesses which will be exempt by reason of the $250,000 limitation is at an absolute minimum. I can hardly think of a business in my State or in surrounding States which will do $1 million in gross sales and which would be excluded because it has an input of goods moving over State lines amounting to less than $250,000.

Let us look at how ridiculous the bill is from another standpoint. One of the enterprises that will be considered to come under the pending measure is one with which we are all familiar, namely, grocery stores. If a grocery store sells more than $1 million worth of goods a year, it is taken for granted that it is included within the bill. I do not think anyone could show a grocery store in that category which does not import more than $250,000 worth of products over State lines. So again the $250,000 figure becomes meaningless; but, more than that, we make a false standard applicable. Today, a grocery store having gross sales of $1 million nets—not grosses, but nets—in the neighborhood of 1 percent. Thus, if the bill be enacted and if a grocery store, for example, has sales of $1 million or more, and the owner of that store makes a net of 1 percent, or $10,000, we classify it as a business of such magnitude as to make it a business affecting interstate commerce.

As has previously been pointed out very ably, subparagraph (s) on page 14 of the bill goes far beyond any criteria used in previous bills as affecting interstate commerce.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLOTT. I yield myself 3 minutes on the bill.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 3 minutes.

Mr. ALLOTT. In concluding, I desire to make my statement clear, because it covers the course of action I intend to follow in voting for the amendment. I voted for the previous amendment because I felt it minimized the impact and the effect of the bill. I shall vote for this amendment because I think it is much sounder. I believe that to place a business in interstate commerce on the basis or premise of its total sales is false and is getting at the problem in the wrong way.

I intend to vote for any amendment or bill which goes back to the traditional, real, and, in my opinion, constitutional, concept to place business in interstate commerce.

So far as I am concerned, and I am sure the voters of Colorado at least confirmed this view last year, I intend to be guided by that philosophy.

I shall support the Monroney amendment, if it is offered, because we are getting off base when we put in the bill these false criteria.

Mr. McNAMARA. Mr. President, I yield myself 1 minute, for the purpose of reply.

Much has been said about States' rights, and the rights of States to enact minimum wage laws. We certainly agree the States have that right. However, as was stated by the Senator from North Carolina, minimum wages have been established of $30 a week for 40-hour weeks. It is the position of the committee that such a minimum is not a high enough wage for people to live on.

An argument is made in regard to constitutionality of the bill. We shall hear this argument for a long time. Only the courts can decide the question.

Much has been said about the fact that a dollar amount is provided, rather than another test with regard to the interstate commerce effect, under the terms of the bill. The limitation in regard to a quarter million dollars is to indicate that in retail trade there must be a marked effect on interstate commerce.

I think, all in all, the bill is reasonable. It is a moderate bill to accomplish what we started out to do. I certainly hope the amendment offered by the distinguished Senator from Georgia will be rejected.

Mr. President, we are prepared to yield back the remainder of our time.

Mr. RUSSELL. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. Has all time been yielded back?

The PRESIDING OFFICER. The time of the Senator from Georgia has expired. Does the Senator from Michigan yield back his remaining time?

Mr. McNAMARA. I am happy to yield back my remaining time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Georgia [Mr. RUSSELL]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. ROBERTSON] is absent because of illness.

On this vote, the Senator from Virginia [Mr. ROBERTSON] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Kentucky would vote "nay."

Mr. KUCHEL. I announce that the Senator from Wisconsin [Mr. WILEY] is absent because of death of his brother.

The Senator from Kentucky [Mr. COOPER] is detained on official business and on this vote is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Virginia would vote "yea."

The result was announced—yeas 34, nays 63, as follows:

[No. 29]

YEAS—34

Allott	Dirksen	Miller
Beall	Dworshak	Mundt
Bennett	Eastland	Russell
Blakley	Ellender	Schoeppel
Bridges	Ervin	Smathers
Butler	Fulbright	Stennis
Byrd, Va.	Goldwater	Talmadge
Capehart	Hickenlooper	Thurmond
Carlson	Holland	Williams, Del.
Case, S. Dak.	Hruska	Young, N. Dak.
Cotton	Jordan	
Curtis	McClellan	

NAYS—63

Aiken	Church	Hill
Anderson	Clark	Humphrey
Bartlett	Dodd	Jackson
Bible	Douglas	Javits
Boggs	Engle	Johnston
Burdick	Fong	Keating
Bush	Gore	Kefauver
Byrd, W. Va.	Gruening	Kerr
Cannon	Hart	Kuchel
Carroll	Hartke	Lausche
Case, N.J.	Hayden	Long, Mo.
Chavez	Hickey	Long, Hawaii
Long, La.	Morton	Saltonstall
Magnuson	Moss	Scott
Mansfield	Muskie	Smith, Mass.
McCarthy	Neuberger	Smith, Maine
McGee	Pastore	Sparkman
McNamara	Pell	Symington
Metcalf	Prouty	Williams, N.J.
Monroney	Proxmire	Yarborough
Morse	Randolph	Young, Ohio

NOT VOTING—3

Cooper	Robertson	Wiley

So Mr. RUSSELL'S amendment in the nature of a substitute was rejected.

Mr. HUMPHREY. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. McNAMARA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I ask that my amendment identified as "4–13–61—O" be reported.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment offered by Mr. HOLLAND is as follows:

On page 13, beginning with line 6, strike out through line 2 on page 16, and insert the following:

"(r) 'Transit carrier engaged in commerce' means a street, suburban, or interurban electric railway, or local trolley or motorbus carrier, which has employees engaged in commerce or in the production of goods for commerce."

On page 17, lines 6 and 7, strike out "in any enterprise engaged in commerce or in the production of goods for commerce" and insert "by any transit carrier engaged in commerce".

On page 18, line 16, beginning with "(i)" strike out through "(6)" in line 20 and insert the following: "(i) is employed by a transit carrier engaged in commerce, as defined in section 3(r)".

On page 24, line 17, beginning with "(i)" strike out through "(ii)" in line 23.

On page 27, line 13, strike out "or enterprises" and insert "or transit carriers".

On page 27, lines 16 and 17, strike out "in any enterprise engaged in commerce or in the production of goods for commerce" and insert "by transit carriers engaged in commerce".

On page 27, lines 21 to 23, strike out "any enterprise engaged in commerce or in the production of goods for commerce" and insert "the activities of any transit carrier engaged in commerce".

On page 28, beginning with line 6, strike out through line 21 on page 30 and insert the following:

"(1) any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesman (as such terms are defined and delimited by regulations of the Secretary, subject to the provisions of the Administrative Procedure Act); or

"(2) any employee employed by any retail or service establishment, more than 50 per centum of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A 'retail or service establishment' shall mean an establishment 75 per centum of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or

"(3) any employee employed by any establishment engaged in laundering, cleaning or repairing clothing or fabrics, more than 50 per centum of which establishment's annual dollar volume of sales of such services is made within the State in which the establishment is located: *Provided*, That 75 per centum of such establishment's annual dollar volume of sales of such services is made to customers who are not engaged in a mining, manufacturing, transportation, or communications business; or".

Amend the title so as to read: "An Act to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for certain employees engaged in commerce, to increase the minimum wage under the Act to $1.25 an hour, and for other purposes."

Mr. HOLLAND. Mr. President, actually eight amendments are included in one amendment, but the first seven are technical amendments of form alone. The meat of my proposal is found in the eighth amendment, line 20, page 2, of the printed amendment.

The first seven amendments are necessitated by the fact that the transit coverage in the bill is bracketed with the retail and service establishments coverage, so as to make it necessary to restate in seven different cases of the earlier sections, in order to include in each case the transit carriers, with which my amendment is not concerned.

The practical effect of the amendment would be to retain the retail and service exemption in section 13(a) (1), (2), and (3) of the present law. To accomplish this result, it strikes language in the committee substitute which is inconsistent with this objective and restores in the substitute the present language of section 13(a) (1), (2), and (3) with two minor, noncontroversial, technical changes which are now in the substitute.

There are a number of reasons, Mr. President, why the retail and service exemption in the present law should be retained and why it would be unwise, unsound, and not in the best interests of our country for these exemptions to be abandoned. Some of these reasons relate to the harm such proposed coverage would do to the employees for whose alleged benefit the extension of coverage is proposed. Some of them relate to the harm which would result to the American businessman who employs these people. Other reasons relate to the harm which would result to our country during these precarious times.

First, as to the employees themselves, the proposed coverage would mean unemployment. There are a number of letters in my files from retail and service businessmen in Florida indicating that their work forces would be curtailed by such an artificial floor on wages. I feel confident that other Senators have received similar correspondence from businesses in their own States. The tragedy of such unemployment, Mr. President, would be that it would principally affect marginal workers who would have great difficulty in finding other employment. Small as their present wages may be, they are in accord with the economic realities. The consequences to these people of disregarding their productivity in fixing their wages would be to take away their opportunities for earning a living.

A number of surveys have clearly shown that this would be the natural

consequence of wage-hour coverage of retail and service businesses. In the report of the Department of Labor on the effects of the 1955 minimum wage increase the following conclusion was stated:

> The Wage and Hour Division's studies of the economic effects of the $1 minimum wage show that, during the period of adjustment to the higher minimum, there were significant declines in employment in most of the low-wage industry segments studied.

That is a statement by the Secretary of Labor, who himself had strongly supported the changes made.

A survey reported in the January 1961 edition of Nation's Business reports the conclusions of retail establishments scattered throughout the Nation that extension of coverage would compel them to reduce their work forces.

A survey conducted by the Charleston, W. Va., Chamber of Commerce showed that wage-hour coverage for retailers would mean a loss of a total of approximately 159 employees in 25 retail establishments studied in Charleston.

Mr. RANDOLPH. Mr. President, will the Senator from Florida yield, or would my interruption break the continuity of his remarks?

Mr. HOLLAND. I am glad to yield, provided that the time for yielding will come out of the time on the bill allotted to the proponents.

Mr. RANDOLPH. That is agreeable.

Reference has been made to a survey of retail establishments in Charleston, W. Va. The findings were, in part, the reason for correspondence in which I have participated. The subject encompasses certain letters exchanged between Robert S. Baer, a member of the Board of Directors of the Charleston, W. Va., Chamber of Commerce and the senior Senator from West Virginia.

Mr. Baer wrote not only as a member of the board of directors of that worthwhile business organization, but also he addressed his letter to me in his capacity as the representative of the mercantile division of the Charleston Chamber of Commerce. A copy of his communication was thoughtfully and properly provided to the knowledgeable Senator from Florida, who is now speaking. I have replied to Mr. Baer, and have provided the Senator with a copy of my response. Mr. Baer wrote me in a temperate and thoughtful manner, and I have attempted to reply in kind.

It seems appropriate that I ask unanimous consent to have printed at the proper place in the RECORD, which would seem to be at the conclusion of the remarks of the illustrious Senator from Florida, the communication to me by Mr. Baer and my reply to him.

Mr. HOLLAND. Mr. President, I have no objection.

There being no objection, the letters were ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. HOLLAND. Another way in which this proposed coverage would hurt the American worker, for which it is allegedly proposed, would be through inflation. Those who would be so fortunate as to retain their positions at the higher wage rates would find themselves fighting a losing battle against an ever-rising cost of living. They would find themselves robbed of the purchasing power of the dollars which they have set aside to meet emergencies and to provide for their old age. This would be an inevitable consequence of increasing the cost of retailing which would be reflected in prices of goods sold at retail.

Besides these detriments to the American worker, this extension of coverage would result in great damage to the retail and service employer. That Federal wage-hour coverage is not appropriate by its very nature to local retail and service businesses was recognized when the act was first enacted in 1938. President Roosevelt, in requesting this legislation, said:

> Although a goodly portion of the goods of American industry move in interstate commerce and will be covered by the legislation which we recommend, there are many purely local pursuits and services which no Federal legislation can effectively cover.

There are many characteristics of local retail and service establishments which distinguish them from the type of activity which has been predominant in the act's coverage. Retailers in widely separated locations are seldom, if ever, in competition with each other, as is the case with manufacturers. Retailing is subject to the unpredictable habits of customers, and a retailer cannot control the output and productivity of his employees as effectively as can a manufacturer. In retailing there are large numbers of learners, older people, housewives, and young people. If we disregard these vital differences, we will be causing great hardship upon small local retail and service enterprises.

Some people have received the impression that the only objection to local retail and service coverage is to the wage provisions. Equally obnoxious to the average retailer would be the unnecessary overtime complications which would be encountered with reference to employees who already receive much more than the proposed $1.25 minimum. Overtime regulations are extremely complex and the burden of compliance would be very great.

Perhaps even more important, Mr. President, than the adverse effect of this proposed coverage upon the individual American employee and employer would be its adverse effect upon our Nation as a whole. The proposed extension of coverage is in direct conflict with three great national objectives which have been announced as such by our new President and are now being pursued by the Congress. The first is to make better use of our human resources and to put the millions of unemployed Americans back into productive employment. The effect of minimum wage coverage for local retail and service businesses will be to force them to curtail their hours and to spread their sales personnel thinner. They will be more reluctant to hire the older people, who figure so prominently in unemployment statistics today. I recently received from Mr. J. E. Webb, a St. Petersburg, Fla., retailer, a letter regarding the effect of coverage upon his employment policy. He reported that 583 of his 1,385 employees are over 50 years of age; that they are good employees and fine people, but tend to be slower than younger people; and that if his retail establishment were included in wage-hour coverage, he would be forced to—in his own words—"replace the greater majority of these older people for younger help."

The second national objective which this proposed coverage would frustrate, Mr. President, is to combat inflation. This is a matter of extreme importance to America's retired people, teachers, ministers, and white-collar workers, and to all others who must live on small, fixed incomes. It is cruel, indeed, for us here in Congress to pass legislation which saps purchasing power from the dollars on which these people must depend.

In the hearings on last year's bill, President Meany, of the AFL–CIO, made the following candid statement:

> Let us begin by recognizing that the earnings of millions of American workers are keyed directly to the Federal minimum wage.

Mr. Max Greenberg, president of the Retail, Wholesale & Department Store Union, testified to like effect.

Mr. President, during this debate little attention has been given to the unquestioned fact—as admitted at the hearings last year by two great leaders of organized labor—that wage structures for industrial workers who bargain collectively are keyed to, and are based upon, the minimum wage. This means that if we enact the proposed extended coverage, we shall be forcing a spiral of wage raises for those who currently are receiving higher wages than the statutory minimum. This, in turn, will bring another round of inflation, which will bring great hardship and suffering to those who must depend upon savings and fixed salaries.

Mr. President, we should not and we cannot minimize the importance of this point; namely, that when we are attempting to increase the minimum wage applicable to the employees of the great number of industries dealt with by the bill, we are advocating a spiral of increasing wages in all the other industries, and the result will be a decrease in purchasing power and additional inflation which will cause the entire Nation to suffer.

Inflation would also handicap us in pursuing our third important national objective at this time—namely, to reverse the trend of the present unfavorable balance of payments and to make our products competitive in world markets. The inevitable consequence of artificial increases in costs of production is an increase in the price of American goods in world markets. This puts the American businessman at a disadvantage, and results in a decrease in exports. Such forced price increases also put him at a disadvantage within our own country, and lead to an increase in imports and to further competition from that source. Thus, there is a double setback for our country, in relation to its balance of payments problem.

In addition to the unwisdom of the proposed coverage from the standpoint of these three important objectives, it would also be unwise from the standpoint of adding additional administrative burdens to an already overburdened Federal Government. It is axiomatic that the most crucial functions of the Federal Government today are the conduct of foreign affairs and the maintenance of an adequate Defense Establishment.

When the Federal Government undertakes to regulate local businesses, it must spread its resources thinner and will jeopardize its ability to carry out effectively its primary functions.

Finally, the proposed coverage would weaken the constitutional safeguards of our freedom. It flies in the face of Supreme Court decisions which have held attempted regulation of retail wages and hours invalid when the goods have "come to rest" within a State. Justices of the Supreme Court, such as Mr. Chief Justice Hughes and Mr. Justice Cardozo, have pointed out in learned opinions that unless there is a strict differentiation between that which has a direct effect and that which has only an indirect effect upon interstate commerce, the interstate commerce clause becomes all-encompassing and there is no effective limit upon Federal regulation under the interstate commerce clause.

For these reasons, Mr. President, I urge my colleagues to support my amendment and to defeat this proposed coverage. If we do not do so, we shall be visiting undesirable consequences upon Americans who work or aspire to work in such businesses, upon the owners of those businesses, and upon our Nation as a whole.

Mr. President, Senators are attempting to tamper with something which has been a part of this legislation since 1938. It was made such, first, by implication and by the statements of its original authors and sponsors and, second, by specific amendment voted by an overwhelming vote of Congress in 1949.

We scarcely have had an opportunity to explain the many differences between the treatment now proposed and that which is soundly used in existing law, which has been time tested, and on which the courts have repeatedly pronounced their verdicts. Yet this measure would bring disaster to many, many employees and employers in the Nation.

Mr. President, I cannot conclude my brief remarks without saying that, in my opinion, those who seek to bring local businesses which serve both their communities and the Nation under control and regimentation from Washington, do themselves a disservice, do the Nation a disservice, and do the employers and the employees a disservice; and they also do a very great disservice to the Members of Congress, who already are overburdened and are unable to give the full measure of attention which they should give to matters of national defense, international relations, the balance of payments, and other matters which concern all of us so gravely and relate to the continuance and the prosperity of our great Nation.

Mr. President, I hope the Senate will not take this unfortunate and ill-advised step.

EXHIBIT 1

CHARLESTON CHAMBER OF COMMERCE,
Charleston, W. Va., April 12, 1961.

Hon. JENNINGS RANDOLPH,
Member, U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR RANDOLPH: Although I have already written you on the subject of the proposed minimum wage legislation as it will affect our own retail establishments, it seems to me that you should have the benefit of a last minute check of 25 or more leading retail establishments here in Charleston showing the reduced employment that would occur in these establishments if the minimum wage law was made to apply to local retailing and the minimum raised from $1 to $1.25.

Last Friday we asked the chief executive officers of each of these establishments three questions:

1. Do you think inclusion of local retailers under Federal wage-hour coverage, even if it involves no increase in minimum wages at this time, is necessary or desirable?

2. If retailers are included, would it result in any reduction in your regular, full-time employment, with minimum raised to $1.25 or even $1.15 per hour?

3. If a minimum wage increase would cause a reduction in your full-time employment, approximately how many of your employees would be dropped to compensate for increased operation costs?

With practically no exceptions all of them answered "No" to No. 1. The single exception was the Sears, Roebuck store whose executive said this would have to be determined at the head offices of the company.

With the exceptions of Sears and Montgomery Ward, practically every one of these retailers said any increase above $1 per hour would affect their cost of operation and result in reduced employment, or reduced hours for some present full-time employees, or both.

The third-question answers reveal the specific number of jobs (possibly 185) that would be eliminated if the proposed increase in minimum wages was applied to these stores.

You see, Senator, even though the bill contains an exemption of firms doing less than $1 million or more volume, every retail executive knows that next year, or the year after that, it is a simple matter to reduce the exemption to $500,000, then $250,000, and then to strike it out entirely.

Once the people of Federal supervision is applied to any phase of retailing it can be developed to apply to every phase. It has already been demonstrated that politically ambitious people are not hesitant to use this lure with which to influence votes.

It seems to me, Senator, that many of our legislators overlook the point that there is a substantial amount of part-time employment, as well as employment at full time, which can, under a pinch of increased operational costs, be eliminated.

The question is not whether $40 a week is a living wage or even a decent wage. Thousands of persons work at wage levels below this as a means of augumenting family income. They live at home and are not required to feed themselves and this augumented income which the family enjoys is the difference in many cases between having a car, radio, TV, and other luxuries.

Nobody contends that $40 a week is a living wage. It takes a lot of careful living to feed and clothe oneself within that. But it is a tremendous helping wage when consolidated with that of other members of the family. It is this type of family consolidation of income that often means a car, a TV, and many other comforts that would not otherwise be possible. Here is where your proposed minimum wage law extended into the retail field will adversely affect thousands of persons here in West Virginia.

Another hidden gimmick of this minimum wage increase is its effect on other employee-cost levels. If the wages of one group of employees are increased, in time every echelon above that level expects the employer to maintain the same differential as formerly prevailed between the minimum compensation and his salary. All this adds substantially to operation costs.

Finally, Senator, even though the bill should exempt all retailers except those doing $1 million or more, take a look at the summary which is enclosed. Five stores, each of which we know do well over a million annually, would account for the elimination of 125 out of a possible total of 184 jobs that would be cut out. It is really in these large employing stores, Senator, that the greatest damage to employment would be done. One of these stores can eliminate as many jobs as 15 or 20 smaller establishments.

There is no strong public demand from any source that we know of for the raising of minimum wage from $1.00 to $1.25 or even to $1.15 because it is not a question of cost-of-living standard, primarily, but rather one of family income. Nearly every store affected will either reduce employment, or reduce hours of employment for hourly wage people, or both. The average retail margin of profit at the present time will not absorb, in most instaces, the increased operating costs which will be imposed by unnecessary and unjustifiable extension of Federal minimum wages jurisdiction into the field of local retailing where it has been carefully and specifically excluded by law for nearly 25 years.

Keep in mind, Senator, that this is a survey of but a few of the hundreds of retail establishments in Kanawha County, and of the thousands in West Virginia.

I sincerely hope you will find it possible in your considered appraisal of this legislation to oppose the inclusion of retailers.

Yours very truly,

ROBERT S. BAER,
Member of Board of Directors representing Retail "A" (Mercantile) Division, Charleston Chamber of Commerce.

APRIL 17, 1961.

Mr. ROBERT S. BAER,
Retail "A" Division, Charleston Chamber of Commerce, Charleston, W. Va.

DEAR MR. BAER: Your very thoughtful letter of April 12 raises a number of issues, and though we disagree on several points, I shall answer your questions as specifically and candidly as possible.

You will note that I have included excerpts of material from the CONGRESSIONAL RECORD which were part of the debate on the fair labor standards amendments, and though I do not wish to burden you with unnecessary reading, you will find the material relevant.

In answer to the assumptions of paragraphs 3 and 4 of page 2 of your letter, allow me to quote from remarks which I have prepared for the Senate debate on this topic:

"Finally, I refer to the fears expressed by some concerning the inherent danger of establishing a dollar volume as the criterion of interstate commerce. If the present Congress is free to establish $1 million as the cutoff figure, what, it is argued, is to prevent a future Congress from lowering this figure to $500,000 or even $250,000? Or conversely, what is to prevent a future Congress of a more conservative cast from raising the figure to $10 million?"

"In light of a fairly consistent and long-term movement toward a higher unit level of business activity and a rise in the cost of living, there is little likelihood that a future Congress will lower the cutoff figures pro-

posed by this measure. Nor, in view of the political realities and the general history of such legislation, is there much probability of these figures being substantially raised."

I have deleted some from the remarks as they will be delivered, but the above statement is sufficient to indicate my views. I will add also that as part of the record of the debate, these remarks will indicate the legislative intent of the measure and will thus serve as a guide for its administration and future interpretation.

I would comment, merely in passing, with regard to the seeming contradiction between your assertion in the same paragraph (p. 2, par. 4) that "politically ambitious people are not hesitant to use this lure," and your assertion (p. 3, par. 3) that "there is no strong public demand from any source for the raising of minimum wage." If there is no strong public demand for it—and there is some truth to this statement—I fail to see how it can be advantageous for the "politically ambitious" to support it.

I do not believe your remark was intended personally, and I have not thus interpreted it. However, this one rather disparaging comment does less than justice to the moderate and dispassionate tone of your letter as a whole, and I suspect that it does not do justice to your own understanding of the issues involved.

Regarding the general position you expressed of the resultant effect on unemployment of enactment of the measure in question, I do not question the results of your poll of local retailers. However, I do question these figures as a basis for a flat prediction of what in fact will happen. And for this reason: without for a moment questioning the individual integrity of any of the persons responding to the questionnaire, it would seem highly plausible to assume that a person already opposed to the enactment of this law would quite naturally put a rather dark or gloomy interpretation upon its effect on his own enterprise. It is quite possible that those who find a cut in the work force as the most feasible means of economizing operations, within the present hypothetical view of the situation, might discover other means when confronted with the actual administration of such a law.

Even if this did not prove to be the case in any given instance of those you have polled, this would seem to be the history of our experience with such legislation on a Nationwide basis. That is, one cannot state with any measure of certainty, based on our previous experience, that the proposed measure would cause increased unemployment. (See the enclosed RECORD excerpt, exhibit 1, sec. (a), pars. (ii) and (iv)).

Regarding your reference (p. 2, pars. 6 and 7 of your letter) to $40 a week as a "helping wage," I do not question that there are many who work at this level or below who are merely augmenting a family income and are not dependent solely on $40 a week or less for their livelihood. But I would respectfully remind you that those who are engaged in such work as supplementary to the principal source of family income are also competing in the same labor market against many thousands for whom such a wage is the only source of income. If they can be hired at this price, it depresses the wage level for all employed in such work, including those for whom it is the entire livelihood.

On page 3, paragraph 1, you refer to the "hidden gimmick" of the proposed measure in "its effect on other employee-cost levels." I am familiar with the argument that an increase in the minimum wage will contribute to an "inflationary spiral" in the wage level. While this view has been stanchly advanced by many groups which have appeared before the Senate Labor and Public Welfare Committee, I have not yet seen the argument documented. Until it is, the position rests upon purely assumptive grounds.

Even if subsequent events do indeed justify this assumption, the argument must be weighed in balance against the benefits brought to some 4,300,000 workers and their families who now subsist, or attempt to, on a substandard wage. I cannot escape the knowledge that there are 21 States with no minimum wage law at all, only 16 with a law providing up to a $1 minimum for some industries, and the remainder with laws which establish the minimum as low as 16 cents an hour.

Finally, I am quite puzzled by the distinction you raise (p. 3, par. 3), with the statement that "it is not a question of cost-of-living standard, primarily, but rather one of family income." I am not at all confident that I understand this meaning of this assertion, but I presume it refers to your previous comment concerning a "helping wage." If so, it is a distinction without a difference, since it is in large measure due to the cost of living that many families can no longer subsist on the income of a single wage earner, especially among those workers who are not protected by minimum wage laws. It seems to me that you are simply using different language to refer to the same problem.

I do not wish to seem unsympathetic to the very genuine problems of retail merchants. Nor do I deny that there may be some rather difficult adjustments to make in the area that you have indicated. But I have not lightly assumed my responsibilities in this matter. After many, many hours of thought and study, and after listening to hours of testimony before the Senate Labor and Public Welfare Committee I have come to the conclusion that the measure as reported by our committee represents the best compromise of the many conflicting claims and interests. And as such, I believe it represents the best interests of the people of West Virginia as well as the Nation.

I regret that we cannot agree on this matter, but I appreciate the temperate and thoughtful manner in which you have presented the position of the retail merchants.

With kind regards, I am,

Sincerely,

JENNINGS RANDOLPH.

Cc: Hon. SPESSARD L. HOLLAND.

Mr. LAUSCHE. Mr. President, will the Senator from Florida yield for a question?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Florida yield to the Senator from Ohio?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. Earlier, the Senator from Michigan pointed out that in New York, Texas, California, Pennsylvania, and other States there are stores which operate solely within the States in which they are located; and he said that unless Federal legislation in this field is enacted, the minimum wages paid in those States will not be regulated. I asked him whether it is within the power of the individual States to pass laws, based upon the judgment of their respective legislatures, that will fix the minimum wages to be paid by the businesses within those States. The answer was not responsive to my question; but, in effect, it was stated that the States have not acted, and that therefore the Federal Congress must act.

I should like to ask the Senator from Florida to comment on that general subject, if he will.

Mr. HOLLAND. My first comment is that the first State the Senator named—New York—has acted. It has a minimum-wage structure which applies in great measure to the workers in that State.

I am not familiar with what has been done in the other States mentioned.

The second factor is that 20-odd States have acted. The third factor is that I am perfectly willing to conclude that legislatures which have found no necessity for acting in their States know a great deal more about the problems of their people than we do here in Washington, whose shoulders are already overburdened with matters of national defense and the like. I am perfectly willing to leave it to the legislature in my own State, and the legislature in the State of Ohio, and legislatures in other States, because they are in touch with their people and know what their problems are.

I yield 4 minutes to the distinguished Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. President, I rise to support the amendment of the Senator from Florida.

Last year both the Senate and the House labored long hours trying to find language to amend the Fair Labor Standards Act that would bring retailers and the service trades under this act without doing grave damage to thousands of fine business organizations throughout the country. I need not relate here the long hours of debate, the substitutions and amendments that were made to both the House and Senate bills. In the final analysis, the conference committee could not agree, and the legislation died with the closing of the session.

The events of last year are now being repeated, which leads me to the conclusion that it is very difficult to amend an act that was designed to cover manufacturers operating in interstate commerce and make it apply to retailers who are not in interstate commerce. That is our problem, and we are not going to find any solution, in my opinion, unless we decide to inflict serious restrictions upon many fine small businessmen and saddle them with increased costs that they cannot bear.

We have one bill before us that would determine coverage on the basis of gross sales annually. In other words, the administration-backed bill, introduced by my distinguished colleague, the Senator from Michigan [Mr. MCNAMARA], says that if a store does $1 million in annual sales, it is per se in interstate commerce and should be brought under the control of the Fair Labor Standards Act. At the same time, this bill says that if a store next door does business of $999,999, it is not in interstate commerce and should not be covered.

This does not conform to the traditional interpretation of interstate commerce as meaning trading across State lines, which was the original basis of the Fair Labor Standards Act. If coverage under the act is based on sales volume, for example, a store in Bismarck, located in almost the center of my home State of North Dakota, could be considered as engaging in interstate commerce even though it did not trade across State lines.

It seems to me that any test based upon sales volume is replete with all kinds of inequities that would do damage to thousands of American firms.

Another approach to this problem proposes that the test be based upon an enterprise having two or more establishments in two or more States. I think, here again, we would be creating havoc in hundreds of communities. There are many fine multiunit operations all over the country. Many have one or two stores in a neighboring State. Some of these stores are very small stores in small communities; yet they would be covered by this approach, while another store doing $50 to $100 million or more would not be covered simply because the operation was confined to one State. The effect of such an amendment would be to create all kinds of serious situations, some so serious that firms would be forced out of business.

For some reason, many people believe that purely local enterprises should be brought under Federal control despite the fact that those who drafted the original Fair Labor Standards Act in 1939 clearly stated that local retailing should not be covered by this act. It seems to me that this is a problem for local and State governments. Are we to say to the States that we in Washington are much better fitted to establish the wages local employees in a retail store should be paid and how many hours they should work, regardless of the size of the community or the type of work involved? The economic conditions throughout the country are not uniform.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. I yield 1 additional minute to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, I think we should ponder these questions very seriously. To me, we are in danger of doing harm to American business firms who hire thousands of people. To pass this legislation would mean a loss in jobs. Prices would have to be raised to cover increased labor costs. I think the employees of such business institutions in my State are, for the most part, satisfied with their present working conditions. I support the amendment offered by the Senator from Florida [Mr. HOLLAND], which would leave the retail and service exemption intact.

Mr. MILLER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. Mr. President, I yield to the Senator from North Carolina [Mr. ERVIN] 10 minutes. Then I shall yield to the Senator from Kansas, and then to the Senator from Iowa.

Mr. ERVIN. Mr. President, I think that the most accurate definition of the purpose of the Constitution of the United States ever given was that which appears in the great case of Texas against White, wherein Chief Justice Chase said:

> The Constitution in all of its provisions looks to an indestructible Union composed of indestructible States.

I revere that concept of the Constitution. For that reason, I favor the Federal Government regulating the matters which are committed to the Federal Government by the Constitution, and the State governments regulating the matters which are committed to the States by the Constitution.

I think it is essential for us to preserve both the Union and the States, not only because our Constitution expects us to do so, but for an additional reason. One of the greatest judges who ever sat upon the Supreme Court of the United States was Justice Brandeis; and Judge Learned Hand, in speaking of Justice Brandeis, said that Justice Brandeis on one occasion had made this great utterance:

> The States are the only breakwater against the everpounding surf which threatens to submerge the individual and destroy the only society in which personality can exist.

I believe that to be true, and I believe that not only would the States be destroyed, but also that the development of human personality would be prevented if we should concentrate in Washington all of the powers of government.

Mr. President, under the Constitution of the United States, the Congress has the right to regulate interstate commerce. I believe that power should be exercised by the Federal Government, and therefore I have always favored the Fair Labor Standards Act of 1938, which imposes minimum wages and regulates the hours of labor in those industries employing persons engaged in interstate commerce or in the production of goods for interstate commerce.

For that reason, I have welcomed the opportunity to vote for an increase in the minimum wages of those already covered by the Fair Labor Standards Act, which is restricted to a field allotted to the Federal Government by the Constitution of the United States.

The pending bill proposes to go a vast distance beyond the commerce clause as it has heretofore been interpreted. It has been recognized in hundreds of opinions of the courts of this land that, where goods which have been shipped in interstate commerce have come to rest within a State, the power of the Federal Government to regulate the handling of those goods has ceased, and that the power to act belongs exclusively to the States.

It has also been recognized times without number that selling goods within the borders of a State is a local business which can be regulated only by the State legislature of the State in which the business is conducted.

The bill would go far beyond that. In my opinion, the bill is subject to grave concern as to its constitutionality on at least two different grounds.

First, Mr. President, the bill would make classifications which are without rhyme or reason with respect to businesses which are to come within the coverage of the law. The Constitution of the United States contains the fifth amendment, and the fifth amendment contains a due process clause which is binding upon the Federal Government. The Supreme Court of the United States has held, in scores of cases, that the due process clause of the fifth amendment prohibits the Congress from making any classification in regulations which is arbitrary in nature.

All the classifications in the bill, so far as additional coverage is concerned, are arbitrary and without legal rhyme or reason—and without, I also say, economic rhyme or reason.

Why should subsection (1) of the bill, as set out on page 14, provide the law will apply to retail or service establishments if their cash registers register gross annual sales of a million dollars only if they acquire in interstate shipments goods worth $25,000, and then provide in the next subsection (2), that the law will apply to certain kinds of service establishments—namely, laundries—if they have an annual gross business of a million dollars regardless of whether they receive any goods shipped in interstate commerce?

That is a classification for coverage purpose which is without rhyme or reason.

Let us consider the next subsection—subsection (3). The bill would have the law apply to street, suburban, or interurban electric railways or local trolleys or motor bus carriers even if they did not take in a single penny of revenue during the course of the year. What is the rhyme and what is the reason for making that kind of classification as between transportation agencies on the one hand and retail or service establishments on the other?

Let us consider the fifth subsection. This seeks to apply the law to those who are engaged in the construction industry if their annual gross receipts total $350,000. What is the rhyme or the reason for making these people subject to the law only if they gross $350,000, whereas those who are engaged in the operation of the transportation facilities described in subsection (3), are to be covered regardless of whether they take in anything? And now how is that to be reconciled with the $1 million annual gross sales requirement for retail or service establishments?

Then let us consider subsection 6. This would bring within the coverage of the law any gasoline service establishment if the annual gross volume of sales of such establishment are as much as $250,000.

Mr. President, if the Congress can regulate business upon such arbitrary grounds as these, then the Congress would have equally as much power to put one kind of an income tax on a red-headed man, and another kind of an income tax on a bald-headed man, and another kind of an income tax on a man who has pretty, light-colored hair like my good friend from Michigan. There would be as much rhyme and reason in distinctions of that character as there is in the distinctions made in the coverage provisions of the bill.

There is another serious constitutional question involved. I do not reflect on anybody when I say this, except perhaps on the legal draftsmen of the bill. I refer Senators to subsection (s) on page 14.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. HOLLAND. Mr. President, I yield to the Senator 2 additional minutes.

Mr. ERVIN. The subsection undertakes to define an enterprise engaged in commerce or in the production of goods for commerce, and says that even though the goods in question may have come to rest within the boundaries of the State and are handled within the boundaries of that State, the man who has an employee who handles the goods is subject to the law because he has engaged in interstate commerce, which is not true, or because he has engaged in the production of goods for interstate commerce, which is not true.

The question is, Can Congress, by indulging in a legislative prevarication, extend the coverage of the Constitution of the United States? That is a serious constitutional question.

Let me illustrate how far this would extend if it could be sustained. If one were to operate a shoeshine parlor and employed a shoeshine boy who handled a rag to hit up the shine on the shoe, which rag had been torn out of a bale which had been moved at some time in the past in interstate commerce, or who used polish which had been shipped in interstate commerce, then such an employer would come within the coverage of the law as soon as the Congress decided to eliminate the dollar limitations.

The dollar limitations do not confer upon the Congress any power to act under the interstate commerce clause. Congress must possess the power to act independently under the interstate commerce clause, and can use dollar limitations when such power exists merely to exclude businesses which are so small as to have no real impact on interstate commerce, or to include businesses which are so large as to have a real impact upon it.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. HOLLAND. Mr. President, I yield the Senator from North Carolina 2 additional minutes.

Mr. ERVIN. Mr. President, although some of our brethren say there is no question of constitutional law involved in respect to the bill, there are two serious questions of constitutional law involved.

First, can Congress establish such arbitrary classifications with regard to businesses to which the law is to extend as those set out in the bill?

Second, can Congress extend the coverage of the Constitution of the United States by uttering in its legislation a legislative prevarication which is absolutely not true?

The Holland amendment clearly eliminates both of these questions, and makes the bill constitutionally sound. For this reason, I shall vote for it.

Mr. HOLLAND. Mr. President, I yield 8 minutes to the Senator from Kansas [Mr. SCHOEPPEL].

Mr. SCHOEPPEL. Mr. President, I rise to support the amendment of the distinguished Senator from Florida.

The basic issue involved in the fight against the proposed coverage of retailing by the Federal wage and hour law is whether we shall permit further encroachment upon local and State affairs, by a centralized Government.

The recorded history of the act is clear, with respect to the initial philosophy behind its enactment in 1938. The legal basis for the act was and is that Congress has the right to prevent the transportation of goods in interstate commerce, when such goods are the product of so-called underpaid labor. The law was enacted to cover the "sweatshop" and the exploitation of human labor in time of high unemployment.

Senator Black, now Justice Black of the U.S. Supreme Court, who introduced the act in the Senate, made it abundantly clear that it was not the intent to provide legislation to fix minimum wages and maximum hours in all the varied peculiarly local business units of this country. He pointed out that it was the prevailing, if not the unanimous sentiment, of the Senate Labor and Public Welfare Committee at that time that—

> Business of a purely local type which serves a particular community and which does not send their products into the streams of interstate commerce, can be better regulated by the laws of the community and of the State in which the business units operate.

The philosophy of this act could not have been more clearly stated as being based upon the interstate commerce clause and as being intentionally kept away from any application to business that operated within the State line.

The original act exempted "any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce."

Basically this was the language offered as an amendment to the original bill when it was debated in the House in 1938 by Representative CELLER, of New York. Notwithstanding the fact that the House had been assured by Mrs. Norton, then chairman of the House Labor Committee, that the law would not be applied to retail and service trades, Representative CELLER insisted:

> Dissolve all doubt, dispel all chances of misinterpretation, accept it (his amendment) and then retail drygoods, retail butchering, retail groceries, retail clothing stores, department stores will all be exempted.

The amendment was accepted.

The 1949 changes to the wage-hour law concerning exemptions were brought on by the hopeless confusion which existed at that time, as a result of court rulings and administrative interpretations. Tens of thousands of establishments, which had been traditionally recognized as retail, were in doubt, as to whether the law applied to them.

In 1949, the act was amended and clarified to clearly grant the exemption originally intended.

Every legislative proposal to extend the coverage of the act has been based on the technique of segregating the large retailer, along with multistore companies, from the great body of retailing, placing the segment of the industry under the present exemption.

Comparisons are drawn of wages paid in manufacturing, with those paid by the retail and service trades, with little attention paid to the reasons for the differences. I would like to point out three sound reasons for this difference.

First, because of the nature of retailing and service operations, these industries are not susceptible to the same productivity potentialities as is the manufacturing field through investments in laborsaving machinery and equipment. The fixing of a legal minimum wage by Government without any objective relationship to productivity by the employees is economically unsound.

Second, a large proportion of the retail labor force is unskilled or low-skilled. It includes many young people, many women and many older people. Yes, even handicapped people who cannot find a place in our industrial enterprise.

Third, retailers in one section of the country do not compete with those in another. That is not true of manufacturers. They may be in competition with each other no matter where their respective factories are located. As a step toward equalizing industrial costs, a case can be made for a Federal minimum wage law which ignores varying living costs in different localities. But the same reasons do not exist for ignoring that basic factor in the case of retail labor costs. Hence, Congress in the past framed the retail exemptions accordingly.

A uniform Federal minimum wage fails to recognize basic differences between metropolitan areas and medium and small communities. Economic needs and living conditions differ.

The establishment of a retail minimum wage for a retailer who operates in New York and then apply the same minimum wage to employees operating stores in the Great Plains areas of Kansas in towns such as Kinsley, Baxter Springs or Pratt would be entirely unfair and unrealistic. The minimum wage might actually be too low in New York but at the same time result in closing retail establishments in small communities in any State.

Retailing, regardless of ownership or size, is strictly a local operation dependent upon local conditions, cost of living, varies from community to community, which in turn determines the cost to employ help.

Some stores sell high-priced merchandise; others feature a moderate-price line. The experience and skill and the potential productivity of employees in these stores is different. If the retailer is in downtown Chicago, the stores are bigger and busier. Employees' productivity is higher and wage rates reflect this. If the retailer is in a courthouse town in rural Kansas, far away from the metropolitan areas, the wage structure is at a lower level.

Retailing needs people of varied abilities and skills. In variety stores, for example, sales of $7 per employee-hour, is considered good performance by a salesgirl who sells such items as ribbon, thread, stationery, and so forth. To sell such items does not require any unusual skill, such as is necessary on the part of a salesgirl in a department store where high-price items of clothing are sold and where sales of $7 per hour would mean

bankruptcy for the store. Because of this marked difference, variety stores are able to use much more marginal help than could be used in a department store.

If the $1 minimum becomes effective, it would mean first, that all covered workers in a community would first be paid $1 and ultimately $1.25. Retailers would have to increase the wages of any person receiving less regardless of what work the employees did, or how much the particular work contributed to the success of the enterprise. The covered employer in a community would be forced to raise the salary of each and every employee who made more than $1 an hour by an amount equal to the same percentage of the amount paid to the lowest paid employee. Retailing is no different from other industries when it comes to maintaining wage differentials dependent on skill and knowledge.

Hence, if an employer by law is required to raise an employee from 75 cents to $1, what happens to the employee who presently received $1.25 per hour in the same store? The answer is obvious. A proportionate increase must result. And where will the added costs come from? Certainly not out of present profits, for if my information is correct, current net profits from merchandising operations in the general merchandising field amounts to 2.4 percent of net sales.

An extension of the minimum wage to retailing will result in two things: first, increase in prices by retailers to meet the additional operating costs, thus bringing about further inflation; or second, additional unemployment brought about by a reduction in sales help in order to hold selling costs.

Marginal workers would have to be replaced; housewives and students seeking part-time jobs may find this type of employment no longer available.

Many stores in retailing employ on a part-time and even on a full-time basis sales help whose ages range from 45 to 65, also in many instances too old to secure employment in industry. Many of these employees may not be considered as breadwinners but they need their jobs to supplement the family income. These people will have to go and many would be replaced by a younger group with more vitality and capacity for greater production. And what about the handicapped worker? What will happen to him?

We in the Middle West believe in the free enterprise system, in business, where competition in a free economy is the final determining factor of prices, for our labors and the products we sell. In a free enterprise system such as ours we cannot legislate prosperity. It must be earned.

Many now marginal firms will be forced out of business if this legislation is put into effect. A person without a job—and we presently have many unemployed—will not be helped by an increase in minimum wage or an extension in coverage. What we need most are jobs and jobs cannot be legislated. In fact, this legislation extended to retail and service establishments will create further unemployment. Let us keep further Federal intervention away from the Main Streets of our towns and cities. If legislation is necessary to remedy local conditions, then let the States handle their own problems closer home where they are conversant with the details and the changing conditions.

Federal laws must apply uniformly to all States regardless of need or conditions. State laws are geared to each State's specific requirements.

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

Mr. HOLLAND. I yield 7 minutes to the distinguished Senator from Iowa.

Mr. MILLER. I wish to speak in support of the amendment offered by the distinguished Senator from Florida [Mr. HOLLAND], and I should like to expound a little more in detail on one of the points he made in his opening remarks covering a very technical and complex feature of the bill.

I refer to the fact that the bill now before us requires that each newly covered employee in retail and service industries be compensated for his employment in excess of the hours stated in the proposed bill at a rate not less than 1½ times the regular rate at which he is employed.

Many retail and service establishments are opened for long hours of every business day. The proposed bill establishes a workweek for retail and service employees of 44 hours during the 2d year from the effective date of its enactment, 42 hours during the 3d year, and 40 hours after the expiration of the 3d year. Every retail and service employee working longer that these stipulated hours in a workweek, and who is covered by the proposed legislation, must legally receive, under the terms of the bill, not less than 1½ times the regular rate at which he is employed.

The present law defines "regular rate" to include "all remuneration for employment paid to, or on behalf of the employee," except for payments of seven kinds specifically enumerated in the present act. The proposed bill does not make any basic change in this definition of "regular rate."

A serious problem arises over the question of what payments are included in the "regular rate" on which retail and service employers must calculate overtime compensation for each employee. I call to the attention of Senators that under the act regular rate includes much more than the basic hourly wage, salary or compensation of each employee. When, and under what conditions, must so-called fringe benefits, extra compensation, and contributions paid by the employer on behalf of his employees be included in "regular rate?"

We are dealing here with very technical provisions of the present act. Whether or not these provisions have created major problems up until now, they most certainly will cause serious difficulties if retail and service employers become covered by the act as the main bill proposes. Complying with the overtime requirements of this law will be a complex problem for many retail and service businesses which will be blanketed under the act by the proposed bill.

Most of these businesses do not have legal departments, nor do they regularly employ the administrative staff which will be required for their understanding and complying with the overtime provisions. Numerous technical, legal, and administrative requirements govern when an employer shall add fringe benefits, extra compensation, and contributions to regular rate on which overtime must be calculated.

When do such fringe payments as prizes, gifts, awards, bonuses, and payments covering pension, profit sharing, thrift, and savings plans, as well as payments covering old age, retirement, life, accident or health insurance have to be added to the regular wage, salary or compensation of an employee to determine his overtime compensation? Sometimes under the law such payments are excluded from the regular rate. Sometimes such payments are included in the regular rate.

If anyone doubts the complexities to which this kind of legislation can lead, I invite his attention to the income tax regulations, specifically section 1.402(b) under retirement plans. This shows how complicated and almost impossible of enforcement this type of legislation can be.

Many employers in retail and service businesses pay bonuses to their employees. These bonuses are only excluded from regular rate when they are what is termed discretionary.

Section 7(d)(3) of the Fair Labor Standards Act provides that the regular rate shall not be deemed to include:

(3) sums paid in recognition of services performed during a given period if either, (a) both the fact that payment is to be made and the amount of the payments are determined at the sole discretion of the employer at or near the end of the period and not pursuant to any prior contract, agreement, or promise causing the employee to expect such payments regularly; or (b) the payments are made pursuant to a bona fide profit-sharing plan or trust or bona fide thrift or savings plan, meeting the requirements of the Administrator set forth in appropriate regulations which he shall issue, having due regard among other relevant factors, to the extent to which the amounts paid to the employee are determined without regard to hours of work, production, or efficiency.

Consider the practical application of this complex rule to the thousands of enterprises proposed to be covered by the proposed bill. How is a retailer to know when it will be considered that he has retained sole discretion with respect to a bonus payment and also with respect to the amount of that payment? Every word, deed or act of the employer during an employment interview would have to be considered. If he told a prospective employee almost anything concerning bonuses it could be construed that he had said something causing the employee to expect them.

This would mean that such payment would have to be added to the "regular rate" on which overtime must be calculated.

Other very complex problems arise when payments in the nature of gifts made at Christmas time, or on other special occasions, or as reward for service, are excluded from regular rate. Similarly contributions made by an employer pursuant to a plan for providing old age, retirement, life, accident or health insurance or similar benefits for employees. Sometimes payments made pursuant to a profit-sharing plan, or thrift or savings plan do not meet the requirements of the Administrator and therefore are included in the regular rate.

Mr. President, under the pending bill, thousands of retail and service businesses would be subjected to the costly and extremely difficult burden of complying with complex overtime requirements. If the bill is enacted in its present form, it is inevitable that many of these businesses will find themselves in technical violation of the overtime provisions of the law, with all of the expense, litigation, and increased governmental policing it will entail.

Any employer who violates the overtime provisions of the act is liable to the employee or employees affected for the amount of the unpaid overtime compensation, and an additional equal amount as liquidated damages. Action to collect such amount can be taken not only by the employee or employees concerned, but also by the Secretary of Labor.

It is true that the pending measure would give retail and service businesses 1 year after its enactment before any overtime provisions would apply. But I submit that these provisions, as stated in the present act, and as interpreted by the Administrator, are impracticable to comply with if the act is extended to retail and service businesses.

The proponents of the proposed legislation have asserted that its primary purpose is to prevent substandard wages. A careful study of the bill will show that this is not its only purpose. Another purpose is to force upon businesses heretofore exempt from the provisions of the Fair Labor Standards Act, rigid, complex, and burdensome Federal control over wages and hours. Its effect will, moreover, be to discourage rather than encourage business growth.

In conclusion I would say that, granted the prevention of substandard wages is a laudable objective, there is the old saying that the end does not justify the means. The end objective of the bill, to prevent substandard wages, does not justify the emasculation of the Interstate Commerce Clause and the Constitution, which I have sworn in my oath of office to uphold.

Mr. HOLLAND. Mr. President, I congratulate the Senator from Iowa for bringing out a point which has beeen little discussed in the debate up to this time. I now yield 5 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the Holland amendment. The Holland amendment would wisely remove from coverage by the proposed bill retailers, launderers, and cleaners.

I am opposed to the provisions of the pending bill for several reasons. The first is that retailing is not interstate commerce. What authority is there for Congress to pass a law with regard to retailing? The only provision of the Constitution under which it is assumed that Congress has the authority is article I, section 8, clause 3, which reads as follows:

> To regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

This clause does not provide that Congress shall have the power to regulate commerce within a State. It says "commerce among the several States." "Among the several States" means interstate commerce. That is what the Constitution provides in clause 3 of section 8 of article I.

Therefore, there is no constitutional basis for Congress to attempt to pass a law with regard to wages in retail sales as is now proposed in the Senate. Retail business is not commerce among the several States. It is a mistake to try to stretch the commerce clause in such a manner, for we are without constitutional authority to do so.

The second reason why I am opposed to the provision of the proposed law is illustrated by a letter which I have received from a constituent in Columbia, S.C., dated April 10, 1961. This is typical of many letters which I have received on the subject. It reads:

> DEAR SENATOR THURMOND: Surveys in three major South Carolina cities show that if the $1.25 plus time and one-half for overtime bill should pass, an average of better than 10 percent of retail employees will lose their jobs. (See attached sheet.)

I shall refer to the sheet in a few minutes.

> An old man my firm will release is now earning a minimum income but will not be worth the new rate and has little chance of finding a job at $1.25 per hour.
>
> The several young men to be released are making their way now but their department cannot stand any increase in cost and most of this work will have to be discontinued.
>
> It is quite apparent from past minimum wage laws that fewer people will be working to support more people on relief. Instead of helping labor, it only adds to the laborer's tax burden. Many small firms will be badly hurt or forced to close.
>
> Should the man with lesser skill be told you cannot work unless you can earn $1.25 per hour?
>
> Yours very truly,
>
> RICE MUSIC HOUSE,
> EMERT S. RICE.

That letter came from the operator of a retail store in the capital city of my State. That is what he thinks about the proposed legislation. I have received letter after letter along the same line from the proprietors of small businesses.

Is it the intention of Congress to close little stores and turn all the business over to the big chainstores? Is it the intention of Congress to grant a monopoly to a few big businesses in the Nation? The further we proceed along this line, the closer we shall come to doing exactly that. If a man owns a house which is vacant, will he raise the rent? Considering all the unemployment we hear about, is it planned to put more persons out of jobs? A great effort is being made now, it is said, to provide more employment. Why seek to provide more employment, on the one hand, and, on the other, plan to put more people out of work?

In my hometown of Aiken, S.C., there is a small drugstore which employs 20 persons. The owner of that store told me that many of his employees are high school boys and girls, and in the summer, college boys and girls. Also, some of his other employees are persons who are too old to work at most other jobs. I have seen them in the store. Some of them are disabled persons. The proprietor told me that if this bill be enacted, he will have to release all but eight employees and operate on a self-service basis. Any action so drastic as to cause a small drugstore in my hometown to release 12 out of 20 employees is, it appears to me, unreasonable.

According to the table which Mr. Rice attached to his letter, a survey was made in Columbia, S.C., among 27 employers, selected at random. Those 27 employers employ 2,189 persons. It is estimated that if the bill passes, the 27 employers will lay off 296 to 322 employees.

A similar survey was made in Greenville, S.C., among 25 employers employing 1,796 persons. It is estimated that if the bill passes, from 175 to 247 employees in Greenville will be laid off.

In Spartanburg, S.C., 19 employers were contacted at random. They employ from 843 to 848 employees, a few of them part time. It is estimated that if the bill passes, 168 full-time employees and 13 part-time employees will be laid off.

The statistics from those few cities and those few employees, I think, give a fair idea of the impact the bill will have on retail employment and the jobs of the clerks who work in the retail stores in South Carolina, and the same consequences will prevail across the country. It seems to me that it is very unwise to allow this retail coverage to remain in the bill. I sincerely hope the Holland amendment will be agreed to.

Mr. HOLLAND. Mr. President, I yield 5 minutes to the distinguished Senator from Colorado.

Mr. ALLOTT. Mr. President, I support the amendment of the distinguished Senator from Florida because it will accomplish what I favor, and I think it will stop the distortion of the Constitution.

So many persons have pointed out the inconsistencies in the bill and I wish to point out an additional inconsistency, one of the most ridiculous things that has even been attempted. On page 30, in the first proviso of paragraph (3), line 4, we read:

> *Provided*, That 75 per centum of such establishment's annual dollar volume of sales of such services is made to customers who are not engaged in a mining, manufacturing, transportation, commercial, or communications business.

It is unlikely that the courts will ever interpret the language in this way, nevertheless it can be construed in this fashion. Suppose a person engaged in

a mining, manufacturing, transportation, commercial, or communications business, sends his personal apparel to a laundry. It then becomes the laundry operator's responsibility to determine whether or not the customer is engaged in any of those businesses. This for the reason that the test as specified by the language of the bill relates to the business in which the customer is engaged. It does not provide that the business be commercial—rather, the customer.

So under a strict interpretation of the language, if a person sends his personal apparel to a laundry, and if he is engaged in any of the businesses I have enumerated, this would have to be considered as a part of the 25 percent "commercial" provision allowed the laundries.

I point out the basic flaw in this kind of proposed legislation. Originally the Fair Labor Standards Act of 1938, as amended, provided, in paragraph 6(a):

> Every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce at the following rates.

It then becomes necessary to determine what "production" means. So we refer to paragraph 3(j) of the same act. It provides:

> "Produced" means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this Act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any closely related process or occupation directly essential to the production thereof, in any State.

That is the standard which has been accepted in this area up to this time. Every Senator is acquainted with the bill which was introduced 2 or 3 years ago, which provided for the inclusion not only of businesses which affected interstate commerce, but also of businesses which competed with businesses which affected interstate commerce. So there is no question about the intentions of the proponents of this type of legislation. Their intentions are to broaden and twist the Constitution until the Federal Government actually sits in the lap of every businessman in the United States.

Compare the standards of the present act with the bill presently before us. The Fair Labor Standards Act, as amended, provides that the work must be at least a closely related process or occupation directly essential to the production of the goods. The bill before us, provides, on page 14:

> "Enterprise engaged in commerce or in the production of goods for commerce" means any of the following in the activities of which employees are so engaged, including employees handling, selling, or otherwise working on goods that have been moved in or produced for commerce by any person.

Anyone who has touched the product at any point along the line, which has ever crossed a State line, immediately becomes subject to this new criterion or standard, this new bending or new warping of the Constitution. That's what is sought to be done now.

I say again, as I said earlier, that I cannot understand why anyone should desire that the Federal Government impose such standards upon the people. Under the standards set forth in the bill, there will be not one, but thousands, of businesses situated across the street from one another, handling substantially the same kind of goods, and making the same, or substantially the same, net profits. Some of them will come under the provisions of the bill, while similar businesses across the street will be exempt. This will be inevitable, as a result of the warping and twisting sought to be done by the bill.

I seriously urge all Senators to support the amendment of the Senator from Florida.

Mr. MUNDT. Mr. President——

Mr. HOLLAND. I yield 4 minutes to the Senator from South Dakota.

Mr. DIRKSEN. Mr. President, I yield 4 additional minutes to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I strongly support the Holland amendment, and I desire to congratulate the distinguished Senator from Florida on the very effective and very intelligent battle he is waging in behalf of the small business people of the country, the people living in our rural areas, and the consumers generally, who would have to pay the additional costs of the extensions proposed by this measure.

In this country there are thousands of small local retail and service firms with annual sales over $1 million. I call attention to the fact that the Small Business Administration presently holds that department stores, variety stores, and grocery stores with sales that exceed $1 million may still be classified as "small." It is clear, Mr. President, that no single test using annual sales can accurately serve the purpose of distinguishing large firms from small firms engaged in retail or service or merchandizing trades.

One of the most dangerous features of this bill is that it would submit small, local retail and service establishments to coverage under the act, or at best to years of uncertainty over whether they are covered by the act, because of their own programs of mutual self-help. As we know, independent retailers have joined together in groups, to assist each other in many and various aspects of their business. These include financing, purchasing, merchandising, promotion, and management.

They have been driven to that by the constant expansion and growth of big business and by the development of chainstore merchandising. They have developed this method of mutual self-help, to assist themselves in meeting modern competitive conditions.

Yet, Mr. President, the bill, as written, threatens to make the law applicable to many small independent retailers with less than a million dollars' annual sales, by reason of the fact that they have joined together in self-help groups. This comes about because under the terms of the bill they could be held to have either a unified operation or one under common control, and therefore each of their establishments would be classified together as an "enterprise" with annual sales of $1 million or more.

The bill could cover every establishment in such group or groups, by requiring them to aggregate the annual sales of all their members, rather than making the test of coverage depend upon the actual annual sales of each individual small retail establishment.

Consider the situation where a wholesale supplier and a group of retailers have concluded a financial arrangement whereby the wholesaler is supplying the funds to enable the retailers to get started in business. The wholesaler, because he is investing heavily in such businesses, has certain contractual arrangements with the retailers. The wholesaler may, as a matter of fact, in the initial stage own the physical assets of these stores, or he may have a controlling interest in them—for instance, in the counters or the refrigeration equipment or some other equipment. It is clear that such arrangements can, and as a matter of fact will, produce situations where either a unified operation or common control will result. If this bill passes, it will be contended that the retailers involved in such financial arrangements will not have control over them, with the result that their sales volume will be added together to produce the magic figure of $1 million. This means that although they operate businesses having annual sales of less than $1 million a year, they will be covered under the "enterprise" definition in the bill.

Not only could the provision be construed to combine the sales of separately owned businesses for profit; it might also be applied to separately owned businesses joined together in a trade association group. As all of us know, a trade association is an organization having a common business interest, the purposes of which are to promote that interest. Its activities are directed to the improvement of business conditions in one or more lines of businesses. Can we say, as a matter of positive judgment, that a group of businesses which have joined together in activities carried on by a trade association could not be held to be a single "enterprise" under the broad definition of that term used by this bill? I call attention to the fact that the bill provides—

> "Enterprise" means the related activities performed (either through unified operation or common control) by any person or persons for a common business purpose.

Mr. President, literally thousands and thousands of businesses and business arrangements in this country could be interpreted in such a way as to bring small, independent and local establishments with less than $1 million annual sales within the broad concept of a million-dollar "enterprise," as defined in this bill. Neither the committee nor this body can possibly anticipate all such situations.

Neither can any administrator do so or categorically declare which concerns are covered by the bill and which concerns are not covered by it.

It is true that the bill has a proviso clause which states:

> *Provided*, That, within the meaning of this subsection, a local retail or service es-

tablishment which is under independent ownership shall not be deemed to be so operated or controlled as to be other than a separate and distinct enterprise by reason of any arrangement, which includes, but is not necessarily limited to, an agreement, (1) that it will sell, or sell only, certain goods specified by a particular manufacturer, distributor, or advertiser, or (2) that it will join with other such local establishments in the same industry for the purpose of collective purchasing, or (3) that it will have the exclusive right to sell the goods or use the brand name of a manufacturer, distributor, or advertiser within a specified area, or by reason of the fact that it occupies premises leased to it by a person who also leases premises to other retail or service establishments.

The interpretation of this provision raises a host of questions. When is a local retail or service establishment under independent ownership? I submit that the majority report fails to answer this question and many more raised by this ambiguous proviso.

We know from past experience, Mr. President, that the courts, the Secretary of Labor, and the Administrator will extend the provisions of any bill we pass on this subject; they will do so as broadly in favor of coverage as possible. We know that every exemption will be construed as narrowly as possible.

One needs only read the three cases decided yesterday by the U.S. Supreme Court, in the general field of labor relationships, to recognize generally what the courts will do, from the standpoint of the elasticity of such a provision. They will stretch and expand it in the direction of including and covering more and more elements of labor; they will do that as much as they possibly can. It is for this reason that I place little reliance on what might appear to be an exception to the definition of "enterprise," as contained in the proviso clause to which I have referred.

Mr. President, I have cited only some of the more obvious situations that come to mind. These can be multiplied many times over. Each of us can speculate on what might happen under a given set of circumstances with which we are personally familiar, or about which we have heard. But the courts will have the last word; and no one can accurately speculate in regard to any safeguards the Supreme Court will support when the time for adjudication comes. Meanwhile, thousands of small retail and service establishments will suffer the consequences of our passing a bill with vague and confused language.

Very few retailers have the means to engage legal experts conversant with the hundreds of Federal and State laws and regulations applicable to their business operations. As a matter of fact, in the rural areas there are very few attorneys who are thoroughly familiar with the Fair Labor Standards Act and the thousands of administrative rulings and decisions interpreting the application of this act.

Mr. President, I now approach a problem which should concern all of us, whether we are concerned about the extension of the interstate commerce clause or not. This, to me, is one of the most serious and basic questions which should be of major concern.

Under the present law, the Administrator has the authority to examine the books of a local company to determine whether, first, he is subject to coverage; and second, if he is subject to coverage, whether he is complying with the provisions of the Fair Labor Standards Act. In the field of retailing this means testing the question of whether:

First. It is a retail establishment, recognized as such in the industry.

Second. Whether 75 percent of the sales are retail and so recognized.

Third. Whether 50 percent of the sales are within the State in which the establishment is located.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. I yield 2 additional minutes to the Senator from South Dakota.

Mr. MUNDT. Mr. President, have I exhausted the 4 additional minutes granted me by the minority leader? I think I have only exhausted the time first granted me by the Senator from Florida.

Mr. MANSFIELD. Mr. President, I will grant the Senator from South Dakota 4 minutes on the bill.

Mr. MUNDT. I thank the Senator.

If the investigator reaches the conclusion that the establishment is not retail under the foregoing test, he then examines the books of the company to determine whether all of the employees have been paid the minimum rate and time and one-half for all hours over 40. For all practical purposes, the investigator's authority should stop at this point. I believe I am correct in saying that he could be enjoined from investigating any further. Now, Mr. President, under the proposed law, the investigator not only would have all the authority mentioned above, but he would be authorized to go far beyond and investigate into the very depths the retailer's operation. He would have authority equal to that of the Internal Revenue investigator; he would have authority equal to that of the OPA, OPS, and WPB investigator; he would have authority equal to that of the alien property investigator during World War II. As a matter of fact, Mr. President, is there any end to his investigative authority? How, Mr. President, would an investigator be able to determine whether a particular retailer was a part of an enterprise unless he delved into the most detailed and personal life of the owner of a retail establishment, unless he were able to see every transaction, every contract, every bank account, every formal or informal arrangement, every family connection, and every mortgage?

Of course, the investigator, in order to carry out such duties, would have to have wide range of investigative authority. Once having made the investigation and having convinced himself, subject to the frailty of judgment that any human being would have, having determined in fact that a certain individual must come under the coverage of the act, then the poor local individual retailer has only a Hobson's choice. Either he must go to the great expense of trying to find knowledgeable counsel who can guide him in representation before the Government, and, if necessary, in the courts, or he must surrender to the decision of the investigator and subject himself to all the provisions of the proposed act with all of the extra costs involved.

By forcing coverage upon small businesses and rural establishments not economically able to meet these extra costs, by forcing upon such individuals the increased cost of doing business, we are definitely not helping the employees of that establishment. When we simply provide in the law that we guarantee an individual a certain wage which he is not receiving, without at the same time assuring him that he can continue in his job, we do not increase his income; we simply increase his disappointment, because he is more disappointed at losing his job and being unemployed in a position where he might have received $1.25 an hour than in keeping a job which paid him only $1 an hour.

It seems to me that people have a right to work and the right to earn a living and the opportunity to hold a job at their own levels of capability and productibility. If by too reckless an action or too fast an action here we make it impossible for enterprises to continue to keep their present employees engaged and thus force people out of work, and do it without in any way benefiting anyone whatsoever, we in fact injure a great many people. We also increase the cost of living to every family's budget and the expenses of every family which buys groceries, clothing, and other products, because somewhere these extra costs must be passed on to the ultimate consumer, or we are going to bankrupt the enterprises involved.

If we take the bill without the Holland amendment, we also automatically stimulate the fires of inflation, because we force up the costs to the individual family and individual enterprises, and cheapen the dollar.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield 1 additional minute to the Senator from South Dakota.

Mr. MUNDT. As a matter of fact, we impose upon every American who is a purchaser, and that includes us all, a new national sales tax, defined as inflation. Inflation operates as a sales tax, because it imposes a tax on every person in America by foisting this extra cost on the consumer, which in effect deprives every person of a part of his income just as surely as would be done by a national sales tax.

I think prudence and good judgment dictate we should accept the Holland amendment as the minimum precaution in trying to make this proposal acceptable to our times, as it affects many business concerns, in small cities and towns as well as small concerns, in big cities throughout the country, and throughout rural America especially.

Mr. HUMPHREY. Mr. President, I yield 1 minute to the Senator from Michigan [Mr. McNAMARA].

Mr. McNAMARA. Mr. President, we have just voted on two amendments. One would have extended coverage to 1.4 million workers. One would have extended coverage to no new workers.

The pending amendment of the senior Senator from Florida would extend coverage to approximately 273,000 new workers. The previous two amendments we have voted upon maintain escalation provisions similar to the committee bill for presently covered workers. This point seems not to be in dispute.

The pending Holland amendment establishes the same escalation for the newly covered as the committee bill.

I am pleased that this Senate apparently shares the committee's view that all workers should be brought under coverage, at eventually the same wage rates.

However, I hope that the Senate will not accept this amendment, which extends coverage to so very few—a total of 273,000 new workers.

I see no logic in a measure which would extend new coverage to those working in transportation, seafood, small telephone companies, and those working in shipping, while leaving the 2.5 million workers in the retail field without coverage. Furthermore, this amendment would provide an actual wage increase to only 20,000 workers who are now paid less than $1 an hour, and, eventually, only 50,000 who are paid less than $1.25.

This compares to the committee bill which would provide an eventual $1.25 an hour for 4.1 million new workers, and an actual wage increase for 1.5 million workers.

Mr. HUMPHREY. Mr. President, I wish to speak only 2 minutes. I want the record to be quite clear that every small retailer is exempt. If a retailer does less than $1 million business, he is exempt. The bill as reported from the committee provides that 3.7 percent of the businesses are to be covered in retailing establishments, which provide 34 percent of the employment.

The average retail establishment that we find in the State of Minnesota, or the State of South Dakota, or the State of North Dakota, or the State of Kansas, is exempt. One can count on the fingers of one hand the number of businesses or retail establishments in the State of Wyoming, or the State of Minnesota, or the State of South Dakota, that do $1 million or more in business. All doing business under that amount are exempt.

What we are really talking about is a limited number of employers who do a large amount of business affecting interstate commerce, who employ one or more retail stores.

The "papa and mama" stores, the ones about which we hear the emotional speeches, are to be exempted, because they do less than a million dollars' worth of business a year.

Mr. MANSFIELD. Mr. President, I yield back the remainder of the time on this side, and I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. HOLLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

All time on the amendment has been yielded back. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent on official business.

I also announce that the Senator from Virginia [Mr. ROBERTSON] is absent because of illness.

I further announce that, if present and voting, the Senator from Virginia [Mr. ROBERTSON] and the Senator from Louisiana [Mr. ELLENDER] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Wisconsin [Mr. WILEY] is absent because of the death of his brother.

The result was announced—yeas 35, nays 62, as follows:

[No. 30]

YEAS—35

Allott	Dirksen	Miller
Beall	Dworshak	Morton
Bennett	Eastland	Mundt
Blakley	Ervin	Russell
Bridges	Fulbright	Schoeppel
Butler	Goldwater	Smathers
Byrd, Va.	Hickenlooper	Stennis
Capehart	Holland	Talmadge
Carlson	Hruska	Thurmond
Case, S. Dak.	Jordan	Williams, Del.
Cotton	Kerr	Young, N. Dak.
Curtis	McClellan	

NAYS—62

Aiken	Hart	Metcalf
Anderson	Hartke	Monroney
Bartlett	Hayden	Morse
Bible	Hickey	Moss
Boggs	Hill	Muskie
Burdick	Humphrey	Neuberger
Bush	Jackson	Pastore
Byrd, W. Va.	Javits	Pell
Cannon	Johnston	Prouty
Carroll	Keating	Proxmire
Case, N.J.	Kefauver	Randolph
Chavez	Kuchel	Saltonstall
Church	Lausche	Scott
Clark	Long, Mo.	Smith, Mass.
Cooper	Long, Hawaii	Smith, Maine
Dodd	Long, La.	Sparkman
Douglas	Magnuson	Symington
Engle	Mansfield	Williams, N.J.
Fong	McCarthy	Yarborough
Gore	McGee	Young, Ohio
Gruening	McNamara	

NOT VOTING—3

Ellender	Robertson	Wiley

So the Holland amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. McNAMARA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER subsequently said: Mr. President, will the Senator from Montana yield briefly to me?

Mr. MANSFIELD. I yield 2 minutes to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, a while ago the Senate voted on the so-called Holland amendment. At that time I was busily engaged in a hearing before the Armed Services Subcommittee of the Appropriations Committee. I was told that the bell which indicated the taking of the vote rang, but I did not hear it. If I had been in the Chamber at that time and had voted, I would have voted in favor of the Holland amendment.

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

Mr. ELLENDER. I yield.

Mr. MANSFIELD. I received word from the Senator's committee that that is what happened. That explains why the Senator from Louisiana was not present at that time.

Mr. ELLENDER. I thank the Senator from Montana.

Mr. PROUTY. Mr. President——

Mr. MONRONEY. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. PROUTY. Mr. President, I send to the desk an amendment which I offer on behalf of myself and the distinguished Senator from Connecticut [Mr. BUSH].

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the committee amendment it is proposed to add the following new section:

POSTPONEMENT OF MINIMUM WAGE RATE INCREASES ADVERSELY AFFECTING THE ECONOMY

SEC. 14. (a) Not less than thirty and not more than sixty days prior to the effective date of each increase in minimum wage rates made by this Act (other than any such increase which takes effect on the effective date prescribed by section 13 of this Act), the Secretary of Labor shall transmit to the Congress a report stating:

(1) Whether or not any such increase is likely to result in a substantial increase in the cost of living as reflected in the indexes of consumer or wholesale prices, or otherwise, and

(2) Whether or not such increase is likely to result in substantial unemployment in one or more of the industries affected by any minimum wage rate increase made by this Act.

(b) Notwithstanding any other provision of this Act; if the report required by this section indicates that, in the opinion of the Secretary,

(1) Any such increase in minimum wage rates is likely to result in a substantial increase in the cost of living as reflected in the indexes of consumer or wholesale prices, or otherwise, or

(2) Is likely to result in substantial unemployment in one or more of the industries affected by any minimum wage rate increase made by this Act, the Secretary may suspend the effective date of any such increase in one or more industries, or major segment of any such industry or industries, for such period of time as he shall deem advisable but any such suspension shall end not later than the expiration of 60 days of continuous session of Congress thereafter.

In any case in which the effective date of an increase in minimum wage rates is suspended under this section, the rates in effect immediately prior to the suspension shall continue in effect during the period of such suspension.

(c) For the purpose of this section, continuity of session shall be considered as broken only by an adjournment of the Congress sine die, but in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain.

(d) The Secretary shall after due notice hear such witnesses and receive such evidence as may be necessary or appropriate to enable him to perform his duties and functions under this section. Due notice of any hearing provided for in this section shall be given by publication in the Federal Register and by such other means as the Secretary deems reasonably calculated to give general notice to interested persons.

Mr. PROUTY. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. PROUTY. Mr. President, the declared policy of the Fair Labor Standards Act is to eliminate as rapidly as practicable, without substantially curtailing employment, substandard labor conditions in industries engaged in commerce or in the production of goods for commerce.

The policy of trying to raise wages without curtailing employment was sound when it was approved over 20 years ago, and it is sound now.

In 1955 when the minimum wage was increased from 75 cents to $1 with no extension of coverage, 2.1 million workers were then paid less than $1 an hour and received wage increases.

In contrast, the bill now under consideration would both extend coverage and increase the minimum wage.

In acting on a bill which would bring millions of new workers under the Fair Labor Standards Act, we must take every precaution to make certain that no real hardships fall upon either employers or workers.

It is obvious that Congress should now set the minimum rate for the newly covered at a level which is at present economically feasible and put in the bill provisions which will allow the Secretary of Labor to defer the effective date of step-up increases if they would substantially curtail employment or significantly increase prices.

During the 84th Congress, a staff study was made of the problem of providing for periodic increases in the minimum wage. That staff study urged as follows:

That serious attention be given to various possible methods allowing more frequent but smaller adjustments in the statutory minimum wage and that the Secretary of Labor be directed to make specific recommendations to Congress in regard to future necessary increases.

In other words, the staff report was saying in essence that the Secretary of Labor is in a position to determine whether economic conditions warrant changes in the minimum wage.

We all must realize that we are participating in a somewhat hazardous undertaking when we put escalator provisions in a Federal law because these escalator provisions become effective at a predetermined time, and through their adoption we would be attempting to foresee future economic conditions, future changes in wage levels, in the cost of living, and in the ability of employers to adjust to high minimum wages in the years ahead.

During the course of the Senate hearings, the distinguished senior Senator from Illinois acknowledged the importance of the relationship between minimum wages and employment when he said:

I, too, would be concerned about the possible adverse effects of increasing the minimum wage at this time if the proposed rates would have an impact as great, for example, as the increase in the minimum from 75 cents to $1 an hour had in 1956.

It was the Senator's opinion that the impact of the bill before us will not be as great as the impact of the 1955 bill. This is an arguable point, but I shall not go into it at this time.

I will say, however, that no single industry affected by the 1955 increase felt an impact greater than that which will be felt by the retail trade we are covering under the committee bill. Let me explain why this is the case.

According to figures submitted to the Congress by the Department of Labor 54 percent of retail employees in rural areas are now earning less than $1 an hour. The bill would raise these employees gradually to $1.25 and the wage cost applicable to these employees will increase not less than 25 percent. Forty-four percent of employees in food stores are now making less than $1 an hour. They will be raised to $1.25 per hour by the committee bill. This means that a substantial number of workers in grocery stores will have wage increases running between 25 to 50 percent of their current earnings.

I feel that we ought not to go into the business of judging what economic conditions will be 3 or 4 years from now without having some check which will enable the Secretary of Labor to prevent the development of serious economic consequences.

I think the amendment which I am offering will prevent injury of this nature from coming about.

The bill schedules step-up increases in minimum wage rates over a 4-year period. Supporters of the bill conceded in the hearings that the economic impact of these increases could only be estimated.

It is not possible to predict exactly what effect the minimum wage increases may have on industries to be newly covered or on general economic conditions. Small business, low wage industries, and newly covered industries may suffer serious economic consequences. The economic condition of the country may be greatly different than it is now when the last increase goes into effect in 1964.

The amendment requires that the Secretary of Labor report to the Congress his opinion whether any scheduled minimum wage increase will substantially increase the cost of living or result in substantial unemployment in any industry affected. If such a result is not likely, the minimum wage increase goes into effect.

If an increased cost of living or substantial unemployment in an affected industry is likely, the Secretary may suspend the scheduled increase for such period of time as he thinks necessary or until the Congress shall have been in session 60 days. This will give the Congress an opportunity to decide whether to continue the suspension for a longer period. If the Congress does not act, the wage increase would go into effect. The Secretary may revoke the suspension at his discretion.

The amendment requires a report on the economic effect of the scheduled minimum wage increases.

It eliminates guesswork now about conditions 4 years ahead.

It provides an opportunity to take action to counteract any adverse economic effect of the minimum wage increases.

Mr. President, I cannot emphasize too strongly the fact that although the Fair Labor Standards Act has been on the statute books for over 20 years Congress has never, during this period, extended coverage. During the Senate hearings Secretary Goldberg brought this sharply to focus when he said:

Congress during the period since the minimum wage law was enacted has removed people from coverage rather than contributing to the coverage.

Right now, we have relatively fewer covered by the minimum wage law than was covered when Congress enacted the law originally.

So, therefore, we are undertaking something new this session—something which has not been done for over 20 years. It would serve us well to take note of how the original law worked as it applied to industries covered for the first time. It would serve us well to observe those precautions which our predecessors took to make certain that the extension of coverage and rate increases they approved would have no adverse effect on employment.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. PROUTY. I am glad to yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the Senator from Vermont is one of the diligent lawmakers in the Senate. He always applies himself constructively to any legislative problem that comes before the committee of which he is a member. I am impressed by what he is saying. It seems to me that he is constructively and sympathetically seeking to give to the people what would be a safeguard against what some people may consider to be a danger point. I commend him for his thoughtful approach, and I commend him for the amendment he has offered. To give the Secretary of Labor the discretionary power and the responsibility which his amendment suggests would add materially to the practicability and the workability of the measure.

Mr. PROUTY. I appreciate the comment of the distinguished Senator. Actually what we are engaged in is an exercise in prudence, in the form of insurance to take care of contingencies which may occur in the future and which we cannot anticipate at the present time.

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

Mr. PROUTY. I yield.

Mr. JAVITS. I should like to explore something with the Senator. I join the Senator from South Dakota in expressing my respect for the Senator from Vermont, with whom I sit on the committee which reported the bill. I can testify to his diligence. I am troubled by the amendment, and I should like to ask the Senator about several points.

First, it is a fact, is it not, and this is hornbook law, but of course it should be stated—that Congress could at any time repeal any part of the statute; it would not have to wait until the step-ups took place, but could withdraw the authority it had granted.

Mr. PROUTY. That is true, but I point out to the Senator from New York that these wage rate increases will go into effect at a time when Congress is not in session. Therefore, rather than wait, and perhaps cause serious unemployment and serious increases in the cost of living, I feel that the Secretary of Labor should have the opportunity to take action at the time, subject, eventually, to congressional approval or disapproval.

Mr. JAVITS. I am impressed with the desirability of reports. I had hoped that perhaps the amendment could be designed to require the Secretary of Labor to give us his views as to a substantial increase in the cost of living or a substantial increase in unemployment as an outcome of the step-ups. I am troubled, however, by giving a Cabinet officer authority to leave the American economy in doubt for a rather considerable period of time upon the definition of the word "substantial," which is the only word of art used with reference to his authority.

So I ask the Senator whether he might consider favorably, knowing the vicissitudes which an amendment such as this must encounter anyhow, a proposal to require a seasonable report by the Secretary of Labor on these two questions, so that Congress could, if it chose, act, but without giving the Secretary a kind of authority which leaves the whole question up in the air in terms of planning and certainty, so far as the American economic system is concerned.

Mr. PROUTY. I think I am proceeding in much the same way in which the matter was handled when the law was first enacted in 1938. I believe the Secretary was then given the authority to suspend increases if, in his judgment, that seemed to be necessary.

I may say to the Senator from New York that my time is limited. I do not know how many other questions will be asked. I desire to complete my statement; then I shall be happy to yield again.

The original law provided for the establishment of minimum hourly wages and maximum workweeks for employees engaged in commerce or engaged in the production of goods for commerce. Definite minimums of 25 cents and 30 cents were fixed for the first and second years respectively, and after a period of 7 years a minimum of 40 cents per hour was established, except in an industry in regard to which it was demonstrated that a rate of 40 cents would substantially curtail employment.

That is what I was referring to in my answer to the distinguished senior Senator from New York [Mr. JAVITS].

Congress knew then, as it must know now, that when we attempt to foresee economic conditions 2, 3, or 4 years ahead, we are engaged in a hazardous business. The 75th Congress set minimum wage rates on an accelerated basis the same as we are doing in this 87th Congress, but they must have said to themselves. "Suppose we guessed wrong about future economic conditions. Let us give someone the authority to prevent rate increases from going into effect if it can be demonstrated that they will cause unemployment."

I do not think we can be any less careful today, and for this reason I have offered my amendment. When the time for wage rate increases rolls around, if the Secretary of Labor is convinced they will not adversely affect the economy by causing substantial increases in the cost of living or unemployment, the raises will become effective on schedule. If a problem arises with respect to one industry, the old rate will remain in effect for that industry so long as the Secretary thinks it advisable.

It should be made clear that my amendment will not affect the first rates set in the bill, of $1.15 for presently covered workers and $1 for newly covered workers. Nor does it have any effect whatsoever on the overtime provisions of the bill. It deals only with those minimum wage raises which are set for future years, because we can only guess what economic conditions will exist in those years. In no event may the Secretary suspend the effective date of any increase for any period of time which extends beyond 60 days continuous session of Congress.

Mr. President, I promised earlier to yield to the distinguished Senator from Connecticut. I am happy to do so now.

Mr. BUSH. Mr. President, will the Senator from Vermont yield 5 minutes to me?

Mr. PROUTY. I yield 5 minutes to the distinguished Senator from Connecticut.

Mr. BUSH. Mr. President, the minimum wage bill now before the Senate has been substantially improved over the bill proposed last year. Safeguards necessary for continuing employment opportunities in small businesses have been included.

I am satisfied that an increase in the minimum wage will be of benefit to the working men and women of Connecticut and other States. Of major importance is the protection it gives to jobs in Connecticut against low-wage competition from other States, primarily in the South. Too many factories have moved from our State to low-wage areas. The bill will help to prevent that kind of industry pirating.

Our workers and our employers who pay decent wages deserve this protection against competition based on substandard wage scales.

For these reasons, I shall vote to increase the minimum wage progressively to $1.25 an hour, and to extend the benefits of the law to several million additional workers.

I am pleased to join with the able and distinguished Senator from Vermont in cosponsoring his amendment this afternoon. I believe the amendment is necessary because it comes to grips with two major arguments which are offered against the bill.

The first is the danger of the inflationary impact of the proposed set-up in wages in the years immediately ahead, in the next 2 or 3 or 4 years, in the case of one group of increases. The other is the fact that by these stepups unemployment may be caused, and that is something which we are seeking to prevent.

I claim that the Prouty-Bush amendment is a cautionary bit of insurance against any harmful effects, either inflationary or unemployment-wise. It is unusual for Congress—in fact, I do not recall that it has been done, certainly not since I became a Member of the Senate—to pass a bill which would require a step-up in minimum wages over a period of years in the future. The bill provides for a step-up, first, to $1.15 in the first 2 years, and then to $1.25 thereafter, for persons presently covered. But for persons newly brought under the minimum wage and overtime provisions of the act, the bill provides for a step-up, first, to $1 in the first year after enactment, then to $1:05 in the second year, to $1.15 in the third year, and thereafter to $1.25. This is to be accomplished over a period of 4 years.

It seems to me to be appropriate that the person who is to administer the act should have the authority to issue a stay order on the increases if he believes there is danger to the country either by fostering inflation through the requirement of the increase at that time, or there is danger of causing unemployment in any area at all. He should have the authority, therefore, to place a stay order in effect until Congress has had an opportunity to reconsider the question.

I do not agree with the Senator from New York [Mr. JAVITS] that such authority should not be given to an executive officer or to a Cabinet officer. On the contrary, I go so far as to say it is quite appropriate that such an officer should have the authority. This is the field in which the executive branch of the Government functions. It is quite wise, I believe, that if the Secretary believes there may be danger, either by virtue of fostering unemployment or causing an increase in the cost of living, then he should have the right to effect a stay order and to ask Congress to reconsider the matter at the first opportunity.

I think Congress would be grateful for such an opportunity, if it thought the Secretary had found that it might be dangerous to proceed with the step-up in increases. So I urge the Senate to adopt the amendment. I believe it is a cautionary bit of insurance which will be helpful to the bill.

Mr. PROUTY. Mr. President, I reserve the remainder of my time.

Mr. MANSFIELD. Mr. President, I yield myself 3 minutes.

The Prouty-Bush amendment would cause the Secretary of Labor to make elaborate studies in all low-wage industries and report to Congress on the im-

pact of increasing the minimum wage in each one of these industries.

The duty to make studies and reports would impose an unduly burdensome and costly duty upon the Secretary of Labor. Evidence presented to the Senate Labor Committee both during and after hearings held on this legislation shows that the impact of increased minimum wages would be slight even with respect to newly covered workers. In any event, Congress can always act in any year to revise or modify any minimum wage which threatens a serious, adverse effect upon any segment of our economy.

For purposes of carrying out the provisions of the Prouty-Bush amendment, the Secretary of Labor would appear to be required to survey each industry presently covered by the Fair Labor Standards Act and each industry which would be affected by the increased coverage of this act. The amendment would even require the Secretary to study and survey every major segment of every industry which would come within the act. Carrying out these procedures every year would impose intolerable administrative burdens, interfering with the orderly application and enforcement of the law.

Furthermore, the procedures and methods for suspending wage increases for any industry would apparently be subject to the Administrative Procedure Act, thereby requiring lengthy and elaborate hearings and other procedures taking very substantial periods of time, perhaps 6 months or more, with probable right of judicial review. These procedures would be required in a situation in which time is of the essence.

In my opinion, these procedures would defeat the very purposes of the amendment.

The amendment gives extraordinary power to the Secretary of Labor, and I, for one, do not wish to see any Cabinet officer given the power which is embodied in this amendment, as I interpret it.

Mr. PROUTY. Mr. President, I should like to call the attention of the distinguished majority leader to the fact that the hearing provisions of the amendment are the same as those presently in the wage and hour act. So there is no difference whatsoever in that respect.

It is possible that some administrative burden would have to be borne by the Secretary of Labor if our amendment is adopted. But certainly it would be better for him to suffer a few headaches, rather than to have people suffer from unemployment, because of action taken by the Congress.

I believe it highly important that we exercise prudence in this respect; and I believe that the amendment offered by the distinguished Senator from Connecticut and myself will lead to that result.

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

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Vermont yield to the Senator from New York?

Mr. PROUTY. I yield.

Mr. KEATING. I wish to commend the distinguished Senator from Vermont for this very thoughtful amendment and for the diligence he has devoted—as has also the Senator from Connecticut [Mr. BUSH]—to this problem.

It seems to me that the amendment would go a long ways toward removing the crystal ball from the minimum-wage bill. I believe this amendment is a sensible way in which to phase in the increases in the minimum wage in the years ahead.

Mr. President, I want to make it clear that it is my intention to vote for an increase in the minimum wage. I voted for one last year, and I intend to do so again. But I recognize that there is a certain amount of danger in planning some 4 years in advance as to the level of the Federal minimum wage, without at the same time providing some limited protective device, in order to be able to avoid having the minimum wage automatically increase in periods when such increases might be unwise.

The best economists agree that all of the projections on which the pending bill is based are of a tenuous nature. Economic forecasts are a little like weather forecasts. It is always good to know that the sun will shine, but it never does any harm to have an umbrella at hand. This amendment is in the nature of an economic umbrella. We hope for prosperity and we hope to be able justifiably to increase the minimum wage; but we also want to be sure that we have a mechanism by which temporarily to suspend a scheduled minimum wage increase if we encounter stormy economic conditions.

If our economy prospers—and all of us certainly hope it will—this amendment will have no adverse effects whatever on this measure. Under the provisions of the amendment, as I understand it, only a decisive and positive action by Congress would prevent the minimum from being increased as specified in this bill.

Mr. PROUTY. The Senator from New York is entirely correct.

Mr. KEATING. If the Secretary of Labor reports that such an increase would be detrimental in terms of prices or jobs, it will not necessarily be that the Congress will go along. Is that correct?

Mr. PROUTY. Yes.

Mr. KEATING. Under this amendment, 30 days before the increase goes into effect, the Secretary would report to the Congress. Thereupon, he could suspend this particular increase for 60 legislative days; and before the end of that period it would be up to the Congress to vote to continue the suspension. Is that correct?

Mr. PROUTY. That is absolutely true. The Congress will have the final word in regard to the entire question.

Mr. KEATING. Is it not also true that there is a precedent for this in the present Legislative Reorganization Act?

Mr. PROUTY. I believe so.

Furthermore, discretionary authority was given the Secretary of Labor at the time the Fair Labor Standards Act was enacted, in 1938. He was, I believe, given then the same authority which we are now seeking to provide.

Mr. KEATING. Of course, the opponents of minimum wage legislation predict—and I do not in any way question their sincerity—that great problems will arise following the extension of the Fair Labor Standards Act. Personally, I do not accept that view; and I do not think the Senator from Vermont accepts it, either. Nevertheless, it seems logical that we should provide a mechanism, such as that embodied in the pending amendment, so that if they are correct and if we are wrong, more congressional study can be given to the conditions which exist in these industries, before future scheduled increases in the minimum wage are put into effect.

It seems to me this amendment is helpful in that regard, and is deserving of our support.

Mr. PROUTY. I am very grateful to the Senator from New York for his very constructive remarks.

I should like to point out very definitely that this amendment is not an effort on my part to sabotage the minimum-wage bill. I intend to vote for increases in the minimum wage, regardless of whether this amendment is made a part of the bill or is rejected.

Mr. BUSH. Mr. President, will the Senator from Vermont yield to me?

Mr. PROUTY. I yield.

Mr. BUSH. I should like to observe that in my opinion the amendment is not offered in an attempt to sabotage the bill. The amendment is offered in an attempt to fortify the bill and to provide some protection to the entire economy and to the working men and women who are involved. I think the Secretary of Labor should not only be trusted, but he should also be charged by Congress with responsibility to examine and to make sure, each time a step-up of the minimum wage goes into effect, so as to be sure that more good than harm will result, and that no substantial harm will come from the step-ups.

Mr. PROUTY. Yes; and I think the Secretary of Labor may very well welcome this authority.

Mr. BUSH. I should think he would.

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

Mr. PROUTY. I yield.

Mr. KEATING. Supplementing what the distinguished Senator from Connecticut has said, inasmuch as I favor an increase of the minimum wage, as does the Senator from Vermont, and inasmuch as I will vote for the bill, as will the Senator from Vermont, either with or without the adoption of this amendment, I believe this amendment constitutes a constructive move which would make the pending bill more acceptable to those whose views differ with ours. It seems to me that this amendment could be a means of convincing those who now are in opposition. I believe that the adoption of the amendment will be a constructive step toward obtaining the enactment at this session of the type of a minimum-wage legislation which many of us believe to be desirable.

Mr. PROUTY. I thank the Senator from New York.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the Prouty-Bush amendment and also certain questions and answers which explain the amendment in some detail.

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

EXPLANATION OF PROUTY-BUSH AMENDMENT, WHAT THE AMENDMENT DOES

1. Requires the Secretary of Labor to report to Congress within 30 days of the time the step-by-step minimum wage increases go into effect whether or not:

(a) Any such increase is likely to result in a substantial increase in the cost of living, and

(b) Any such increase is likely to result in substantial unemployment in any industry affected by the minimum wage increases.

2. Authorizes the Secretary to suspend the minimum wage increases if his report shows that a substantial increase in the cost of living or substantial unemployment in one or more industries is likely to result from the scheduled increases. The Secretary may suspend the increases for such period of time as he shall deem advisable. However, any such suspension shall end not later than the expiration of 60 days of continuous session of Congress thereafter.

(NOTE.—The rate of $1.15 per hour for presently covered employees and the rate of $1 per hour for newly covered employees, which will go into effect 120 days after enactment of the bill, are not affected by this amendment.)

QUESTIONS AND ANSWERS CONCERNING THE PROUTY-BUSH AMENDMENT

Question. Why is it desirable to give the Secretary of Labor authority to suspend minimum wage increases?

Answer. 1. This is the first time Congress has expanded coverage under the Fair Labor Standards Act since its enactment in 1938.

2. The bill schedules step-up increases in minimum wage rates over a 4-year period. It is impossible to predict what effect these increases will have on newly covered industries and low wage industries.

3. Authority must be given to the Secretary to suspend increases where economic conditions warrant because the raises will become effective at times when Congress is not normally in session.

4. The amendment will enable those who wish to vote for a higher minimum wage and expanded coverage to do so in a more responsible manner. The original minimum wage law provided for step-up increases from 25 cents to 40 cents, but authority was given to exempt from the 40-cent minimum any industry in which the rate would substantially curtail employment. We should exercise the same degree of caution today.

5. The amendment requires a timely report on the possible effects scheduled minimum wage increases will have on prices and unemployment. We cannot rely on the annual report of the Department of Labor which will be received by Congress 9 months before the various minimum wage increases go into effect.

Question. Is the Secretary required to suspend a scheduled minimum wage step-up if he finds that such an increase will add substantially to unemployment or the cost of living?

Answer. No, this is entirely at the Secretary's discretion.

Question. For how long a period of time may the Secretary suspend any scheduled increase in minimum wage?

Answer. For 20 days, 30 days, or such period as he may deem advisable. But the period may not exceed the expiration of 60 calendar days of continuous session after the suspension has begun.

Question. What happens if the Secretary suspends a scheduled minimum wage increase and Congress takes no action to continue such suspension?

Answer. The increase will take effect at the end of the suspension period or after the expiration of 60 calendar days of continuous session of the Congress, whichever occurs sooner.

Question. If a minimum wage increase is causing a problem in only one industry, may the Secretary suspend the increase only with respect to that industry?

Answer. Yes.

Question. Suppose the Secretary finds that if a minimum wage rate increase goes through, plants in one industry will close down and people will be thrown out of work because the plants will be unable to compete with foreign producers—what action may the Secretary take?

Answer. He may suspend the rate increase with respect to that one industry.

Question. If the Secretary suspends the minimum wage increase affecting one industry because the increase will cause substantial unemployment—what rate will prevail with respect to that industry and with respect to other covered industries?

Answer. The other covered industries will receive the scheduled step-up increase. The industry with the unemployment problem will be required to pay not less than the rate in effect immediately prior to the suspension.

Mr. PROUTY. Mr. President, I yield back the remainder of the time available to me.

Mr. MANSFIELD. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time on the amendment has been yielded back.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. I announce that the Senator from Oklahoma [Mr. KERR] is absent on official business.

I also announce that the Senator from Virginia [Mr. ROBERTSON] is absent because of illness.

On this vote, the Senator from Oklahoma [Mr. KERR] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Virginia would vote "yea."

Mr. KUCHEL. I announce that the Senator from Wisconsin [Mr. WILEY] is absent because of the death of his brother.

The result was announced—yeas 39, nays 58, as follows:

[No. 31]

YEAS—39

Aiken	Cotton	Kuchel
Allott	Curtis	Lausche
Beall	Dirksen	McClellan
Bennett	Dworshak	Morton
Boggs	Eastland	Mundt
Bridges	Ervin	Prouty
Bush	Fong	Russell
Butler	Goldwater	Saltonstall
Byrd, Va.	Hickenlooper	Schoeppel
Capehart	Holland	Scott
Carlson	Hruska	Thurmond
Case, S. Dak.	Jordan	Williams, Del.
Cooper	Keating	Young, N. Dak.

NAYS—58

Anderson	Hartke	Morse
Bartlett	Hayden	Moss
Bible	Hickey	Muskie
Blakley	Hill	Neuberger
Burdick	Humphrey	Pastore
Byrd, W. Va.	Jackson	Pell
Cannon	Javits	Proxmire
Carroll	Johnston	Randolph
Case, N.J.	Kefauver	Smathers
Chavez	Long, Mo.	Smith, Mass.
Church	Long, Hawaii	Smith, Maine
Clark	Long, La.	Sparkman
Dodd	Magnuson	Stennis
Douglas	Mansfield	Symington
Ellender	McCarthy	Talmadge
Engle	McGee	Williams, N.J.
Fulbright	McNamara	Yarborough
Gore	Metcalf	Young, Ohio
Gruening	Miller	
Hart	Monroney	

NOT VOTING—3

Kerr	Robertson	Wiley

So the Prouty-Bush amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. ALLOTT obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield.

Mr. ALLOTT. I yield to the Senator from Illinois.

Mr. DIRKSEN. I should like to ask the majority leader, what is to be the schedule for the remainder of the day?

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, it is my understanding the able Senator from Colorado [Mr. ALLOTT] wishes to offer an amendment, which may well be accepted by the committee.

I further understand that the Senator from Oklahoma [Mr. MONRONEY] will offer an amendment, and that we may have an opportunity to vote on the amendment tonight. If we do not vote on the amendment tonight, I am sure we can come to some reasonable arrangement to have a yea-and-nay vote on the amendment immediately after the conclusion of morning business tomorrow.

There are a number of amendments to be offered by the junior Senator from Arizona [Mr. GOLDWATER], which I assume will be offered tomorrow, in view of the festivities in store tonight.

Mr. GOLDWATER. I did not understand the Senator.

Mr. MANSFIELD. I said I assumed the Senator from Arizona would offer his amendments tomorrow.

Mr. GOLDWATER. I imagine there will be too little time this evening to discuss them. The amendments are not long and the discussion will not be too involved, but I think tomorrow would be a more opportune time, in view of the business at hand after 6:30 this evening.

Mr. DIRKSEN. Mr. President, I have one further question.

It would appear that after disposition of the amendment to be offered by the distinguished Senator from Colorado, there will be no further yea-and-nay votes this evening?

Mr. MANSFIELD. There will be one more, if possible. The Senator from Oklahoma indicates he will not take very long. I am sure the Senator from Michigan [Mr. McNAMARA] will not take long.

Mr. PASTORE. A parliamentary inquiry, Mr. President.

Mr. McNAMARA. Mr. President, a couple of Senators on our side of the aisle wish to speak.

Mr. MANSFIELD. Mr. President, with the consent of the minority leader and of the Senator from Oklahoma, I ask unanimous consent that we finish the 1 hour's debate, if need be, on the Monroney amendment tonight, and that a yea-and-nay vote be taken immediately after the conclusion of morning business tomorrow.

Mr. MONRONEY. Mr. President, reserving the right to object—and I hope I shall not have to object—I think it would be unfair to both sides to complete debate with the announcement that no vote will be taken tonight. Senators would be absent from the Chamber.

This is an important constitutional question. I am perfectly willing to vote tonight, and to cut my presentation as short as possible, but I think, in light of the importance at least the administration has attached to the amendment, we should debate the amendment in full tomorrow, or debate it tonight and agree to vote at 6:30 p.m.

Mr. LAUSCHE. Mr. President, will the Senator yield to me?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate vote on the Monroney amendment at 6:30 tonight.

Mr. LAUSCHE. Mr. President, I should like to have some time on the amendment.

Mr. MANSFIELD. The Senator will get some time; I promise.

Mr. HOLLAND. Mr. President, I object.

ORDER FOR ADJOURNMENT UNTIL TOMORROW AT 11 O'CLOCK A.M.

Mr. MANSFIELD. Mr. President, after consultation it has been decided, with the concurrence of the Senate, that the Monroney amendment will not be taken up until tomorrow at the conclusion of the morning hour, and that this evening, in the time remaining, other amendments will be considered, and the Senate will then adjourn until 11 o'clock tomorrow morning.

I had previously made a request for unanimous consent that when the Senate adjourns today, it adjourn to meet at 12 o'clock noon tomorrow. I now change that request and ask that when the Senate adjourns today, it adjourn until 11 o'clock tomorrow morning.

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

FAIR LABOR STANDARDS AMENDMENTS OF 1961

The Senate resumed the consideration of the bill (H.R. 3935) 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 commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes.

Mr. ALLOTT. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Colorado will be stated.

The CHIEF CLERK. On page 29, line 4, it is proposed to insert between the words "restaurant" and "motion" after the comma, the word "or."

On the same line, it is proposed to insert a semicolon instead of the comma after the word "theater."

On the same line, it is proposed to insert after the word "or" the word "is."

Mr. ALLOTT. Mr. President, the amendment is a simple perfecting amendment that was submitted for the purpose of making clear the intention of the committee, which is that the qualification of operating on a seasonal basis should apply only to amusement and recreational establishments and not to hotels, motels, restaurants, and motion picture theaters. I have discussed the amendment with the chairman of the subcommittee, and I believe he is willing to accept it.

Mr. McNAMARA. Mr. President, the amendment is in the nature of a perfecting amendment, and we are happy to accept it in the form presented.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. ALLOTT. I yield.

Mr. HOLLAND. As I understand the purpose of the amendment—and I ask the attention of the Senator from Michigan [Mr. McNAMARA]—the purpose of the amendment is to make clear the words "that operates on a seasonal basis," which appear at the end of that particular sentence, do not apply to the words "hotel, motel, restaurant and motion picture theater."

Mr. McNAMARA. The Senator is correct.

Mr. HOLLAND. But apply only to the amusement and recreational establishments.

Mr. ALLOTT. The Senator is correct. It is my understanding that such was the intention of the committee originally. The amendment now offered would make the intention clear, and I believe the present legislative history would make it clear.

Mr. HOLLAND. I believe the amendment is a good one. I recall having made the request of the committee that the committee include in the bill an exemption of amusements or recreational establishments operating on a seasonal basis.

Mr. McNAMARA. The Senator is correct.

Mr. HOLLAND. There was no intention to have the seasonal provision apply to other areas, and I believe if the amendment clarifies that subject, it certainly should be agreed to.

Mr. ALLOTT. Mr. President, I yield back the remainder of my time.

Mr. McNAMARA. Mr. President, I yield back our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. GOLDWATER. Mr. President, I call up my amendment 4–13–61—H, and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Arizona will be stated.

The LEGISLATIVE CLERK. On page 16, line 7 through 20, it is proposed to strike out all of subsection (e) and insert in lieu thereof the following:

(e) (1) On his own motion, or upon the complaint by any labor organization, trade association, or industry group that an article is being imported into the United States in such substantial and increasing ratio to domestic production of like or competitive articles as to threaten or undermine the maintenance of the minimum standards of living necessary for the health, efficiency, and general well-being of the American workers affected, due in whole or part to the fact that as a result of being produced under labor conditions below the minimum standards required by the laws of the United States and the several States to be maintained by the domestic producers supplying the like or competitive articles in the principal markets of the United States where the unfair import competition is encountered, such imported article is being sold with an unfair competitive advantage in relation to the like or competitive articles of domestic origin, the Secretary of Labor shall promptly make an investigation which shall include hearings on reasonable public notice at which interested parties may be present, produce evidence, and be heard.

(2) If the Secretary thereupon shall find the existence of such facts, he shall recommend to the President that such article be permitted entry into the United States only upon such terms and conditions and subject to the payment of such import duties (in addition to any duties otherwise provided by law) and to such limitations in the total quantity which may be imported (in the course of any specified period or periods), either on a global or country-of-origin basis, as he shall find necessary in order to prevent the continuation of such conditions.

(3) Upon receipt of the report of the Secretary's investigation, findings, and recommendations, the President may by proclamation make effective the Secretary's recommendations, and the Secretary of the Treasury shall, through the proper Customs officers, permit entry of the article or articles specified only on the terms and conditions and subject to such import duties, and to such quotas as the President shall have directed in his proclamation.

(4) Any conditions, duties, and quotas imposed on the entry of an article under this section shall continue in effect until the President acting on a recommendation of the Secretary of Labor pursuant to findings made in a supplemental investigation held not less frequently than biannually, thereafter shall terminate or modify his proclamation on finding that the conditions on which it was based no longer exist.

Mr. GOLDWATER. Mr. President, the committee bill contains a provision authorizing the Secretary of Labor, when he has reason to believe that foreign competition has resulted or may result in unemployment in the United States, to make an investigation of the matter and if he determines that such

unemployment has resulted or may result, to report his findings to the President and the Congress.

That low-cost foreign competition has become an important factor for both American labor and industry is now a matter of common knowledge. There are many of us who fear that an increase in the minimum wage will raise the costs of doing business in the United States, further weaken the competitive position of American trade and industry, and result in an increase in unemployment among American workers.

The provision in the committee bill recognizes this possibility but makes only a futile gesture in dealing with it. My amendment actually comes to grip with the problem and offers a procedure for helping to solve it.

My approach is not a new one. When the Fair Labor Standards Act was originally under consideration in the late thirties, this question of low-wage foreign competition was a factor to which the Congress gave serious thought. This is reflected not only in the legislative background of the Fair Labor Standards Act but also in that of the Federal wage-fixing legislation which preceded it, the National Industrial Recovery Act. I should therefore like at this point to call the attention of the Senate to some of this background.

Referring back to the National Recovery Act of 1933 for some history of the interest of Congress in this subject, the National Industrial Recovery Act of 1933 provided for the establishment of codes of fair competition under which domestic producers were obliged to limit the hours of labor, pay a minimum wage, and sell their products at a fixed price not incompatible with the public interest. This bill was handled in the Senate by the Senate Finance Committee. In reporting the bill which became the law, the committee added a provision—Section 3(e)—to the effect that—

> Upon complaint to the President that articles are being imported into the United States to the detriment of any industry with respect to which a code of fair competition is in effect, resulting in unfair methods of competition in the United States, the President may cause an investigation to be made. If after public notice and hearing the existence of unfair methods of competition shall be found, the President may exclude the articles concerned from entry into the United States, and the decision of the President is to be conclusive. The refusal of entry is to continue until the President finds that the conditions which led to the refusal no longer exist. (S. Rept. 114, p. 2, 1933.)

Mr. ALLOTT. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I am happy to yield to the Senator from Colorado.

Mr. ALLOTT. The amendment has considerable merit. I intend to make a speech on the floor of the Senate on exactly this situation. There seems to be a presumption that somehow or other all the steel mills in the country are picking up and doing well. However, some the mills which do fabricating work, such as the Colorado Fuel & Iron Co., of Pueblo, Colo., find themselves in direct competition with Belgium, West Germany, Japan, and other countries, to the extent that they are literally having their markets swept out from under them. This is because in Japan and in other places, products such as fencing, barbed wire, nails, and so forth, are produced at a much lower labor cost than in America.

At some time, somewhere, we in the United States must come to grips with the problem of our so-called free-trade policy and realize that it has not worked in this respect. We have not raised the wages of workers in Japan, and certainly we have not done it in Germany, although their wages have come up. We have not done it with respect to the miner in South America. This may be an opportunity to start to come to grips with the problem; because in the lead and zinc industry, and other industries, such as fluorspar and last year with respect to the importation of mutton and lamb—the Tariff Commission has repeatedly refused to take action in this field.

It seems to me that the approach of the Senator from Arizona is very worthwhile and very meritorious, and should be given serious thought. I for one shall vote for the pending amendment because I believe we must force the Tariff Commission to take a look at the things which are depleting business after business in the United States.

Mr. GOLDWATER. I thank the Senator from Colorado. Coming as he does from the West, and representing his State so ably, he speaks with knowledge of the damage which has been done. It is damage which in many instances cannot be repaired, particularly in the lead and zinc industry in the West.

I point out to the Senator from Colorado that what we are about to do on the floor of the Senate can contribute as much to this problem as the actual impact of foreign competition, in that we would raise the wages by Government fiat and not allow the wages to seek the level that they should reach by the operation of the law of supply and demand in a free-enterprise system.

When we do this, there is only one economic result. What is income or wages to one man is the cost factor to another man. It has always been so, and I hope it will always be so.

Cost being the great determinant of profit or lack of profit, the cost must be kept at a relatively stable figure. It cannot go up and down. It must remain where experience has proven we can make a profit. Let us not fool ourselves. Profit is the desire and result of the operation of our economic system.

Having forced up an important component of cost, the only way the businessman has of getting that cost back, which is reflected as income to the worker, is to raise prices. This is particularly true in what we might call the lower price end of our goods, where the competition is the greatest from abroad, particularly Japan and Hong Kong and the other places which are producing finished products of fabric.

The example which the Senator from Colorado has offered with reference to lead and zinc can be matched by the example we find in the textile industry today, where there are more than 300,000 people out of work as a direct result of foreign competition. One out of every eight people gainfully employed in industry in this country is employed in an industry which is related to the textile industry. This is an act of Congress which is contributing to the woes of the workers of America, not to the good of the workers of America. If it were possible for the Government to allow the law of supply and demand to operate instead of having the economy operate under the Government, then we would not have much trouble with economics.

However, I suggest that this is something called socialism, when the Government operates the economic system. The step that we are about to take in the Senate—it is obvious that it will be taken—will without doubt result in higher prices, because it has so resulted in the past.

One other action that was taken by Government recently which will add to the woes of the textile people is that we are selling, to countries like Japan, American surplus cotton at 8½ cents below the purchase price. That is 8½ cents lower than our own textile mills have to pay for it. That cost advantage to Japan, added to their low wage scale, is one reason why I see no hope for the textile industry of this country recovering from the very damaging blow it has received from foreign competition.

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

Mr. GOLDWATER. I yield.

Mr. ALLOTT. I intend to make an address on the floor of the Senate this week documenting this case in full. However, I refer to a very old established steel mill in Pueblo, Colo., producing fabricated products—not only wire, but also pipe and nails, and all sorts of similiar products. I intend to document on the floor of the Senate that this company is being squeezed out of business by the imports from cheap labor areas abroad. This is what the Senator's amendment seeks to attack.

I suppose some people would say that what I am doing is speaking for a corporation. I am not. I am speaking for 10,000 men, representing 10,000 families in Pueblo, Colo., who want work and who need work. While we go down one alley by passing a depressed areas bill, we are at the same time permitting a situation to continue which permits cheap-labor goods, which are not competitive from the labor standpoint with our goods, to come into the country. This is the reason I believe the Senator is performing a worthwhile service toward directing some effort, finally, to the protection of our own people.

I thank him for yielding.

Mr. GOLDWATER. I thank the Senator from Colorado. Very definitely the Senator is not arguing on behalf of a corporation, because the corporation has a very easy way out in this situation. The corporation can buy these materials cheaper abroad. If it were not for the concern of many corporations for their own workers, more and more of them would be buying their steel in Belgium, in Germany, or in Japan, and buying their fabrics, and goods manufactured from fabrics, from Japan and other countries.

I could cite many examples of corporations which have ceased their manufacturing business in this country and are now importing because they can buy their goods cheaper abroad than they can be made in this country.

Mr. ALLOTT. That is correct. One can go into almost any town or city in Colorado today and buy barbed wire manufactured in Belgium, Germany, Japan, and other countries at a price cheaper in the store than it can be bought from the steel mill which produces it in Pueblo, and for only one reason, namely, the cost differential due to the low labor prices abroad.

Mr. GOLDWATER. The Senator comes from a Western State, as do I. In our part of the country, we know what barbed wire is. I am told that the largest manufacturer of barbed wire now buys it from Belgium. The barbed wire which fences in the cattle in the West is imported. This wire could be manufactured in the United States as inexpensively as it can be made in Belgium, if there were not the great differential in wages. It could still be manufactured in this country if the New Frontier would recognize that a more liberal depreciation allowance must be granted to the manufacturers in this country before they will modernize their equipment, and thus allow companies making wire of any kind to make it faster and cheaper, even with the higher wage scale in this country. It could be done, but American manufacturers are not receiving the encouragement to the economy which they should be receiving from the New Frontier; in fact, they are receiving discouragement from it in the guise of acts which it is said will help the workingman. Actually, such laws have not helped the working man in the past; they have been detrimental to his well-being.

I am interested to learn that unions are aware of the damaging effects which foreign markets are having in our economy, and probably to a greater extent than we are.

I have before me an article taken from the Wall Street Journal, which tells of a Chicago labor union preparing to oppose the installation of electronic parts made in Japan. I could relate the difficulties which electronic manufacturers in my part of the United States are having with Japanese-made imports in competitive fields.

I believe the amendment I am offering is one which is really needed. It is obvious that the relief which has been provided to be afforded through the Tariff Commission has not worked. The Commission has blocked such relief. It has erected a wall across this avenue, and it seems that those who seek relief can never get through the wall.

During the debate on the bill in the Senate, Senator Walsh of Massachusetts offered a substitute for the committee amendment. This was accepted by the Senate and became section 3(e) of the bill which was enacted into law. In lieu of the power of the President to exclude entirely articles which he found to be imported to the detriment of an industry subject to a code of fair competition, the Walsh amendment empowered the President to permit entry of the offending imports into the United States "only upon such terms and conditions and subject to the payment of such fees and to such limitations in the total quantity which may be imported (in the course of any specified period or periods) as he shall find it necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any code or agreement made under (the act)."

In lieu of investigation by the President, the Walsh amendment provided for an immediate investigation to be made by the Tariff Commission on complaint of a labor organization or trade association.

In explaining the purpose of this amendment to the Senate, Senator Walsh stated:

> Mr. President, the committee amendment was originally proposed by the Senator from Pennsylvania, Mr. Reed. The committee felt that the effectiveness of the measure would be greatly restricted, if not destroyed, unless there were some provision giving the President authority to restrict imports that would be in competition with the domestic producers who were obliged to comply with codes fixing limited hours of labor, with a minimum wage, and sell their products at a fixed price not incompatible with the public interest. The proposal of the Senator from Pennsylvania gave the President the power of embargo. He could declare that particular imports were tending to destroy the effectiveness of the measure and prevent their being imported into the country.
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> The substitute which I have proposed has been submitted to the Senator from Pennsylvania and meets with his approval. It has been submitted to the Senator in charge of the bill, Mr. Harrison. We all believe that it is preferable to the committee amendment. It retains the power for the President to embargo when necessary, but also gives him, which he does not possess under the committee amendment, the power to impose limitations upon the amount of imports that may be permitted to enter the country, and also gives him the power to compel importers, where imports are restricted, to take out a license, so that he can prevent their violating his regulations.
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> So far as I understand, everyone interested in this particular phase of this bill is in accord; and I assume the amendment will be adopted (CONGRESSIONAL RECORD, p. 5291, June 8, 1933).

During the debate, Senator Reed, of Missouri, commented that "the whole effect of the bill is going to be to raise American costs and American prices."

He explained his support for the bill in view of this fact as follows:

> We cannot compel the foreigner to unionize his labor. We cannot compel the foreigner to pay minimum rates of wages. We cannot compel the foreigner to cut down his workday to 30 hours a week. We cannot compel him to join a code of fair competition. The effect of the bill, without some such protection as this, would be to hand over to the foreigner the entire American market.
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> Therefore I am very glad that the Senator from Massachusetts is offering an amendment that will go as far as we constitutionally can go (CONGRESSIONAL RECORD, p. 5292, June 8, 1933).

There was very little adverse comment in the Senate about the import provision of the bill or the Walsh amendment. Senator GORE was the chief critic, and in response to an inquiry by him as to whether the President should not be authorized to reduce duties as well as to raise them, Senator Walsh replied as follows:

> The amendment proposed by me is simply to make effective the purpose of title I of this act. It is inconceivable that hours of labor can be reduced, and wages fixed, and prices of commodities established by a governmental agency and no power given to the same agency to prevent a flood of imports into this country. Without such an amendment, the whole act would be ineffective.
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> How is it possible to reduce working hours, increase wages, put more people to work, and fix the prices of commodities so that wages will be higher, without some restriction or some control over the importations into this country that are to compete with labor and wages that are regulated under this bill? The purpose of the amendment is to give the President the same authority over these imports that he is assuming over domestic production and products (CONGRESSIONAL RECORD, p. 5292, June 8, 1933).

When the bill went to conference the House receded, accepting the Senate amendment.

The Fair Labor Standards Act as it was originally conceived by both the Senate and House committees which handled the legislation included as an essential part measures for adjusting imports by additional duties or quotas so that the sale in the United States of goods produced abroad under the type of labor conditions forbidden by the act would not defeat the purposes of the act.

As reported by the House Labor Committee, House Report No. 1452—corrected print—75th Congress, 1st session, the fair labor standards bill contained a provision for the regulation of imports produced under substandard labor conditions whose sale in the United States would tend to defeat the purposes of the act. The text of this provision is set forth in appendix I to this memorandum. Concerning this provision, the House report stated:

> Sections 8 (c) and (d) are new tariff provisions proposed as a committee amendment. These provisions authorize the President, after investigation by the Tariff Commission, and upon the recommendation of the Commission, to make such increases in the duty, or to impose such limitations on the quantity permitted entry (or entry without duty increase), as may be necessary in order to equalize differences in the costs of production of any domestic article and of any like or similar foreign article resulting from the operation of the Labor Standards Act and in order to maintain the standards established pursuant to the act. In case of any article on the free list of the Tariff Act of 1930, possible action is limited to import quotas.
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> The provisions are so drawn that remedial action is possible with respect to any item, whether or not it is included in any trade agreement, present or future. With respect to a trade agreement item, however, possible action is limited to import quotas, since any increase in the duty on such an item would be in violation of the trade agreement. Section 8(d) contains the specific provision that "Nothing in this section shall be construed as permitting action in violation of any international obligations of the United States." Section 8(d) further provides in the case of quotas that the quantities permitted entry, or entry without an increase

in duty, shall be allocated to the supplying countries on the basis of the proportion of imports from each such country in a previous representative period. This provision is designed to assure against the discriminatory allocation of such quotas contrary to the letter and spirit of our existing international obligations and policies.

This tariff provision was consistent with the purposes of the legislation. As stated in the President's message recommending the enactment of fair labor standards legislation—House Document No. 255, 75th Congress, 1st session:

And so to protect the fundamental interests of free labor and a free people we propose that only goods which have been produced under conditions which meet the minimum standards of free labor shall be admitted to interstate commerce. Goods produced under conditions which do not meet rudimentary standards of decency should be regarded as contraband and ought not to be allowed to pollute the channels of interstate trade.

The bill was reported by the House Labor Committee on August 6, 1937, and contained 30 amendments which had been added by the committee to the form of the bill as originally introduced. The Rules Committee failing to grant a rule, a petition to discharge the bill from the Rules Committee was filed on December 6, 1937, and was debated in the House on December 13 and 14, 1937. Three days after the House committee had reported the bill, William Green, president of the American Federation of Labor, wrote to all Members of Congress as follows—82 CONGRESSIONAL RECORD 1485:

I sincerely hope you may find it possible to vote for the enactment of the wage and hour bill without any substantial change in the form and character in which it is reported to the House.

During the debate on the committee bill in the House, Representative McLean, of New Jersey, commented on the import adjusting provision of the committee bill, as follows—82 CONGRESSIONAL RECORD 1492, December 14, 1937:

If a manufacturer determines to produce an article for which there is a demand, his first thought is to produce it at a price people are willing to pay. His cost of production depends on the cost of raw materials, the cost of labor, and what we ordinarily know as overhead, being the interest on his investment in his plant, insurance, taxes of several sorts, and selling cost. If the price he can obtain for his article will cover these items and give him a reasonable profit, his efforts will be successful.

Therefore, if you would fix the price he must pay for his labor, you must guarantee to him, and the consumer must be compelled to pay, a price which will guarantee a sufficient return to pay the compulsory wages. But that is where the scheme breaks down. While you may inflict penalties on the manufacturer, you cannot make a criminal out of a consumer because he does not buy the things you think he should at a price you require he should pay.

Anticipating this situation, the pending bill attempts to meet it by providing for the Administrator to make adjustments of wage levels, and, as to foreign-made goods, by giving the U.S. Tariff Commission the power to adjust import duties on foreign articles which compete with domestic articles resulting from the operation of this act.

During the debate in the House on December 14, 1937, Representative Cooper objected to the tariff provision in the committee bill, on the ground that acceptance of the bill by the House would be tantamount to writing a tariff bill, which would violate the jurisdiction of the Ways and Means Committee—82 CONGRESSIONAL RECORD 1578. This point of order was sustained—82 CONGRESSIONAL RECORD 1580.

Thereupon Mrs. Morton offered as an amendment the provisions of a "clean bill" which included an import-adjusting provision, the text of which is attached to this memorandum as appendix 2—82 CONGRESSIONAL RECORD 1583.

Subsequently, Representative Hartley moved to recommit the bill. This motion was sustained by a vote of 216 to 198.

During the 3d session of the 75th Congress, a revised fair labor standards bill was reported to the House. During the debate on the bill it was stated that the revised bill had been drafted in the Department of Labor, and had not been considered or discussed more than 1 hour by the full House Labor Committee before being reported—83 CONGRESSIONAL RECORD 7295, May 23, 1938. This bill contained no tariff provision.

During the debate in the House on the revised bill, a tariff provision was offered as an amendment by Representative McLean—83 CONGRESSIONAL RECORD 7436, May 24, 1938. The text of this tariff provision is attached to this memorandum as appendix 3. This provision was identical with section 3(e) of the National Industrial Recovery Act. Representative McLean made the following remarks in support of his amendment—83 CONGRESSIONAL RECORD 7437——

The PRESIDING OFFICER (Mr. LONG of Missouri in the chair). The time available to the Senator from Arizona has expired.

Mr. MANSFIELD. Mr. President, how much additional time does the Senator from Arizona wish to have? Ten minutes?

Mr. GOLDWATER. We can try that.

Mr. MANSFIELD. Or 15 minutes.

Mr. GOLDWATER. Let us try 10 minutes.

Mr. MANSFIELD. Very well; I yield 10 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized for an additional 10 minutes.

Mr. GOLDWATER. I thank the Senator from Montana.

Mr. CURTIS. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I am happy to yield.

Mr. CURTIS. I am very much interested in the Senator's amendment, because of the protection it would give American workers. Certainly we must not take the position that the great American market should be open to those who sell at the lowest prices, because if we were to do that, we would be turning over the American market to the groups outside our country who are most successful in exploiting human labor.

I should like to ask this question: To what extent would the findings of the Secretary of Labor be referred to the Tariff Commission; and would there be duplication?

Mr. GOLDWATER. I may say to the Senator from Nebraska that the findings would not be referred to the Tariff Commission. Instead, they would be referred to the President.

Mr. CURTIS. I understand.

Mr. GOLDWATER. And the President would be given the right to act or not to act.

I now read from the amendment:

The President may by proclamation make effective the Secretary's recommendations, and the Secretary of the Treasury shall, through the proper customs officers, permit entry of the article or articles specified only on the terms and conditions and subject to such import duties, and to such quotas as the President shall have directed in his proclamation.

Mr. CURTIS. In other words, the Senator's amendment would charge the Secretary of Labor with the duty of looking after the interests of the American working people and with making that determination; and if the President accepts his findings, the President will not be limited by tariff statutes or trade agreements?

Mr. GOLDWATER. The Senator from Nebraska is absolutely correct. In fact, the amendment refers the matter to the Secretary of Labor, and I think that is a proper reference.

My amendment provides:

On his own motion—

Meaning the Secretary can on his own motion—

or upon the complaint by any labor organization, trade association, or industry group that an article is being imported into the United States in such substantial and increasing ratio to domestic production of like or competitive articles as to threaten or undermine the maintenance of the minimum standards of living necessary for the health, efficiency, and general well-being of the American workers affected, the Secretary of Labor shall promptly make an investigation which shall include hearings on reasonable public notice at which interested parties may be present, produce evidence, and be heard.

Mr. CURTIS. I shall not take a great deal more of the Senator's time, since the time is controlled, but it is my belief that the President could grant relief to American workers even in situations where we have trade agreements with the offending country, because the trade agreements have not been ratified as treaties, and they are merely executive agreements.

Mr. GOLDWATER. The Senator is correct. I agree completely with the arguments—and they are very old—which I am reading from the House documents, made in the early 1930's and the late 1930's, that this is not, in effect, tariff legislation. The proposal, in this case, merely charges the Secretary of Labor with looking after the interests of the American worker, and it works in a very simple way. While the Tariff Commission at the present time is supposed to work in a simple way—and it probably does—it works in a devious way and goes by a circuitous route that never seems to produce the result needed. I can think of only one instance—and I will stand corrected if I

need to be—in which the Tariff Commission has yielded to the demands of industry, and that was in the case of the lead and zinc industry recommendation that the President be allowed to put into effect an increase in order to allow competition with foreign imports.

Mr. CURTIS. It is the Senator's intention, is it not, that the Tariff Commission would turn over such information as it had obtained? There would be no duplication; would there?

Mr. GOLDWATER. Certainly, this amendment does not call for duplication. This is a responsibility that is not new. For 30 years many persons have felt that the Secretary of Labor had this responsibility.

In other words, what we are doing—and let us admit it—by legislative fiat is preempting the field of supply and demand, preempting the field of the normal operation of the free enterprise system, where the wage level is determined by the amount of the productivity of the individual, in most cases—not in all cases. When we do this, we must recognize that, by imposing an artificial increase, we shall have to raise the price in order to adjust the cost. Otherwise the profit will be diminished or disappear.

Profits are not the astronomical figures that many proponents of such legislation think them to be.

What are we doing? Are we helping the lower paid groups in this country? No. Only about 580,000 persons would be affected. In other words, only 580,000 persons are not making the minimum wage now, and will be affected by the proposed legislation. To say that "covered" and "affected" mean the same is wrong. A very small number will be affected. I think the figure is one-tenth of 1 percent. However, the one-tenth of 1 percent can have a pyramiding effect on the other 99.9 percent of the working force, so far as payrolls are concerned, which will seriously affect prices. Such an increase always has had that effect. I am not speaking now as a result of gazing into a crystal ball.

I point out that in 1956, when we last adjusted the minimum wage, living costs had gone through a fairly stable period of 4 years; but immediately thereafter, the cost of living jumped, and continued to jump at a rate that was higher than normal.

So I think we all ought to be perfectly aware of what we are doing in this bill. We are not helping the lower paid worker. We are actually putting him on a higher plane of the lower wage, if we might put it that way, $1.15, or $1.25, or whatever amount we vote. That will be the underpaid level 1 year from now, and the proponents will be back for some more adjustment.

While I would be the first to admit there are still businesses in this country that still take advantage of their employees, they are considerably fewer than they were when the abuses became so bad that the Fair Labor Standards Act had to be considered.

I think industry in the United States would absorb these inequities, but when the Federal Government attempts to tamper with the economy, that is the only result. As I have said previously, frankly, the chickens are coming home to roost. All the chickens that this body and our companion body on the other side of the Capitol have hatched in the last 30 years are coming home to roost. That fact has been evident, but we have been building roosts for the chickens. Now we ought to get rid of the chickens and stop building the roosts.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GOLDWATER. May I have 10 more minutes?

May I ask the majority leader a question? It is obvious that I am convincing no one but myself, the Senator from Kentucky [Mr. COOPER], and the majority leader.

Mr. CURTIS. Oh, I am being convinced.

Mr. GOLDWATER. I know the Senator from Nebraska has been convinced for some time, because he has the same philosophy on this question that I have.

Mr. CURTIS. When the Senator from Arizona speaks, he fills my mind.

Mr. GOLDWATER. I thank the Senator. I hope that he will continue to have an open mind and that he will be able to fill it with the philosophy which he and I share.

This is an important amendment. I am not fooling myself for 1 minute about its chances, but I think Senators from States that have businesses that are affected by foreign imports should have an opportunity to hear a part of this discussion, and what I cannot complete I can certainly put in the RECORD by unanimous consent.

Mr. MANSFIELD. I agree, and I think the Senator is entitled to a larger audience than is present at this time.

Mr. GOLDWATER. I do not know that I am entitled to it, because I do not know that the speaker or the brilliance of the remarks are such that they are entitled to a larger audience. But I get lonesome. The Senator from Montana and I both come from Western States where we are used to standing in the broad expanses where there is nothing but the Lord and the wind. In this Chamber sometimes we do not have the Lord present, but we always have wind present. I am standing here, getting a little lonesome. I would like to address my remarks to a little larger audience.

Mr. President, I ask unanimous consent that the legislative history to which I referred, including the appendices, be printed at this point in my remarks for the RECORD of today.

There being no objection, the legislative history and appendices were ordered to be printed in the RECORD, as follows:

The National Industrial Recovery Act of 1933 provided for the establishment of codes of fair competition under which domestic producers were obliged to limit the hours of labor, pay a minimum wage, and sell their products at a fixed price not incompatible with the public interest. This bill was handled in the Senate by the Senate Finance Committee. In reporting the bill which became the law, the committee added a provision (sec. 3(e)) to the effect that:

"Upon complaint to the President that articles are being imported into the United States to the detriment of any industry with respect to which a code of fair competition is in effect, resulting in unfair methods of competition in the United States, the President may cause an investigation to be made. If after public notice and hearing the existence of unfair methods of competition shall be found, the President may exclude the articles concerned from entry into the United States, and the decision of the President is to be conclusive. The refusal of entry is to continue until the President finds that the conditions which led to the refusal no longer exist." (S. Rept. 114, p. 2, 1933.)

During the debate on the bill in the Senate, Senator Walsh, of Massachusetts, offered a substitute for the committee amendment. This was accepted by the Senate and become section 3(e) of the bill which was enacted into law. In lieu of the power of the President to exclude entirely articles which he found to be imported to the detriment of an industry subject to a code of fair competition, the Walsh amendment empowered the President to permit entry of the offending imports into the United States "only upon such terms and conditions and subject to the payment of such fees and to such limitations in the total quantity which may be imported (in the course of any specified period or periods) as he shall find it necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any code or agreement made under (the act)."

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In explaining the purpose of his amendment to the Senate, Senator Walsh stated:

"Mr. President, the committee amendment was originally proposed by the Senator from Pennsylvania, Mr. Reed. The committee felt that the effectiveness of the measure would be greatly restricted, if not destroyed, unless there were some provision giving the President authority to restrict imports that would be in competition with the domestic producers who were obliged to comply with codes fixing limited hours of labor, with a minimum wage, and sell their products at a fixed price not incompatible with the public interest. The proposal of the Senator from Pennsylvania gave the President the power of embargo. He could declare that particular imports were tending to destroy the effectiveness of the measure and prevent their being imported into the country.

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"We cannot compel the foreigner to unionize his labor. We cannot compel the foreigner to pay minimum rates of wages. We cannot compel the foreigner to cut down his workday to 30 hours a week. We cannot

compel him to join a code of fair competition. The effect of the bill, without some such protection as this, would be to hand over to the foreigner the entire American market.

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"How is it possible to reduce working hours, increase wages, put more people to work, and fix the prices of commodities so that wages will be higher, without some restriction or some control over the importations into this country that are to compete with labor and wages that are regulated under this bill? The purpose of the amendment is to give the President the same authority over these imports that he is assuming over domestic production and products." (CONGRESSIONAL RECORD, p. 5292, June 8, 1933.)

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"Sections 8 (c) and (d) are new tariff provisions proposed as a committee amendment. These provisions authorize the President, after investigation by the Tariff Commission, and upon the recommendation of the Commission, to make such increases in the duty, or to impose such limitations on the quantity permitted entry (or entry without duty increase), as may be necessary in order to equalize differences in the costs of production of any domestic article and of any like or similar foreign article resulting from the operation of the Labor Standards Act and in order to maintain the standards established pursuant to the act. In case of any article on the free list of the Tariff Act of 1930, possible action is limited to import quotas.

"The provisions are so drawn that remedial action is possible with respect to any item, whether or not it is included in any trade agreement, present or future. With respect to a trade agreement item, however, possible action is limited to import quotas, since any increase in the duty on such an item would be in violation of the trade agreement. Section 8(d) contains the specific provision that 'Nothing in this section shall be construed as permitting action in violation of any international obligations of the United States.' Section 8(d) further provides in the case of quotas that the quantities permitted entry, or entry without an increase in duty, shall be allocated to the supplying countries on the basis of the proportion of imports from each such country in a previous representative period. This provision is designed to assure against the discriminatory allocation of such quotas contrary to the letter and spirit of our existing international obligations and policies."

This tariff provision was consistent with the purpose of the legislation. As stated in the President's message recommending the enactment of fair labor standards legislation (H. Doc. 255, 75th Cong., 1st sess.):

"And so to protect the fundamental interests of free labor and a free people we propose that only goods which have been produced under conditions which meet the minimum standards of free labor shall be admitted to interstate commerce. Goods produced under conditions which do not meet rudimentary standards of decency should be regarded as contraband and ought not to be allowed to pollute the channels of interstate trade."

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"I sincerely hope you may find it possible to vote for the enactment of the wage and hour bill without any substantial change in the form and character in which it is reported to the House."

During the debate on the committee bill in the House, Congressman McLean of New Jersey commented on the import adjusting provision of the committee bill as follows (82 CONGRESSIONAL RECORD 1492, Dec. 14, 1937):

"If a manufacturer determines to produce an article for which there is a demand, his first thought is to produce it at a price people are willing to pay. His cost of production depends on the cost of raw materials, the cost of labor, and what we ordinarily know as overhead, being the interest on his investment in his plant, insurance, taxes of several sorts, and selling cost. If the price he can obtain for his article will cover these items and give him a reasonable profit, his efforts will be successful. Therefore, if you would fix the price he must pay for his labor, you must guarantee to him, and the consumer must be compelled to pay, a price which will guarantee a sufficient return to pay the compulsory wages. But that is where the scheme breaks down. While you may inflict penalties on the manufacturer, you cannot make a criminal out of a consumer because he does not buy the things you think he should at a price you require he should pay.

"Anticipating this situation, the pending bill attempts to meet it by providing for the Administrator to make adjustments of wage levels, and, as to foreign-made goods, by giving the U.S. Tariff Commission the power to adjust import duties on foreign articles which compete with domestic articles resulting from the operation of this act."

During the debate in the House on December 14, 1937, Congressman Cooper objected to the tariff provision in the committee bill on the ground that acceptance of the bill by the House would be tantamount to writing a tariff bill, which would violate the jurisdiction of the Ways and Means Committee (82 CONGRESSIONAL RECORD 1578). This point of order was sustained (82 CONGRESSIONAL RECORD 1580).

Thereupon Mrs. Morton offered as an amendment the provisions of a clean bill which included an import adjusting provision, the text of which is attached to this memorandum as appendix 2 (82 CONGRESSIONAL RECORD 1583).

Subsequently Congressman Hartley moved to recommit the bill. This motion was sustained by a vote of 216 to 198.

During the 3d session of the 75th Congress a revised fair labor standards bill was reported to the House. During the debate on the bill it was stated that the revised bill had been drafted in the Department of Labor and had not been considered or discussed more than 1 hour by the full House Labor Committee before being reported (83 CONGRESSIONAL RECORD 7295, May 23, 1938). This bill contained no tariff provision.

During the debate in the House on the revised minimum wage bill, a tariff provision was offered as an amendment by Congressman McLean (83 CONGRESSIONAL RECORD 7436, May 24, 1938). The text of this tariff provision is attached to this memorandum as appendix 3. This provision was identical with section 3(e) of the National Industrial Recovery Act. Congressman McLean made the following remarks in supprt of his amendment (83 CONGRESSIONAL RECORD 7437):

"The amendment is pertinent and germane to the pending bill because it protects those who may be compelled to increase the cost of production against importations from countries where such costs are lower, where wage and hour statutes do not exist, and where living standards do not approach our own.

"Prosperity affects employer and employees alike. If an employer has work to do, he will employ men to do it, and the more work he has the more men he employs, and the more men employed the greater the demand and the fewer men available, and the price of labor goes up. This will not come about so long as we consume goods manufactured under conditions inferior to our own.

"The American workingman now enjoys the privilege of negotiating with his employer as to the value of his services and the conditions under which he will work. He is the master of his own destiny.

"If the bill has any value whatever, it must be as a part of an economic scheme which takes into consideration all the elements which order our lives. The law of supply and demand still exists.

* * * * *

"The enactment of this legislation in its present form will increase production costs and thereby reduce tariff rates. It will invite the world to dump on our markets merchandise produced by sweatshop methods and child labor—conditions we are endeavoring to eliminate."

Congressman Healey, of Massachusetts, raised a point of order in regard to this amendment on the ground that it was not germane to the main bill. This point of order was sustained by the Chair, the occupant referring to the reason given under the point of order which was sustained to the comparable provision of the committee bill during the 2d session of the 75th Congress (83 CONGRESSIONAL RECORD 7437).

Prior to the action in the House, a Senate version of the fair labor standards bill received consideration in that body. The Senate Committee on Education and Labor reported the fair labor standards bill with an amendment incorporating an import provision authorizing the Tariff Commission to investigate the differences resulting from the operation of the Fair Labor Standards Act on the cost of production of a domestic

article and of the like foreign article with a view of determining whether an increase in the duty on the foreign article should be made. The text of this section of the Senate committee bill is attached to this memorandum as appendix 4. Pertinent excerpts from the Senate committee report are as follows (S. Rept. 884, 75th Cong., 1st sess.):

"The committee believes that a start should be made at the present session of the Congress to protect this Nation from the evils and dangers resulting from wages too low to buy the bare necessities of life and from long hours of work injurious to health. This law proposes to accomplish this purpose by closing the channels of interstate commerce to goods produced under conditions which do not meet the rudimentary standards of a civilized democracy" (p. 4).

"Section 8 also authorizes the Tariff Commission under stated circumstances to investigate differences resulting from the operation of the act in the cost of production of any domestic article and any like foreign article with a view to determining whether an increase in the duty upon the foreign article should be made" (p. 8).

During the debate in the Senate, Senator Lodge, of Massachusetts, offered an amendment as a new subsection to the import provision of the fair labor standards bill (81 CONGRESSIONAL RECORD 7742, July 28, 1937). The text of the Lodge amendment is attached as appendix 5. Senator Lodge explained the necessity for his amendment by stating that the experience of the Tariff Commission under section 336 of the Tariff Act of 1930 (essentially the basis of the import provision of the Senate committee's fair labor standards bill) had shown the provision to be unsatisfactory because of its time-consuming nature, the unavailability of foreign costs, and the often misleading nature of invoice prices. He also referred to the experience of the NRA with the import adjusting provisions of the National Industrial Recovery Act in which of 276 complaints filed, 220 had been dismissed because of insufficient data or as unwarranted. Senator Lodge then stated (81 CONGRESSIONAL RECORD 7745):

"We have read in newspapers about the situation; every now and then we read stories about little girls 14 or 15 years old working at night in the textile mills of Japan for a few cents an hour. The choice confronting us is perfectly obvious. Either we can reduce American wages to conform to such a level * * * or else we can use the great power of the U.S. Government to enact a law which will stop that kind of thing. That is what I favor and that is what I am advocating in offering the amendment.

"We cannot go in two directions at once. At the present time through one agency of the Government attempts are being made to eliminate tariff barriers, and through other governmental activities attempts are being made * * * to raise wages and raise the American standard of living. We cannot do both. We have to choose the path which we want America's destiny to follow. In my judgment, the amendment which I have offered is indispensable to the success of the bill and the achievement of the ends which the bill seeks to attain."

Senator Black, the sponsor of the Senate version of the fair labor standards bill, opposed the Lodge amendment and in his remarks pointed out that—

"Under [the] flexible tariff provision, upon a hearing before the Tariff Commission and a report by the Tariff Commission, the proper action can be taken by the President of the United States." (81 CONGRESSIONAL RECORD 7747, July 28, 1937.)

The Lodge amendment was defeated.

It was pointed out in the Senate debate that the flexible tariff provision had been added to the Senate bill in committee by Senator ELLENDER, of Louisiana. During the debate, Senator ELLENDER commented on the import provision of the committee bill as follows (81 CONGRESSIONAL RECORD 7925, July 31, 1937):

"Mr. President, the Committee on Education and Labor, of which I am privileged to be a member, was ever mindful to protect the right of American labor from foreign competition. During our hearings the question was discussed many times, and the committee concluded that the most feasible way to afford protection was by the tariff method. The committee thought it more desirable to incorporate in the pending bill the prevailing method of raising tariffs. Any party may cause the Tariff Commission to investigate the difference resulting from the operation of this act in the cost of production of any domestic article and any like or similar foreign article, with a view to determining whether or not an increase should be made in the duty upon such foreign article, for the purpose of equalizing such differences. Should the Commission conclude that an increase in the present rate should be made, the President by proclamation could increase them, as is now provided under section 336 of the Tariff Act of 1930, as amended. Such a method could be carried out without any interference on our part in the affairs of our foreign neighbors and one that has been invoked in the past in order to afford protection for our workers."

The Senate passed the committee bill containing the Ellender import provision.

The Fair Labor Standards Act became law on June 25, 1938. The outbreak of the war in Europe in 1939, the stepped-up industrial activity of the United States incident to its role as the arsenal of democracy in 1940 and 1941, and the disruption of normal foreign commerce during World War II, all served to obscure the effect of the import loophole on the effectiveness of the Fair Labor Standards Act.

A combination of factors subsequent to World War II paved the way for the major impact which foreign competition is now having on American workers and industries and the objectives of the Fair Labor Standards Act. The first of these factors is the expenditure of billions of dollars by the United States in the form of foreign grants and loans to reconstruct the industrial economy of Europe and Asia. This process was completed by 1956–57. During this period the unusual demand for manufactured materials and the shortage of raw materials occasioned by the Korean emergency served to postpone the time when the import policy loophole in the Fair Labor Standards Act would become painfully evident.

The second major factor contributing to this result during the postwar period is composed of the extensive and deep reductions in U.S. tariffs granted by the United States in the multilateral tariff negotiations under GATT in 1947, 1950, 1951, and 1955. Whereas prior to World War II the limited use of the trade agreements authority had left the majority of U.S. tariffs at adequate levels as a compensating factor for the substandard labor conditions existing in the foreign industries supplying the bulk of U.S. imports of manufactured goods, this equalizing factor had been effectively destroyed by the cumulative effect of the GATT reductions which brought the ad valorem equivalent of U.S. tariffs from approximately 50 percent prior to World War II to 12 percent on dutiable goods and 6 percent overall at the present time.

Today, from the modern technologically up-to-date factories in Europe and Asia, an enormous flood of manufactured goods is entering the United States under the unfair competitive advantage of low labor costs made possible by the existence of labor conditions in the countries of origin far below the minimum conditions imposed on U.S. manufacturers by the Fair Labor Standards Act.

It is now evident that the public policy expressed in the Fair Labor Standards Act of protecting the general well-being of American workers by preventing goods from entering the commerce of the United States with an unfair labor advantage based upon substandard labor conditions is being thwarted by the absence of any import-regulating feature in our laws designed to remove or equalize such advantages.

This loophole can be effectively closed by import-adjusting provisions which use the public policy of the Fair Labor Standards Act as the basic guide for the imposition of additional duties or import quotas. A modification of a bill introduced by Senator KEATING for himself and eight other Senators (S. 2882) seems ideal for this purpose. An alternate form of the bill which does not expressly amend the Fair Labor Standards Act is attached following appendix 5. Should it be necessary for the bill as a tariff measure to be considered initially by a committee other than the House Education and Labor Committee, the alternate form of the bill may be preferred.

APPENDIX 1

Text of House Labor Committee amendment re imports (H. Rept. 1452, 75th Cong., 1st sess., p. 4):

"The U.S. Tariff Commission upon request of the President or upon resolution of either or both Houses of Congress or if imports are substantial and increasing in ratio to domestic production and if in the judgment of the Commission there is good and sufficient reason therefor, then, upon its own motion or upon the request of the Board or upon application of any interested party, shall investigate the differences in the cost of production of any domestic article and of any like or similar foreign article resulting from the operation of this act, and shall recommend to the President such an increase (within the limits of section 336 of the Tariff Act of 1930) in the duty upon imports of the said foreign article, or such a limitation in the total quantity permitted entry, or entry without increase in duty, as it may find necessary to equalize the said differences in cost and to maintain the standards established pursuant to this act. In the case of an article on the free list in the Tariff Act of 1930, it shall recommend, if required for the purposes of this section, a limitation on the total quantity permitted entry. The President shall by proclamation approve and cause to be put into effect the recommendations of the Commission if, in his judgment, they are warranted by the facts ascertained in the Commission's investigation.

"(d) All provisions of title III, part II, of the Tariff Act of 1930, applicable with respect to investigations, reports, and proclamations under section 336 of the said Tariff Act, shall, insofar as they are not inconsistent with this section, be applicable with respect to investigations under this section. Nothing in this section shall be construed as permitting action in violation of any international obligation of the United States. In recommending any limitation of the quantity permitted entry, or entry without an increase in duty, the Commission, if it finds it necessary to enforce such limitations or to carry out any of the provisions of this section, shall recommend that the foreign article concerned be forbidden entry except under license from the Secretary of the Treasury and that the quantity permitted entry, or entry without an increase in duty, shall be allocated among the different supplying countries on the basis of the proportion of imports from each country in a previous representative period. Any proclamation under this section may be modified

or terminated by the President whenever he approves findings submitted to him by the Commission that conditions require the modification recommended by the Commission to carry out the purposes of this section or that the conditions requiring the proclamation no longer exist."

APPENDIX 2

Text of tariff provision in committee-sponsored clean bill offered as an amendment during House debate on the Fair Labor Standards Act (82 CONGRESSIONAL RECORD 1583):

"(c) The U.S. Tariff Commission (1) upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon request of the Administrator, or (4) upon its own motion, or (5) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences resulting from the operation of this act in the costs of production of any domestic article and of any like or similar foreign article, with a view to determining whether or not an increase should be made in the duty upon such foreign article for the purpose of equalizing such differences.

"(d) All provisions of law applicable with respect to investigations under section 336 of the Tariff Act of 1930, as amended, including the provisions applicable to reports of the Commission and proclamations by the President shall, insofar as they are not inconsistent with this section, be applicable in like manner with respect to investigations under this section. Nothing in subsection (c) or (d) of this section shall be construed as authorizing action in violation of any international obligation of the United States."

APPENDIX 3

Tariff provision offered as amendment by Mr. McLean (83 CONGRESSIONAL RECORD 7436, May 24, 1938):

"SEC. 6(a). On his own, or if any labor organization, or any trade or industrial organization, association, or group, which has complied with the provisions of this Act, shall make complaint to the President that any article or articles are being imported into the United States in substantial quantities or increasing ratio to domestic production of any competitive article or articles and on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of the provisions of this Act, the President may cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigation under this subsection, and if, after such investigation and such public notice and hearing as he shall specify, the President shall find the existence of such facts, he shall, in order to effectuate the policy of this Act, direct that the article or articles concerned shall be permitted entry into the United States only upon such terms and conditions and subject to the payment of such fees and to such limitations in the total quantity which may be imported (in the course of any special period or periods) as he shall find necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any provision of this Act.

"In order to enforce any limitations imposed on the total quantity of imports, in any specified period or periods, or any article or articles under this subsection, the President may forbid the importation of such article or articles unless the importer shall have first obtained from the Secretary of the Treasury a license pursuant to such regulations as the President may prescribe. Upon information of any action by the President under this subsection the Secretary of the Treasury shall, through the proper officers, permit entry of the article or articles specified only upon such terms and conditions and subject to such fees, to such limitations in the quantity which may be imported, and to such requirements of license as the President shall have directed. The decision of the President as to facts shall be conclusive. Any condition, or limitation of entry under this subsection shall continue in effect until the President shall find and inform the Secretary of the Treasury that the conditions which led to the imposition of such conditions or limitations upon entry no longer exists."

APPENDIX 4

Text of tariff provision in Senate committee bill (81 CONGRESSIONAL RECORD 7921):

"SEC. 8. (a) * * *.

"(b) * * *.

"(c) The U.S. Tariff Commission (1) upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon request of the Board, or (4) upon its own motion, or (5) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences resulting from the operation of this act in the costs of production of any domestic article and of any like or similar foreign article, with a view to determining whether or not an increase should be made in the duty upon such foreign article for the purpose of equalizing such differences.

"(d) All provisions of law applicable with respect to investigations under section 336 of the Tariff Act of 1930, as amended, including the provisions applicable to reports of the Commission and proclamations by the President, shall, insofar as they are not inconsistent with this section, be applicable in like manner with respect to investigations under this section."

APPENDIX 5

Amendment offered by Senator Lodge for addition to the tariff provision in the Senate committee bill (81 CONGRESSIONAL RECORD 7742):

"(e) The U.S. Tariff Commission is authorized and directed (1) to compute for each foreign country the average annual volume of each class of goods which were produced, manufactured, mined, handled, or in any other manner worked on in such country and which were imported into the United States during the 5-year period immediately preceding the date of enactment of this act, and (2) to certify to the Secretary of the Treasury the computations so made. Thereafter no goods of any class shall be allowed to be imported into the United States from any foreign country during any calendar year in excess of the average annual volume of that class of goods so computed and certified by the Commission unless it is shown to the satisfaction of the Labor Standards Board that the labor standards in such country which are applicable to the class of goods to which such computation applies are at least equal to the labor standards under which like or similar goods of that class are produced in the United States. The Commission and the Secretary of the Treasury are authorized, respectively, to make such rules and regulations."

NATIONAL MILITARY-INDUSTRIAL AND EDUCATIONAL CONFERENCE

Mr. HRUSKA. Mr. President, the National Military-Industrial and Educational Conference held its seventh annual meeting April 10, 11, and 12, 1961, in Chicago, Ill.

The principal sponsor of this conference was the Institute for American Strategy, a nonprofit educational corporation whose objective is furthering public understanding of the nature of the contemporary totalitarian challenge to American freedom.

It seeks to accomplish this through education programs designed to increase public awareness of the nature, objectives, and methods of communism and of the ideals and assets inherent in our free society for meeting its challenge.

The institute is a tax exempt, nonpartisan, privately managed organization financed by the contributions of over 100 of America's corporations and a number of foundations.

The National Military-Industrial and Educational Conference is an open forum for the free discussion of national security and foreign policy problems of the Nation. Past conferences dealt with such subjects as the Soviet economy, the American economy, and mobilizing our technical manpower. Through the conference and its many other activities, the institute seeks to be an agency for the promotion of continuing close cooperation between education, the Government, and industry in articulating for the public our national goals and strategy in securing and expanding the areas of human freedom.

On the evening of April 12, it was my privilege to address a session of the conference at its invitation extended through the Honorable D. A. Sullivan, managing director of the conference.

Mr. President, I ask unanimous consent that a copy of my remarks be printed in the CONGRESSIONAL RECORD.

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

ADDRESS OF SENATOR ROMAN L. HRUSKA BEFORE THE NATIONAL MILITARY-INDUSTRIAL AND EDUCATIONAL CONFERENCE, ON WEDNESDAY, APRIL 12, 1961

In recent years our national policy has been based upon the clear knowledge and appreciation that the Communist movement has been engaged in a relentless, evil conspiracy for over 40 years. That conspiracy has had as its persistent and undeviating aim the overthrow of our country's Government and its replacement with a Communist dictatorship.

The techniques of the conspiracy have changed from time to time, as have the faces of its spokesmen and manipulators. Yet its objectives have never changed.

Our national policy designed to meet the threat of Communist activities is evidenced in many ways.

It is expressed in our $43 billion national defense budget.

It is seen in the willingness of Congress to provide all necessary funds for the Federal Bureau of Investigation and other intelligence and counterespionage agencies.

It is found in the continuing investigations by congressional committees of subversive activities, with ensuing consideration by Congress of legislation which will be helpful to deal with them.

It is found in the cooperation of State and local law enforcement agencies with Federal antisubversive and counterespionage efforts.

It was given new expression just last week in the Kennedy administration's "white paper" calling on the Castro government of Cuba to "sever its links with the international Communist movement" and expressing

confidence that if it fails to do so, the Cuban people "will continue to strive for a free Cuba."

All of the aspects of national policy which I have mentioned are official, governmental efforts. They are necessary, and in fact indispensable.

Yet such efforts fail to make progress in one highly vital area which must be dealt with effectively if our battle against international communism is to be successful.

That area to which I refer is the area of a citizenry keenly aware of the menace of communism within its own ranks. In the effort to create and sustain such awareness the initiative and drive of voluntary private organizations is an important factor.

I have considered the meaningful discussions here in this conference with profound appreciation. I am impressed with the thoughtful and sober way this group of Americans is rededicating itself to the task of keeping up with the changing face of communism. It will have a continuing and growing impact on the national effort to deal with this problem.

By its serious-minded study of the worldwide Communist conspiracy, this conference will help to create among Americans a new appreciation of the problems in the emerging countries of Africa as well as in the established nations of our own hemisphere.

As an example of another meaningful, voluntary contribution by a private organization in the fight against communism, I would mention the TV film which you have just seen, "The Spy Next Door." We must be appreciative of the willingness of American industry and communications media to produce and show to millions of American television viewers such a serious and well-balanced story of what can happen here as does "The Spy Next Door."

The problem portrayed in this film is neither overdrawn nor the figment of a script writer's lively imagination. As the narrator says, it was based on cold documentary evidence. It represents something that, with different names and different items, has happened here in the past, and will happen here in the future unless we are most vigilant and alert in guarding against it.

It is bad when our military secrets are stolen by the Communist conspirators. It is worse if we allow that conspiracy to undermine our national confidence in democracy and in our heritage of freedom and liberty. It would be even worse if Communist propaganda ever causes us to lose faith and become resigned to the inevitability of the Communist rule of which Khrushchev claims to be the prophet.

Mistake it not: the Communists are doing everything in their power, as they always have done, to capture the minds of Americans and to discredit our institutions. We are seeing currently a shocking example in the Communist attacks on the parliamentary system, including Khrushchev's disgraceful shoe pounding episode in the United Nations.

More than a decade ago, the Communists undertook to discredit our judicial processes in the mass Communist conspiracy trial before Judge Harold Medina in New York; they badgered, they heckled, they engaged in diatribes and shouting and completely obstreperous behavior. It is to Judge Medina's everlasting credit that he maintained his composure and his dignity to such an extent that the effort failed completely then. But today Communists are engaging in the same tactics in rallies, before certain congressional committee hearings and anywhere else they find an opportunity, still trying to discredit our courts and the Congress and to undermine our constitutional processes.

The film, "The Spy Next Door," portrays a situation, the component parts of which could be found in any neighborhood, and in many of our American cities. It is well that it does so; it is important to realize that much of the activity of the Communist conspiracy is to be found on the street and sidewalk level. It is found among folks who are laborers, skilled workmen, scientists and other professional men and women as well as journalists and educators. In this process of educating the people about the aims and the evils of the Communist conspiracy, the background of the home community can wisely be stressed.

Yet in the process of educating ourselves in this field, let us not forget the larger scene of the legislative and diplomatic activities of our Republic.

While there are many examples, I should like to give you only two.

PASSPORT LEGISLATION

The first example pertains to passport regulation.

Prior to June 16, 1958, the State Department would not issue a passport to anyone who was a member of the Communist Party or was under Communist Party discipline, domination or control; or who would travel abroad to assist knowingly the international Communist movement. This policy was based upon regulations formulated in the State Department under Secretary of State Acheson in their modern form, and later revised under Secretary of State Dulles.

On June 16, 1958, the Supreme Court invalidated these regulations on the grounds that there was no specific legislative authority for them. The Court did not condemn the use of regulations for this purpose, but simply ruled that there was no validly approved authority for such regulations as were then being used.

The Court decision left the State Department with no authority to withhold a passport from anyone on subversive activities grounds. Consequently, in the intervening 3 years, the State Department has been compelled to issue hundreds of passports to individuals known to be Communists or Communist agents, or supporting the Communist cause.

Communists and their agents are soldiers in the cold war's Red army. They travel abroad for the specific purpose of furthering their conspiracy against the United States itself.

Personal contact and conference are always valuable tools for conduct of business. This is especially true in the business of espionage and subversion. It is not necessary to elaborate on this point.

Yet our Government has been forced, under present law, to confer upon many hundreds of Communist members, agents and sympathizers the protection, dignity, respectability and convenience of a U.S. passport.

Not only does the passport expedite their travels abroad, but after they have completed plans designed to deliver the United States into the hands of its enemies, the passport assures their readmission into this country.

In brief, we give to many who are fighting against us in the cold war, complete freedom to travel anywhere in the world. We cooperate and facilitate their travels, thus enabling them to meet their superiors in the Communist hierarchy, to exchange information, to deliver documents, and to plan and train in new techniques to damage and eventually destroy our form of government.

What can be done about this?

Congress can pass legislation granting to the State Department legal authority to resume supervision and regulation of passport issuance within the scope of the Supreme Court decision.

What has been done about this situation?

Promptly after the Supreme Court ruling, President Eisenhower sent a message to Congress emphasizing the need for authority in the Secretary of State to deny passports where their possession would seriously impair the conduct of foreign relations or would be harmful to the security of the United States.

Proposed legislation was sent to the Congress by the President. He urged its passage. With several other bills, it was introduced in each House of Congress.

Hearings were held, and while the House did approve a bill in 1958 and again in 1959, the Senate has failed to act up to the present time.

Within 5 months after the Supreme Court decision, the passport office received 596 applications for passports from persons with undoubted records of activity in support of the international Communist movement. And more passports are being issued each day.

RED CHINA POLICY

The second example which I cite is in the field of foreign relations and diplomacy.

It has to do with the proposed admission of Red China into the United Nations.

There are many valid and compelling reasons why its admission should be denied.

What would such a step mean?

First, it would mean entrance into the U.N. of a government which has repeatedly violated basic U.N. principles, particularly its prohibition against armed aggression. It would mean acceptance by the U.N. of a government which was imposed on the people it rules, by the ruthless assistance of a foreign power. It would mean acceptance by the U.N. of a government which still is at war with the United States, even though the fighting has been halted by a shaky truce.

Of even graver immediate importance than these moral issues, however, admission of Red China to the United Nations would have a dangerously harmful effect on the thinking of our friends throughout the Far East. It would weaken Japan's friendship with the free world, and subject it to further Communist pressures. It would give Communist China greater stature in the eyes of the smaller countries of southeast Asia and the Far East. It would be a direct betrayal of the Nationalist Chinese on Formosa. It would give Communist China the powerful voice and influence in world affairs which she has long sought but not achieved, and to which she is not entitled.

Notwithstanding these reasons, highly placed officials in our Government speak of the desirability and inevitability of Red China's admission into the United Nations.

One such official refers to Communist China's admission into the United Nations as "a reasonable price to pay" to bring Red China and the Soviet Union, into a "system of reliable arms control."

He speaks as if there were some legitimate reason to believe they will enter into any "system of reliable arms control." In fact the long years of negotiations in Geneva point a discouraging lack of any tangible progress.

Furthermore, he assumes the admission into the United Nations will somehow miraculously change a renegade, barbarous, and deceitful power into a civilized, reasonable, and law-abiding one.

Other such officials continually repeat that Red China soon will have enough voting support to win acceptance by the United Nations despite our opposition; that it is time to reassess our position and policy in relation to Red China, and that its admission into the United Nations is inevitable.

Such talk is not only defeatist. It is total abandonment of the principles of courage and strength for which America has always been known.

It is interpreted abroad—and with justification—as a sign of weakness in our opposition to the Peiping regime, of weakness in our opposition to giving Peiping the cloak of respectability which would accompany its membership in the U.N.

There is no weakness in this opposition in Congress. On 19 different occasions Congress has clearly spoken out in a declaration of opposition to the admission of Red China into the United Nations. It is my hope that it will again speak forth in opposition.

The point is that we can prevent its admission if our will to do so is strong enough. We can defeat it if we are sufficiently forceful and vigorous, if the merits of our position are properly and aggressively presented to the United Nations General Assembly, and if that presentation is accompanied by a clear pledge that we are prepared to carry our fight to the Security Council if necessary.

Here then are two concrete issues about which there should be broad and clear understanding.

The instruments of civic education should be focused upon these and related issues.

Those who have faith in our country and are determined to protect and preserve it, must provide the understanding to deal with these specifics. And come to grips with them we must.

There is a teaching that all evil requires in order to prevail is for good men to do nothing. Certainly it applies in this situation.

Mr. HRUSKA. Mr. President, the conference in its program stated its objectives very well and very clearly. In order that the background of the Chicago meetings in April can be thoroughly understood and appreciated, I ask unanimous consent to have set forth at this point that statement.

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

EDUCATION AND FREEDOM IN A WORLD OF CONFLICT

Thirty years ago Americans of all ages forgot to do their "homework" on a matter of life and death. Most of us didn't read "Mein Kampf." We had never heard of Haushofer, Goebels or Schacht, the intellectual engineers of Nazi strategy for world domination.

Beguiled by a deep yearning for peace, we had demobilized our armies, dismantled our navies and were engaged in "business as usual." Unable to believe that Hitler meant what he said or that he was amassing the power to implement his purpose, our statesmen put their faith in summit conferences with a dictator who negotiated only for his own ends. Instead of alerting our people to Nazi tactics while we still had time to build deterrents to avoid World War II, we tried appeasement, which only inflamed Nazi aspirations for world conquest.

CAN HISTORY REPEAT ITSELF?

The 1960's are much like the 1930's. We have "peace." We have business as usual. We have another group of totalitarian dictators who have written a volume of books prophesying our "burial," books that are still not a part of our "homework." In the past decade, communism has leapfrogged 10,000 miles across continent and ocean to Cuba. Its missionaries are active on many campuses in Latin America. More than half of the world is tuned in to the dialectics of Marx and the psychological warfare of Khrushchev. The danger of 1960 is equally as great to freemen as was the danger of 1939.

Unless we take up the hard intellectual work required by the impact of Communist philosophy and power politics on our world, history may very well repeat itself. Unless we undertake the task of preparing our youth to meet the challenge of a world of conflict, our 2,000 years of struggle to build a free society in the name of human dignity may have been in vain.

PREPARING OUR YOUTH TO MEET THE CHALLENGE OF 20TH CENTURY GEOPOLITICS

Recently, Mr. Allen Dulles, Director of the Central Intelligence Agency, and many educational leaders have urged the need to strengthen our high school and college curricula in the teaching of the nature, strategy and tactics of modern communism. This suggestion was not made with the notion of teaching communism to our young people. It was intended to indicate that a greater awareness of the Soviet threat on the part of our youth would enable them better to understand and appreciate our democratic system and how it can best be mobilized to meet that threat. Through a comparative teaching of democracy and communism the strengths of the former can be pitted in the classroom and in later life against the weaknesses of the latter. There is no doubt that the youth of the 1930's were taught as much about the democratic way as are our youth today. The school has been and still is the front of American patriotism. Youth's problem then, however, was similar to that of today: their patriotism needed focusing on the forces affecting their world. Surely, at this late hour in our contest with expanding world communism, education for American citizenship should encompass an awareness of the ideological and military threat to our way of life, including an objective, systematic study of the trickery and deceit of communism.

Courses of such a nature are already being taught by earnest educators in a number of our high schools and colleges. It is one of the aims of this conference to present some of these models for circumspection in order that they may be expanded and improved upon in school systems across the land.

OBJECTIVES OF THE CONFERENCE

Here is a challenge to the best brains in America from our schools and Government, from industry and research, from the military and communications:

How can we provide the citizens and statesmen of 1975—now in our schools—with an accurate and meaningful understanding of the nature of communism and its challenge to America and freedom?

How can we provide them with adequate understanding of the fundamentals of our own political, social, and economic order and the democratic values inherent therein?

How can we make them aware of the techniques being employed by communism to destroy these democratic values and prepare our youth to meet this attack without jeopardizing them?

How can we demonstrate to our youth that the struggle with modern totalitarianism is one of both power and value and that the future of America will depend on their ability to effectively meet the Communist global, economic, political, and military offensive from a position of strength, while simultaneously developing and expanding the democratic values which are the preconditions of freedom?

How can we find effective and efficient ways and means of introducing into our high schools and colleges training to develop in our youth such understanding and awareness?

If we, the educational, business, governmental, and community leaders of America, cannot meet this challenge, then humanity for a thousand years may be the loser. That is the why and the hope of this conference.

Mr. HRUSKA. Mr. President, during the conference, its educational advisory committee met to work out a report and recommendation. It is noteworthy that this report was adopted unanimously. It reads as follows:

REPORT OF THE EDUCATIONAL ADVISORY COMMITTEE OF SEVENTH ANNUAL NATIONAL MILITARY, INDUSTRIAL, AND EDUCATIONAL CONFERENCE

The Conference on Education and Freedom in a World of Conflict is meeting at a time of gravest danger to our way of life. President Kennedy said in his state of the Union message:

"We shall have to test anew whether a nation organized and governed such as ours can endure. The outcome is by no means certain. The tide is unfavorable." We are meeting to give special attention to one of our problems in this conflict, the problem of our citizens, education about communism. "It is most urgent," President Kennedy has said, "that the American educational system tackle in earnest the task of teaching American youth to confront the reality of totalitarianism in its toughest, most militant form, which is communism, with the facts and values of our American heritage."

1. Our President, like his predecessor has reminded the Nation that the Communist system is a powerful, determined, and persistent enemy to all the values on which depend our constitutional democracy and freedom throughout the world. In order to face this enemy one must know not only his strategy and tactics but also strengthen those elements of our American civilization which furnish the secure foundations of freedom for the rest of mankind.

2. Many people have devoted time to preliminary study on ways to meet the need expressed last fall by Mr. Allen Dulles: "Let us call on our educators to expand realistic teaching of the history and policies of communism."

3. This is the first national conference to bring together most of the representative elements concerned with an educational policy designed to meet the challenge of communism. It includes school administrators, teachers, and longtime students of this problem.

4. An examination of existing programs and experiments shows a compelling need to strengthen school curriculums. A few school systems have instituted promising separate courses and units about communism. The study of the nature and strategy of communism as a matter of high priority should be expanded within existing and improved high school courses on American and world history, modern problems, government, and economics.

We heartily commend the growing attention in our schools and colleges to the world outside the United States. Our national interest reminds us that we are responsible for the education in schools here and in certain institutions abroad, of an increasing number of leaders and specialists required by new and developing countries. Our national interest further requires that all citizens be informed about the true nature of totalitarian political and economic systems. The study of these systems should, by comparison anud contrast, bring out the positive values and the continuing problems of our constitutional democracy. (If youth and other service groups are to be effective in developing active citizenship and commitments to the values of constitutional democracy, we must arm our citizens with the weapons of the spirit and wisdom to cope with this struggle wherever they meet it.)

5. In strengthening the curriculum of the schools and colleges, we must scrupulously avoid two dangers. First, we must not be frightened into using the educational techniques and political methods of the enemy. Second, we must not lose, in our concern with communism, the balance of

science, the humanities, and the cultural tradition which is the true strength of freedom.

6. The Conference is aware that our conclusions must be general in character and not include specifics for educational programs. In our concern for the schools and colleges, we recognize that a public informed through adult education and mass media is essential to national security. The support of the public is essential for effective teaching about communism in the context of the cold war and the threat to human freedom.

7. In order to achieve continuing and sustained progress in this field, we recommend a permanent organized effort to advise and encourage educational groups who are trying to meet this problem. The main need is to provide authoritative, competent, and objective advice on the adequacy of existing materials, and the need for additional materials suitable for different levels. These should include text, reference and source materials, scholarly commentaries, as well as the public documents made available both through congressional committees and the valuable publications of the Legislative Reference Service.

8. With the experience of the decades since World War I as a guide, the Committee recommends the following general framework for a national approach to this problem:

(a) The enlistment of the support in every community of this Nation of all those who believe in protecting and fostering the constitutional freedoms and civic duties that are essential to the nature of our educational system. This means protecting our constitutional system against false friends as well as open or covert enemies.

It means assisting our youth as well as our mature citizens to detect and to protect themselves against extremists at both ends of the spectrum. It also requires that we keep in perspective, throughout the entire educational field, the strengthening of our educational system for this task.

(b) The Committee recommends the creation, on a national scale, of an organized voluntary effort:

(1) To seek and obtain the advice of the best and most relevant thought and competence of the country.

(2) To encourage the training of teachers on an adequate scale for the new task of understanding both the magnitude of and the answer to this worldwide challenge.

(3) To provide for advice of recognized competence in evaluating materials presently available; to provide for supplementing these materials by the encouragement of experiments in the curriculum of the social studies and to provide for the production of more adequate teaching aids and methods for presenting them.

9. We are convinced that only through the enlistment of the total energies of those voluntary groups which constitute one of the foundations of a free society, can we take the offensive through both the clarification and restatement of our own values and the strengthening of our institutions.

In the worldwide struggle against this surviving and thriving form of totalitarianism, we have become aware of the need for greater devotion and sacrifice for the preservation and advancement of responsible freedom. Similarly through the assessment of the true nature of the pervasive and hostile world force of communism we can better understand and improve the defense, advancement, and ultimate victory of our own spiritual heritage. If we are to make the meaningful symbols and rituals of our society represent a deep inner reality in the experience of our people from their earliest youth, we must be able to show where lies the strength of our society as well as the threat to it. There is no deeper need for the genuine education of a free people.

10. Conferences too often meet, eat, resolve, adjourn, and forget. But we are confident that the broad knowledge, the deep experience, and sound judgment of the educational leaders and the devoted individuals assembled here who are most concerned with strengthening our own institutions have developed at this conference the enthusiasm, and the necessary contacts with the educational community, to secure sustained followthrough for this report. The security and the cultural and educational vitality of our Nation require continuing action of immediate and sustained efforts on the part of all the individuals and organizations whom we can reach, and are essential to implement our proposals at local, State, and National levels.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, I move that the Senate stand in adjournment, in accordance with the previous order, until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 20 minutes p.m.) the Senate adjourned, pursuant to the previous order, until tomorrow, Wednesday, April 19, 1961, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate April 18, 1961:

DIPLOMATIC AND FOREIGN SERVICE

Samuel D. Berger, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

U.S. ATTORNEYS

Cecil F. Poole, of California, to be U.S. attorney for the northern district of California for the term of 4 years, vice Lynn J. Gillard, resigned.

George E. Hill, of Michigan, to be U.S. attorney for the western district of Michigan for a term of 4 years, vice Wendell A. Miles, resigned.

Carl W. Feickert, of Illinois, to be U.S. attorney for the eastern district of Illinois for the term of 4 years, vice Clifford M. Raemer.

U.S. MARSHALS

Rex B. Hawks, of Oklahoma, to be U.S. marshal for the western district of Oklahoma for the term of 4 years, vice Kenner W. Greer.

James E. Byrne, Jr., of New York, to be U.S. marshal for the northern district of New York for the term of 4 years, vice J. Bradbury German, Jr.

Charles B. Bendlage, Jr., of Iowa, to be U.S. marshal for the southern district of Iowa for the term of 4 years, vice Roland A. Walter.

IN THE ARMY

Maj. Gen. Walter King Wilson, Jr., O17512, U.S. Army, for appointment as Chief of Engineers, U.S. Army, under the provisions of title 10, United States Code, section 3036.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Maj. Gen. Walter King Wilson, Jr., O17512, U.S. Army, in the rank of lieutenant general.

U.S. COAST GUARD

The following-named persons to be captains in the U.S. Coast Guard:

Frank M. McCabe
James McIntosh

The following-named persons to be commanders in the U.S. Coast Guard:

Walter C. Bolton
George A. Philbrick

The following-named persons to be lieutenant commanders in the U.S. Coast Guard:

Paul A. Hansen
Sydney M. Shuman
Richard Q. Lowry
John C. Soltesz

The following-named persons to be lieutenants in the U.S. Coast Guard:

Patrick M. Jacobsen
Thomas C. Volkle
Edwin L. Rahn
Hugh M. McCreery
Delmar F. Smith
James Napier, Jr.
John B. Mahon
Ronald D. Stenzel
Bobby C. Wilks
Calvin P. Langford
Charles S. Wetherell
Hugh L. Murphy, Jr.
Richard A. DeCorps, Jr.
Mitchell J. Whiting

The following-named persons to be lieutenants (junior grade) in the U.S. Coast Guard:

Ara E. Midgett, Jr.
Richard B. Eldridge
Robert C. Nichols
James D. Webb
Richard Fremont-Smith
John C. Armacost
Everett J. Lecourt, Jr.
Thomas R. Schiller
Cecil S. Berry
Robert E. Warakomsky
David A. Naus
Kenneth M. Roughgarden
Louis J. Albert
Larry E. Telfer
Carl P. Denney, Jr.
Robert C. Williams
Douglas G. Currier
Henry C. Rayburn
Terry R. Grant
David A. White
Alan G. Dahms
Richard A. Sutherland
Frederick F. Burgess, Jr.
John M. Commerton
Stuart A. Yoffe
John C. Spence
Wayne G. Douglass
John R. Wells, Jr.
Thomas R. Cummings
Emlyn L. Jones, Jr.
Frank R. Grundman
Bert T. Potter
John C. Ikens
Richard G. Matheson
John E. Footit
Alexander R. Larzelere
Robert S. Tuneski
Walter E. Peterson, Jr.
James O. Sullivan
James H. Costich
Philip J. Dolan, Jr.
Ronald D. Rosie
Ira B. Jacobson
Robert S. Palmer, Jr.
Robert T. Nelson
Robert F. Bennett
Gerald K. Mohlenbrok
Jon C. Uithol
George P. Mitchell
Carl A. Gruel
Stevens H. Smith
George W. Conrad
Ernest B. Acklin, Jr.
William A. Parker
Francis F. Silvia
Marshall E. Gilbert
Charles J. Helpingstine
Christopher M. Holland
Ralph H. Burr III
Ronald G. Bitner
Edward V. Grace
Howard E. Snow
Alfred F. Parker
Thomas R. Klein
James D. Martin
Thomas S. Monnone
Melvin L. Sites
Robert W. Gauthier
Robert B. Jamieson
Neil F. Kendall
Robert J. Watterson
Charles E. Clarke, Jr.
Robert M. Schissler
Wallace F. Kelley
Michael J. O'Brien
Robert F. Dugan
James Watt
Ransom K. Boyce
Rex E. Henderson
Peter J. Cronk

The following-named persons to be ensigns in the U.S. Coast Guard:

Joseph Carlos Amaral
Joseph Sweeney Anderson, Jr.
William Alden Anderson
Richard Alan Applebaum
Robert Lloyd Ashworth
Matthew John Barbour, Jr.
William Francis Barry
Michael John Begley
Joseph Carl Beima
Dale Lance Bennett
James Stephen Billingham
Francis Myers Blackburn
Thomas Eugene Blank
Peter Avron Bornstein
Thomas Edward Braithwaite
John Patrick Brennan
Thomas Richard Brougham
Joseph Francis Carilli
Robert Roland Caron
Kenneth Harrison Cary, Jr.
Robert Henry Cassis, Jr.
Ronald Jack Caudle

Samuel Joseph Cavallaro
Guy Peter Clark
Robert Gordon Coale
Peter Liberty Collom
John Scott Davis
William Arnold Day
Edward James Dimmock
Vincent Gardner DiPasqua
Leonard Vincent Dorrian
Charles Gavan Duffy
Ronald Steven Dugan
David Joseph Duquette
Robert Carroll Eddy
Keith Carter Edgecomb
Robert Erwin Ettle
Donald Alexander Feldman
Robert Alexander Ferguson
Harold Grove Fletcher, Jr.
Richard John Flynn
David Lindley Folsom
Anthony Brian Ford
Thomas Francis Frischmann
George Edward Gaul
Fred Stanley Golove
Cecil Warren Gray, Jr.
James Alexis Hallock, Jr.
Donald Dwight Hanson
Norman Henry Harrold, Jr.
David Wendell Hiller
Dennis Cowan Hilliard
Richard Jon Hinkle
David Alan Hough
Jonathan Colby Ide
William Allen Jansen
Macon Theodore Jordan
Peter Anthony Joseph
Leon Zareh Katcharian
Earle Wayne Keith III
Jon David King
Robert Edward Kramek
James LaVerne Krish
Donald George Langrock
Stephen Patrick Leane
James Moffett Lightner
Nils Linfors, Jr.
Richard Alan McBride
Robert Conrad McFarland
James Francis Meade
Lawrence Frank Merlino
John Cantwell Midgett, Jr.
Brent Cramer Mills
Joseph John Misiaszek, Jr.
Robert Frederick Muchow
Francis Angelo Nicolai
Douglas Charles O'Donovan
John Lou Patterson
Gordon Philip Patnude
Robert Laing Pearson
Edward Behnke Peel
Joseph Thomas Ponti
Joseph Dominic Porricelli
Stanley Frederick Powers
William Protzman, Jr.
James Douglas Prout
John Anthony Randell
Brian Patrick Richards
Frank Douglass Ritchie
John Frederick Roeber, Jr.
Charles Ray Robinson
Byron Harl Romine
David Anderson Sandell
Gregory John Sanok
Jerome Jay Savel
Craig Raymond Schroll
James Mark Seabrooke
Jon Arnell Setter
James Lowell Shanower
Adam John Shirvinski
John Robert Statz, Jr.
William Blaine Steinbach II
Carl Albert Strand, Jr.
Robert James Swain
Bruce Wayne Thompson
Peter Nance Thurman
John Charles Trainor
Aylmer Raynolds Trivers
Bruce Gordon Twambly
Paul Edward Versaw
John Douglas Vitkauskas
Kenneth Edward Wagner
John Robert Wallace
Warner Robert Wallace
John Thomas Ward
Russell Clayton Warren
Robert Harris Wehr
Robert Arthur White
George Alvin Wildes
James Edward Williams
Robert Thomas Willoughby
David Arnold Worth
George Paul Wisneskey
William George Zintl

DIPLOMATIC AND FOREIGN SERVICE

David H. Popper, of New York, for promotion from Foreign Service officer of class 2 to class 1 and to be also a consul general of the United States of America.

Paul F. Geren, of Texas, for reappointment in the Foreign Service as a Foreign Service officer of class 1, a consul general, and a secretary in the diplomatic service of the United States of America, in accordance with the provisions of section 520(a) of the Foreign Service Act of 1946, as amended.

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

David M. Bane, of Pennsylvania.
Forrest K. Geerken, of Minnesota.
John Evarts Horner, of Washington.
Miss Rebecca G. Wellington, of the District of Columbia.
David G. Wilson, Jr., of Oregon.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

David S. Burgess, of Massachusetts.
Floyd L. Whittington, of Michigan.
James M. Wilson, Jr., of Maryland.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Henry B. Cox, of Maryland.
Anthony Geber, of Virginia.
Louis Mark, Jr., of Connecticut.
Edward A. O'Neill, of Pennsylvania.

Earl W. S. Churchill, of Georgia, for appointment as a Foreign Service officer of class 4, a consul, and a secretary in the diplomatic service of the United States of America.

Miss Lillian A. Ross, of North Carolina, for appointment as a Foreign Service officer of class 5, a consul, and a secretary in the diplomatic service of the United States of America.

Charles R. Stout, of California, now a Foreign Service officer of class 6 and a secretary in the diplomatic service, to be also a consul of the United States of America.

Guido C. Fenzi, of California, for promotion from Foreign Service officer of class 7 to class 6.

The following-named Foreign Service officers for promotion from class 8 to class 7:

Richard W. Faville, Jr., of Oregon.
John A. Froebe, Jr., of Ohio.
William Bruce Harbin, of California.
Donald A. Kruse, of Pennsylvania.

The following-named persons for appointment as Foreign Service officers of class 7, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Miss Margaret J. Barnhart, of Pennsylvania.
Guy F. DiNocenza, of Connecticut.
Bernard A. Femminella, of Minnesota.
James H. Lassiter, of California.

The following-named persons for appointment as Foreign Service officers of class 8, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Miss Mary C. Alexich, of Pennsylvania.
Charles A. Anderson, of California.
Charles E. Angevine, of Colorado.
Francis J. Barrett, of Pennsylvania.
C. Thomas Bleha, of Michigan.
William T. Breer, of California.
Joseph R. Breton, of Massachusetts.
Richard G. Brown, of New York.
James A. Budeit, of Nebraska.
Robert C. Cary, of Washington.
Malcolm H. Churchill, of Iowa.
William P. Clappin, of Virginia.
Harry L. Coburn, of New York.
Charles M. Cole, of Minnesota.
Trusten Frank Crigler, of Arizona.
Ernest B. Dane III, of Massachusetts.
Ted A. Dienstfrey, of California.
Michael Dowling, of Georgia.
William J. Duiker III, of the District of Columbia.
Emil P. Ericksen, of California.
Joseph G. Fandino, of New York.
James Ferrer, Jr., of California.
Samuel Edwin Fry, Jr., of Massachusetts.
J. Guy Gwynne, of Arkansas.
Samuel J. Hamrick, Jr., of Kentucky.
Benjamin Hill Hardy III, of Virginia.
Richard B. Howard, of the District of Columbia.
David A. Hughes, of Washington.
Herbert H. E. Hymans, of California.
John K. Jessup, Jr., of Connecticut.
Stephen Tillman Johnson, of California.
Ralph T. Jones, of Wisconsin.
Harmon E. Kirby, of Ohio.
Robert S. Littell, Jr., of Connecticut.
Raymond B. Lombardi, of Rhode Island.
David McMeans, of Texas.
Miss Marian L. Mains, of Idaho.
Robert A. Martin, of Pennsylvania.
Philip R. Mayhew, of the District of Columbia.
Harlan G. Moen, of Wisconsin.
Nuel L. Pazdral, of California.
Carl Pearl, of California.
Robert L. Pugh, of Washington.
Alexander L. Rattray, of California.
Ronald F. Rosner, of Louisiana.
William E. Ryerson, of New York.
Raymond W. Seefeldt, of Illinois.
Charles Arthur Semones, of Virginia.
Robert E. Service, of the District of Columbia.
Norman T. Shaft, of Minnesota.
Miss Mary Lou Shantz, of Michigan.
Frederick Owen Shoup, of California.
Lester P. Slezak, of Pennsylvania.
Harry C. Sorensen, of New York.
John P. Spillane, of Indiana.
Charles Steedman, of Rhode Island.
John J. St. John, of Pennsylvania.
Roscoe S. Suddarth, of Tennessee.
Courtenay P. Worthington, Jr., of Massachusetts.
Ronald R. Young, of California.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

Robert L. Dowell, Jr., of Florida.
Lawrence A. Fox, of New York.
John C. Hawley, of Virginia.
Herman J. Jelinek, of Nebraska.
William N. Lyons, of Kansas.
Eugene F. Sillari, of New York.
Richard H. Webster, of Virginia.
Anthony Winkler-Prins, of New York.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

Charles E. Behrens, of Massachusetts.
John D. Clayton, of Oklahoma.
George T. Colman, Jr., of Colorado.
William S. Dickson, of New Jersey.
Darrell I. Drucker, Jr., of Maine.
William F. Frederick, of California.
Hugh G. Haight, of Georgia.
George G. Jespersen, of New Jersey.
Lee G. Mestres, of New Jersey.
David T. Morrison, of Michigan.
James P. Mullen, of Minnesota.
Jaroslav J. Verner, of Minnesota.
Otto H. Wagner, of Michigan.
David D. Whipple, of New York.

The following-named Foreign Service Reserve officers to be vice consuls and secretaries in the diplomatic service of the United States of America:

Alfred L. Jazynka, of Florida.
James Kim, of Hawaii.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Robert W. Peart, of Virginia.
Dean S. VandenBos, of California.
Hugh R. Waters, of the District of Columbia.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 18, 1961:

U.S. ADVISORY COMMISSION

Dr. Noah N. Langdale, Jr., of Georgia, to be a member of the U.S. Advisory Commission on Educational Exchange for the term expiring January 27, 1963, and until his successor is appointed and qualified. (Appointed during the last recess of the Senate.)

DEPARTMENT OF STATE

Walter P. McConaughy, of Alabama, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

Phillips Talbot, of the District of Columbia, to be an Assistant Secretary of State.

DIPLOMATIC AND FOREIGN SERVICE AMBASSADORS

Robert F. Woodward, of Minnesota, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Chile.

James Loeb, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Peru.

Teodoro Moscoso, of the Commonwealth of Puerto Rico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Venezuela.

Leon B. Poullada, of California, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Togo.

Thomas C. Mann, of Texas, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 18, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer: These words concerning Jesus from the prologue of St. John's Gospel:

John 1: 4: *In Him was life; and His life was the light of men.*

O Spirit of the Living God, Thou alone knowest how much we need Thee if our lives are to have worth and meaning and be fruitful in moral and spiritual attainment and achievement.

We earnestly beseech Thee to take complete possession and control, transforming our characters into the likeness of our blessed Lord, endowing them with peace and girding them with a power that will make us victorious over everything that disturbs and troubles our minds and hearts.

Inspire all the Members of Congress with that oneness of spirit that will make them comrades and coworkers in the heroic mission of building a social order wherein dwelleth righteousness and good will.

Help us to cultivate new capacities of understanding and insight and seek to enter more sympathetically and helpfully into the life of men and nations everywhere and may we open for them the gates of freedom and blessedness.

Hear us in Christ's name. Amen.

THE JOURNAL

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

LEAVE OF ABSENCE

Mr. PILCHER. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Georgia [Mr. JAMES C. DAVIS], be granted leave of absence for the balance of this week on account of official business in Georgia.

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

There was no objection.

CATASTROPHIC HEALTH INSURANCE

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

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

There was no objection.

Mr. MONAGAN. Mr. Speaker, Monday's newspapers carried the information that the Connecticut General Assembly will soon give Connecticut insurance companies authority to join together in issuing a new type of catastrophic health insurance for persons over 65 years old.

It is significant that this action to meet a growing and widespread problem has been taken by the insurance companies of Connecticut themselves in that they have banded together to write a policy covering major medical expense for such elderly citizens.

Of major interest is the fact that rates for this insurance will be tailored to the capacity to pay of the elderly beneficiaries. This economy has been made possible by the joint action of these companies in the public interest.

It is estimated that rates will average about $7.50 per month for $5,000 coverage to $10 per month for $10,000 coverage with provisions for additional basic coverage and additional premiums totaling $14.50 per month for the $5,000 coverage and $17 per month for the maximum $10,000 coverage.

Invitations will be extended to companies chartered in States other than Connecticut who do business in Connecticut, to join with them in providing this new type of protection.

The Connecticut insurance companies which write health insurance and would be eligible to join in the program are Aetna Insurance Co., Aetna Life Affiliated Cos., Connecticut General Life Insurance Co., Hartford Accident & Indemnity Co., National Fire Insurance Co. of Hartford, the Phoenix Insurance Co., Phoenix Mutual Life Insurance Co., Safeguard Insurance Co., Security Insurance Co., and the Travelers Insurance Co.

Once again Connecticut has led the way and Connecticut insurance companies are to be congratulated for their forthright and progressive action in the public interest. It is to be hoped that this movement will spread promptly to all sections of the country.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1962

Mr. KIRWAN. 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. 6345) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1962, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, one-half of the time to be controlled by the gentleman from Iowa [Mr. JENSEN] and one-half by myself.

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

There was no objection.

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

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. 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. 36]

Alger	Friedel	Pillion
Ashley	Garmatz	Powell
Bailey	Gathings	Rabaut
Blitch	Gavin	Rhodes, Ariz.
Brewster	Gilbert	Rostenkowski
Buckley	Glenn	Scott
Cahill	Grant	Scranton
Celler	Gray	Slack
Cook	Hagan, Ga.	Smith, Va.
Daniels	Healey	Staggers
Davis, James C.	Holifield	Stephens
	Horan	Taylor
Davis, John W.	Jarman	Teague, Tex.
Davis, Tenn.	Johnson, Md.	Thompson, N.J.
Dawson	Kearns	Utt
Devine	Kilburn	Whalley
Dwyer	Kluczynski	Wickersham
Farbstein	Mason	Widnall
Fino	Mathias	
Frelinghuysen	Osmers	

The SPEAKER. On this rollcall 371 Members have answered to their names, a quorum.

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

SPECIAL SUBCOMMITTEE ON EDUCATION

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent that the Special Subcommittee on Education may be