Interparliamentary Conference, to be held in Washington, D.C., from May 14 to May 17, 1962, pursuant to the provisions of section 1, Public Law 86–420:

Senators SPARKMAN, MORSE, ENGLE, SMATHERS, GORE, GRUENING, METCALF, CAPEHART, KUCHEL, GOLDWATER, and TOWER.

## ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, April 17, 1962, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 683. An act to amend the Communications Act of 1934, as amended, by eliminating the requirement of an oath or affirmation on certain documents filed with the Federal Communications Commission;

S. 1371. An act to amend subsection (e) of section 307 of the Communications Act of 1934, as amended, to permit the Commission to renew a station license in the safety and special radio services more than 30 days prior to expiration of the original license;

S. 1589. An act to amend the Communications Act of 1934 to authorize the issuance of radio operator licenses to nationals of the United States;

S. 2522. An act to defer the collection of irrigation maintenance and operation charges for calendar year 1962 on lands within the Angostura unit, Missouri River Basin project; and

S.J. Res. 147. Joint resolution providing for the establishment of the North Carolina Tercentenary Celebration Commission to formulate and implement plans to commemorate the 300th anniversary of the State of North Carolina, and for other purposes.

## ADJOURNMENT UNTIL THURSDAY NEXT

Mr. HART. Mr. President, if there is no further business, I move that the Senate stand in adjournment until 12 o'clock noon on Thursday.

The motion was agreed to; and (at 5 o'clock and 27 minutes p.m.) the Senate adjourned until Thursday, April 19, 1962, at 12 o'clock meridian.

## CONFIRMATIONS

Executive nominations confirmed by the Senate April 17, 1962:

U.S. MINT

Earl F. Haffey, of Colorado, to be Assayer of the mint of the United States at Denver, Colo.

MISSISSIPPI RIVER COMMISSION

Brig. Gen. Ellsworth Ingalls Davis, O18658, U.S. Army, to be a member and President of the Mississippi River Commission, under the provisions of section 2 of an act of Congress approved June 28, 1879 (21 Stat. 37; 33 U.S.C. 642).

# HOUSE OF REPRESENTATIVES

## TUESDAY, APRIL 17, 1962

The House met at 12 o'clock noon.

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

Luke 19: 38: *Blessed be the King that cometh in the name of the Lord.*

Eternal and ever-blessed God, we have entered upon Holy Week, commemorating days in the life of our Lord whose significant meaning and majestic wonder we cannot fully comprehend.

We thank Thee for the King of Kings, who on Palm Sunday ushered in these memorable days by proclaiming His sovereignty over the spirit of man and of whose wise and beneficent rule there shall be no end.

Grant that in this week of solemn and sacred memory we may understand more clearly that the kingdom of righteousness and peace for which we are praying and laboring can never be established until the heart of humanity is moved and controlled by the power of sacrificial love.

To Thy name we shall ascribe the glory. Amen.

## THE JOURNAL

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

## MESSAGE FROM THE SENATE

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

H.R. 11027. An act to amend the Agricultural Adjustment Act of 1938, as amended.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11038. An act making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLAND, Mr. HAYDEN, Mr. RUSSELL, Mr. HILL, Mr. MCCLELLAN, Mr. MAGNUSON, Mr. YOUNG of North Dakota, Mr. SALTONSTALL, and Mr. MUNDT to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 320) entitled "An act to amend the provisions contained in part II of the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce within a State," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SMATHERS, Mr. HARTKE, Mr. MCGEE, Mr. MORTON, and Mr. CASE of New Jersey to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 205) entitled "An act to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs."

## USE OF DOGS IN LAW ENFORCEMENT, DISTRICT OF COLUMBIA

Mr. JAMES C. DAVIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 10440) to authorize the acquisition, training, and maintenance of dogs to be used in law enforcement in the District of Columbia.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Commissioners of the District of Columbia, acting through the Chief of Police of the Metropolitan Police force of the District of Columbia, are authorized to acquire, train, and maintain a total of not to exceed one hundred dogs to be used in connection with law enforcement in the District of Columbia.

With the following committee amendment:

Page 1, line 6, strike out "a total of not to exceed one hundred dogs" and insert "as many dogs as may be necessary."

The committee amendment was agreed to.

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

Mr. JAMES C. DAVIS. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD on the bill just passed.

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

There was no objection.

Mr. ASHMORE. Mr. Speaker, I wish to lend my full support to the passage of this bill (H.R. 10440). As stated by the chairman of the subcommittee, Mr. DAVIS, the bill would authorize the District of Columbia to acquire, train, and maintain as many police dogs as the police department may deem necessary to be used in connection with law enforcement in the city of Washington.

When we stop and think for a moment what the crime conditions are in our Capital City, it makes many of us blush with shame. The crime rate in our Capital City ranks near the top among all cities in the Nation. Physical crimes lead the list with assaults, yokings, muggings, and robberies occurring in every conceivable place. The number of rapes and murders are astounding. All of the facts and circumstances prove that strict law enforcement is essential for the protection of both the personal and property rights of those who reside or visit in Washington.

In an effort to increase the capability of the law enforcement officers of the District of Columbia, six dog teams were placed on the streets of the city in April 1960. By the end of that year, the number had increased to 20 such teams, and today the corps has 45 dog teams on the streets and 6 more in training, making a total strength of 51.

The effectiveness of the canine corps as an arm of the Metropolitan Police force may be evaluated from the following statistics for the calendar year 1961, which were submitted to the committee by the Police Department:

Number of arrests made by men with the assistance of dogs, classified according to types of offenses: housebreaking, 62; robbery, 37; assault, 21; larceny, 13; disorderly, 14; homicide, assaults on police officers, destroying property, and so forth, 50; total, 197.

This total constituted 40 percent of all the arrests made by these men during that year.

In addition to their actual participation in these areas, the dogs of the canine corps have proved invaluable on many other occasions by the deterrent effect of their mere presence at the scene of actual or potential trouble. The dogs' keen sense of smell enables them to locate fugitives hiding in buildings, junkyards, and other places where the policemen would otherwise have a most difficult and dangerous task in apprehending them.

It is the hope of the Metropolitan Police Department that these dog teams might be built up to a total of 100 within the next 2-year period. Thus far, all the dogs used by the police department have been donated by civic-minded people. However, in all probability, it will be necessary to purchase some of the dogs in the future, and it is estimated that they may cost as much as $250 each. Another item of expense in providing these dog teams is the food and veterinary care for the animals, plus the maintenance of fenced yards and a small additional compensation to the police officers who handle the dogs and are charged with their care, keep, and transportation.

The cost of adding 25 more man-dog teams to the present canine corps is estimated to be approximately $19,000. It is hoped that these 25 additional teams can be acquired, trained, and ready for police work within the next 12 months. It is the unanimous opinion of the officials and technicians who have been in charge of this work during the past 2 years that this new arm of the law-enforcement agency of this city has been an invaluable asset as a strong weapon against the appalling crime situation in Washington.

Hearings were held on this bill and the witnesses were unanimously in favor of the continuation and the enlargement of the canine corps, except for the opposition of one organization. The only organization to express opposition to the use of police dogs was the Congress of Racial Equality (CORE). The record shows that this group picketed the Metropolitan Police Department in opposition to the acquisition, training, and use of additional police dog teams. It is impossible to understand how CORE or any law-abiding group of citizens would be so narrowminded and unreasonable as to object to the Police Department improving its quality and capability in law enforcement. The sole purpose of the Police Department, as well as the passage of this bill, is to provide greater and more complete protection to the property and people in Washington.

Each police dog is at all times under the control of the police officer who has him in charge. The dog never attacks anyone unless directed to by his teammate, the police officer. Both grown folks and children pet and fondle the dogs on the street and there has not been one single incident of any person having been injured by any dog. These dogs have been compared to a soldier who is trained to fight but who never fires his gun until he is actually at war.

This bill should be passed by an overwhelming vote, because it adds strength to law and order and provides additional means of reducing the outrageous rate of crime in our Nation's Capital.

## CONSTRUCTION OF PUBLIC HARBOR ON SHORES OF LAKE MICHIGAN IN INDIANA

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

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

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this minute to report that today, together with other Members of this body and the other body, I have introduced a bill to authorize the construction of a public harbor on the shores of Lake Michigan in my district in the State of Indiana.

I began my support of this very meritorious project shortly after I came to the Congress in 1935. At that time I appeared in support of it with the then Governor Paul V. McNutt, of Indiana, and the then Senators Minton and Van Nuys of the State of Indiana. Through the years this project has had the support of the Governors of our State, of the congressional Representatives and of the Senators from our State. We now have a favorable report from the Army Engineers. I rise at this time, Mr. Speaker, to express the hope that the Bureau of the Budget will look with favor on this project and that in this session of the Congress we may begin the construction which I think is so vital to the overall interest of the State of Indiana.

I might add that this project is now favored very strongly and vigorously by our present Governor, Hon. Matthew Welsh of Indiana.

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

## PERMISSION TO SIT DURING GENERAL DEBATE ON THURSDAY

Mr. LOSER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have permission to sit during general debate in the House on Thursday next.

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

There was no objection.

## MERCHANDISE MART OF CHICAGO RAISES ITS RENT

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

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

There was no objection.

Mr. FINDLEY. Mr. Speaker, the wire services report that the Merchandise Mart, a Chicago office building owned by Joseph P. Kennedy, father of the President, is raising some of its rents 3 to 5 percent. This is about the percentage price increase which United States Steel recently announced, then rescinded in the face of violent pressure from the administration.

The Merchandise Mart's general manager, Wallace Ollman, said the rents were going up because of "increased operating costs, principally labor and taxes." These were the same reasons given by United States Steel to justify its price increase.

The President charged United States Steel with "ruthless disregard" of the public interest and ordered an investigation under the direction of his brother, Attorney General Robert F. Kennedy.

I have written to the Attorney General urging an investigation to determine if Joseph P. Kennedy showed "ruthless disregard" of the public interest by jacking up rents at the Merchandise Mart.

## JOINT COMMITTEE TO REPRESENT THE CONGRESS AT THE 375TH ANNIVERSARY OF THE LANDING OF THE LOST COLONY AND THE BIRTH OF VIRGINIA DARE

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Concurrent Resolution 438 and ask for its immediate consideration.

The Clerk read the House concurrent resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That there is hereby created a joint committee to be composed of six Members of the House of Representatives to be appointed by the Speaker of the House and six Members of the Senate to be appointed by the President of the Senate to represent Congress at ceremonies to be conducted at Roanoke Island, North Carolina, during the week August 12 to August 18, 1962, inclusive, jointly by the committee and by the Governor's commission for the celebration of the three hundred and seventy-fifth anniversary of the birth of Virginia Dare, in commemoration of the three hundred and seventy-fifth anniversary of the landing of Sir Walter Raleigh's colony on Roanoke Island, North Carolina, and the birth of the first English child in America, Virginia Dare. The members of the joint committee shall select a chairman from among their number.

The expenses of the joint committee incurred in carrying out the purposes of this resolution, not to exceed $10,000, shall be paid out of the contingent fund of the House of Representatives upon vouchers authorized by such joint committee and approved by the Committee on House Administration of the House of Representatives.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes of my time to the gentleman

from Kansas [Mr. AVERY]; and at this time I yield myself such time as I may consume.

Mr. Speaker, this resolution is very simple. Its reading makes clear the purpose of the resolution. I do not propose to take any time unless there are questions.

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

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

Mr. GROSS. This provides for a delegation of six Members from the other body and six Members from this body. Do I understand the 5- or 6-day proposition is going to cost $10,000?

Mr. BOLLING. It is my understanding from testimony before the Committee on Rules that the full $10,000 would be unlikely to be used, and that this is not an unusual resolution commemorating such an important event.

This was the first Colony founded by English-speaking people in what is now the United States.

Mr. GROSS. I think it ought to be commemorated, but is it not on the rich side, the $10,000 for 6 days or less for 12 people with as little travel as there will be between Washington and Roanoke, Va.? It seems to me that is more than a little bit plush. I would hope that we can have assurance from someone that the full $10,000 will not be expended.

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

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

Mr. BONNER. I want to assure the gentleman from Iowa that I am just as much interested in economy as he is.

Mr. GROSS. I know that.

Mr. BONNER. This is the usual resolution. Certainly the $10,000 is not going to be spent or anywhere near that. I assure the gentleman the only expense would be for travel and the hotel bill of the committee of Congress that is appointed.

Mr. GROSS. I am glad to have that assurance of the gentleman from North Carolina, and I hope we will not be compelled to offer amendments to bills of this kind in the future to cut or strike out the money.

I thank the gentleman for yielding.

Mr. BOLLING. Mr. Speaker, I reserve the balance of my time.

Mr. AVERY. Mr. Speaker, I do not suppose that anybody would find it in his heart to oppose a resolution such as this this morning, especially in view of the very persuasive representation that was made before the Committee on Rules by the gentleman from North Carolina [Mr. BONNER] that this resolution should pass. I am wondering, however, if we might not be setting a precedent. I am sure our State of Kansas some day will be celebrating our 350th anniversary, and I assume, Mr. Speaker, if this resolution is passed, that every State that reaches the time of its 300th anniversary or its 350th anniversary, that State can anticipate a $10,000 appropriation from Congress to defray the expense of a visiting delegation from the House and from the other body.

Certainly, I am not going to oppose it, but I am wondering seriously if we might not be establishing some kind of a precedent.

Mr. Speaker, I anticipated the question by the gentleman from Iowa [Mr. GROSS] and I can enlighten him just a little further as to how this works out. Assuming it was necessary to utilize all of the $10,000, it would figure about $950 a day, as I work this out, which would mean, assuming all 12 members were in attendance, that they would utilize approximately $80 a day apiece for the 6 days that their time would be needed for this observation. Congratulations to the great State of North Carolina on the occasion of this anniversary. I reserve the balance of my time, Mr. Speaker.

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the calendar.

## MARY R. GALOTTA

The Clerk called the bill (H.R. 8946) for the relief of Mary R. Galotta.

Mr. ANDERSON of Illinois. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

## MRS. ETHEL KNOLL

The Clerk called the bill (H.R. 7332) for the relief of Mrs. Ethel Knoll.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

## JAMES L. MERRILL

The Clerk called the bill (H.R. 5061) for the relief of James L. Merrill.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the limitations of time upon the filing of claims for benefits under section 5 of the War Claims Act of 1948 are hereby waived in favor of James L. Merrill, of San Jose, California, and his claim for detention benefits as the surviving son of Frank S. Merrill (Foreign Claims Settlement Commission claim numbered 121775) under such section 5 is hereby authorized and directed to be acted upon under such Act if filed with the Foreign Claims Settlement Commission within six months after the date of enactment of this Act.

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

## MRS. FRANCES MANGIARACINA AND HER CHILDREN, CONCETTA MARIA, ROSETTA, AND TOMASINO

The Clerk called the bill (H.R. 1404) for the relief of Mrs. Frances Mangiaracina and her children, Concetta Maria, Rosetta, and Tomasino.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Mrs. Frances Mangiaracina, and her children, Concetta Maria, Rosetta, and Tomasino, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct four numbers from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, for the purposes of section 101 (a) (27) (B) of the Immigration and Nationality Act, Mrs. Frances Mangiaracina shall be considered to be a returning resident alien."

The committee amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of Mrs. Frances Mangiaracina."

A motion to reconsider was laid on the table.

## ANNA ISERNIA ALLOCA

The Clerk called the bill (H.R. 3595) for the relief of Anna Isernia Alloca.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That notwithstanding the provision of section 212(a) (1) of the Immigration and Nationality Act, Anna Isernia Alloca may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provision of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

With the following committee amendments:

On page 1, line 3, strike out "212(a) (1)" and substitute in lieu thereof "212(a) (9)".

One page 1, at the end of the bill, add a new section 2 to read as follows:

"SEC. 2. The provisions of section 24(a) (7) of the Act of September 26, 1961 (75 Stat. 657), shall be inapplicable in this case."

The committee amendments were agreed to.

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

## ANGELINA RAINONE

The Clerk called the bill (H.R. 3633) for the relief of Angelina Rainone.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Angelina Rainone 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.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Angelina Rainone. From and after the date of the enactment of this Act, the said Angelina Rainone shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

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

## ADELE ANIS MANSOUR

The Clerk called the bill (H.R. 4655) for the relief of Adele Anis Mansour.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Adele Anis Mansour 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.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Adele Anis Mansour. From and after the date of the enactment of this Act, the said Adele Anis Mansour shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

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

The title was amended to read: "For the relief of Adele Anis Mansour."

A motion to reconsider was laid on the table.

## RELATING TO THE ADMISSION OF CERTAIN ADOPTED CHILDREN

The Clerk called House Joint Resolution 677 relating to the admission of certain adopted children.

There being no objection, the Clerk read the House joint resolution, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Anna Kapsalis, formerly Anna Mastoraki, shall be held and considered to be the natural-born alien child of Mr. and Mrs. John E. Kapsalis, citizens of the United States.

SEC. 2. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Kazimiera Przyborowska, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Anton Hartmann, citizens of the United States.

SEC. 3. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Maria Antonina (Gutowicz) Olsenwik, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Joseph Olsenwik, citizens of the United States.

SEC. 4. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Kook Nam Whang, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Cornie L. Van Zee, citizens of the United States.

SEC. 5. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Leokadia-Danuta Kleban, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Jozef Makowski, citizens of the United States.

SEC. 6. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Wlodzimierz Miska and Wanda Miska, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Jan K. Miska, citizens of the United States.

SEC. 7. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Ja Han Hong, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Edward A. Ruestow, citizens of the United States.

SEC. 8. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Bogumil Getris, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Alex Getris, citizens of the United States.

SEC. 9. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Tadeusz Romuald Czyz, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Walter Czyz, citizens of the United States.

SEC. 10. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Cynthia Ann Foutris, formerly Cynthia Ann Fili, shall be held and considered to be the natural-born alien child of Mr. and Mrs. James Foutris, citizens of the United States.

SEC. 11. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Gaetanina Paola Angelone and Adele Anna Teresa Angelone, shall be held and considered to be the natural-born alien children of Mr. Giuseppe Marinucci, a citizen of the United States.

SEC. 12. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, John Andrew Nichols and Anna Sophia Nichols, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Nick A. Nichols, citizens of the United States.

SEC. 13. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Manuel Calvete Pereira, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Richard Roeder, citizens of the United States.

SEC. 14. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Urszula Kosior, shall be held and considered to be the natural-born alien child of Mr. John Kosior, a citizen of the United States.

SEC. 15. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Teresita Fernandez and Apolonio Fernandez, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Felecisimo C. Fernandez, citizens of the United States.

SEC. 16. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Franciszek Kopec and Wladystaw Kopec, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Joseph Kopec, citizens of the United States.

SEC. 17. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Theresa Godino, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Frank Godino, citizens of the United States.

SEC. 18. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Vladimir Tsvetanov Trifonov, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Sam Triffin, citizens of the United States.

SEC. 19. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Teresa Mikucki, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Jan Mikucki, citizens of the United States.

SEC. 20. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Cecylia Orszula Pulit, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Edward C. Pulit, citizens of the United States.

SEC. 21. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Yvonne Hutia Bright, shall be held and considered to be the natural-born alien child of Doctor and Mrs. Robert D. Bright, citizens of the United States.

SEC. 22. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Krystyna Pietrzycki, shall be held and considered to be the natural-born alien child of Mr. and Mrs. John Pietrzycki, citizens of the United States.

SEC. 23. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Ignacy Pietrzycki, shall be held and considered to be the natural-born child of Mr. and Mrs.

Joseph Pietrzycki, citizens of the United States.

SEC. 24. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Wojciech Antoni Drogoszewski, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Antoni Drogoszewski, citizens of the United States.

SEC. 25. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Jan Kazimierz Lewandowski, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Chester Lewandowski, citizens of the United States.

SEC. 26. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Stanislaw Jozef Scislowski, shall be held and considered to be the natural-born alien child of Mr. Joseph Scislowski, a citizen of the United States.

SEC. 27. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Filomena Darmi, formerly Coccia, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Dominic Darmi, citizens of the United States.

SEC. 28. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor children Despina McCrain, formerly Despina Doxis, and Vassilire McCrain, formerly Vassilire Doxis, shall be held and considered to be the natural-born children of Mr. and Mrs. William J. McCrain, citizens of the United States.

SEC. 29. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Jean Mary Haynes, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Robert E. Haynes, citizens of the United States.

SEC. 30. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Michalina Adela Chudziak, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Michael Chudziak, citizens of the United States.

SEC. 31. The natural parents of the beneficiaries of this Act shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

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

## VINCENT EDWARD HUGHES

The Clerk called the bill (H.R. 6330) for the relief of Vincent Edward Hughes.

There being no objection the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Vincent Edward Hughes, who lost United States citizenship under the provisions of section 349(a)(1) of the Immigration and Nationality Act, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Vincent Edward Hughes shall have the same citizenship status as that which existed immediately prior to its loss.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "For the purposes of section 101(a)(27)(B) of the Immigration and Nationality Act, Vincent Edward Hughes and his wife, Carmel Philomena Hughes, and their alien children, shall be held and considered to be returning resident aliens."

The committee amendment was agreed to.

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

The title was amended to read: "For the relief of Vincent Edward Hughes, his wife, Carmel Philomena Hughes, and their alien children."

A motion to reconsider was laid on the table.

## RENEWAL OF PATENT NO. 92,187 RELATING TO THE BADGE OF THE SONS OF THE AMERICAN LEGION

The Clerk called the bill (H.R. 11032) granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That a certain design patent issued by the United States Patent Office of date of May 8, 1934, being patent numbered 92,187, is hereby renewed and extended for a period of fourteen years from and after the date of approval of this Act, with all the rights and privileges pertaining to the same, being generally known as "the badge of the Sons of the American Legion."

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

## THE BADGE OF THE AMERICAN LEGION AUXILIARY

The Clerk called the bill (H.R. 11033) granting a renewal of patent No. 55,398 relating to the badge of the American Legion Auxiliary.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That a certain design patent issued by the United States Patent Office of date of June 1, 1920, being patent numbered 55,398, is hereby renewed and extended for a period of fourteen years from and after the date of approval of this Act, with all the rights and privileges pertaining to the same, being generally known as "the badge of the American Legion Auxiliary."

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

## THE BADGE OF THE AMERICAN LEGION

The Clerk called the bill (H.R. 11034) granting a renewal of patent No. 54,296 relating to the badge of the American Legion.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That a certain design patent issued by the United States Patent Office of date of December 9, 1919, being patent numbered 54,296, is hereby renewed and extended for a period of fourteen years from and after the date of approval of this Act, with all the rights and privileges pertaining to the same, being generally known as "the badge of the American Legion."

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

## SEYMOUR ROBERTSON

The Clerk called the bill (S. 505) for relief of Seymour Robertson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Seymour Robertson, of Pearl River, New York, the sum of $1,269.01. The payment of such sum shall be in full settlement of all claims of the said Seymour Robertson against the United States for loss of compensation incurred by him between April 21, 1944, and November 27, 1944, the period during which he was denied the opportunity to perform service in the field service of the Post Office Department following his discharge from the United States Navy: *Provided,* That no part of the amount appropriated to this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

## JOHN E. BEAMAN AND ADELAIDE K. BEAMAN

The Clerk called the bill (S. 508) for the relief of John E. Beaman and Adelaide K. Beaman.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding any statute of limitations or lapse of time, suit may be instituted in the United States Court of Claims at any time within one year after the date of the enactment of this Act to hear, determine, and render judgment on the claim of John E. Beaman and his wife, Adelaide K. Beaman, for compensation for depreciation of real property owned by them, the value of which allegedly has depreciated as the result of jet aircraft activities carried on by the United States at and in the vicinity of MacDill Air Force Base, Tampa, Florida.

SEC. 2. Proceedings in the suit authorized to be instituted by the first section of this Act, appeals, and judgments rendered

therein shall conform to proceedings, appeals, and judgments in cases heard under section 1491 of title 28, United States Code. Nothing in this Act shall be construed as an inference of liability on the part of the United States.

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

## MARLYS E. TEDIN AND ELIZABETH O. REYNOLDS

The Clerk called the bill (S. 704) for the relief of Marlys E. Tedin and Elizabeth O. Reynolds.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Marlys E. Tedin of Sitka, Alaska, is hereby relieved of all liability for repayment to the United States of the sum of $580.38, representing an amount erroneously paid her for cost-of-living allowance during the period from September 23, 1955, to March 26, 1956, while she was an employee of the Public Health Service on detail at Seattle, Washington, from her headquarters at Juneau, Alaska.

SEC. 2. That Elizabeth O. Reynolds of Pine Ridge, South Dakota, is hereby relieved of all liability for repayment to the United States of the sum of $646.30, representing an amount erroneously paid her for cost-of-living allowance during the period from March 19, 1956, to August 24, 1956, while she was an employee of the Public Health Service on detail at Seattle, Washington, from her headquarters at Juneau, Alaska.

SEC. 3. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Marlys E. Tedin and Elizabeth O. Reynolds, the sum of any amounts received or withheld from them on account of the payment referred to in the first section of this Act.

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

## HARVEY BURSTEIN

The Clerk called the bill (S. 2151) for the relief of Harvey Burstein.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Harvey Burstein of Mamaroneck, New York, is hereby relieved of all liability to repay to the United States the sum of $1,047.34, representing overpayments of salary which he received as an employee of the Department of State for the period from October 7, 1953, through February 19, 1954, as the result of his appointment to a position in grade GS–14 in violation of section 1310 of the Supplemental Appropriation Act, 1952 (the so-called Whitten amendment), as amended.

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

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

## HARRY E. ELLISON

The Clerk called the bill (S. 2319) for the relief of Harry E. Ellison, captain, U.S. Army, retired.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Harry E. Ellison, captain, United States Army, retired (O1797269), of Seattle, Washington, is hereby relieved of all liability for repayment to the United States of the sum of $3,998.54, representing the amount of overpayments of basic pay, foreign duty pay, and rental and subsistence allowances received by him for the period from September 10, 1942, through January 31, 1954, while he was serving as a member of the United States Army, such overpayments having been made as a result of administrative error.

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

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

## EDWARD L. WERTHEIM

The Clerk called the bill (S. 2549) for the relief of Edward L. Wertheim.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Administrator of Veterans' Affairs is authorized and directed to pay, out of any money available for medical care to veterans, to Edward L. Wertheim, of Douglaston, Long Island, New York, the sum of $314.07, in full satisfaction of all his claims against the United States for reimbursement of certain medical expenses which he incurred while receiving outpatient medical treatment during the period from November 14, 1959, through June 16, 1960, after his discharge from the Veterans' Administration Hospital, New York City, New York, on November 10, 1959, the said Edward L. Wertheim having failed to obtain an authorization for such outpatient treatment as a result of erroneous advice given him by an official of the United States.

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

## LT. DON WALSH AND LT. LAWRENCE A. SHUMAKER

The Clerk called the bill (H.R. 6021) for the relief of Lt. Don Walsh and Lt. Lawrence A. Shumaker.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lieutenant Don Walsh and to Lieutenant Lawrence A. Shumaker, the amount certified with respect to them by the Secretary of the Navy under section 2 of this Act: *Provided,* That the payment of such sum shall be in full settlement of all claims of the said Lieutenant Don Walsh and Lieutenant Lawrence A. Shumaker against the United States for hazardous duty pay for the period spent by them before July 12, 1960, as members of the crew of the bathyscaph Trieste.

SEC. 2. The Secretary of the Navy shall determine and certify to the Secretary of the Treasury the amounts which would have been payable to Lieutenant Don Walsh and Lieutenant Lawrence A. Shumaker as hazardous duty pay for the periods before July 12, 1960, during which each of them served aboard the bathyscaph Trieste if such service had been performed on board a submarine.

SEC. 3. No part of either of the sums 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 the claim settled by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

## CLEO A. DEKAT

The Clerk called the bill (H.R. 6386) for the relief of Cleo A. Dekat.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Cleo A. Dekat, of Wamego, Kansas, is hereby relieved of liability to the United States in the amount of $1,378.58, the amount by which he was overpaid as an employee of the Post Office Department during the period from December 3, 1955, through March 21, 1961, as a result of administrative error. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Cleo A. Dekat, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section: *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.

With the following committee amendment:

Page 1, line 7, strike "March 21, 1961", and insert "February 17, 1961".

The committee amendment was agreed to.

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

## JOHN W. SCHLEIGER

The Clerk called the bill (H.R. 7617) for the relief of John W. Schleiger.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John W. Schleiger of Tucson, Arizona, the sum of $1,917.05. Such sum represents the amount of settlement for which the said John W. Schleiger was required to pay for the loss of money from registered mail. Said John W. Schleiger, a letter carrier in the United States post office at Tucson, Arizona, apparently lost the register or the register was stolen from him while making collection of mail on a scheduled collection tour: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

## MAJ. CLARA MAY MATTHEWS

The Clerk called the bill (H.R. 8321) for the relief of Maj. Clara May Matthews.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Clara May Matthews, major, Women's Army Corps, L58, retired, is hereby relieved of liability to pay to the United States the sum of $5,913.60, which was paid to her as compensation for employment at Lackland Air Force Base, Texas, from April 1, 1960, through February 18, 1961, which employment has been held to have been in violation of section 2 of the Act of July 31, 1894 (5 U.S.C. 62). In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for amounts for which liability is relieved by this Act.

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

## SFC. JESSE O. SMITH

The Clerk called the bill (H.R. 9466) for the relief of Sfc. Jesse O. Smith.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Sergeant Jesse O. Smith, RA44080654, United States Army, is hereby relieved of liability to the United States in the amount of $483.60 which was paid to him in the form of a reenlistment bonus on June 18, 1957, and was subsequently determined to have been in excess of the amount due him by reason of an administrative interpretation. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Sergeant First Class Jesse O. Smith, an amount equal to the aggregate of the amount paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

## COL. A. A. WATSON

The Clerk called the bill (H.R. 9782) for the relief of Col. A. A. Watson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Colonel A. A. Watson, United States Army (retired), the sum of $1,785.52 in full settlement of all claims against the United States for the loss sustained by the said Colonel A. A. Watson as the result of damage to and destruction of his personal property in the warehouse of H and R Transfer and Storage Company, Sierra Vista, Arizona, by a fire which occurred on September 19, 1960: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

## THOMAS J. FITZPATRICK AND PETER D. POWER

The Clerk called the bill (H.R. 10026) for the relief of Thomas J. Fitzpatrick and Peter D. Power.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the limitation on the time within which applications for disability retirement are required to be filed under section 7(b) of the Civil Service Retirement Act (5 U.S.C. 2257(b)) is hereby waived in favor of Thomas J. Fitzpatrick and Peter D. Power of Newfoundland, Canada, former employees of the United States Naval Station, Argentia, Newfoundland, and their claims for disability retirement under such Act shall be acted upon under the other applicable provisions of such Act as if their applications had been timely filed, if they file application for such disability retirement within sixty days after the date of enactment of the Act. No benefits shall accrue by reason of the enactment of this Act for any period prior to the date of enactment of this Act: *Provided,* That, notwithstanding any other provision of law, benefits payable by reason of the enactment of this Act shall be paid from the civil service retirement and disability fund.

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

## WILLIAM RADKOVICH CO., INC.

The Clerk called the bill (H.R. 10314) for the relief of William Radkovich Co., Inc.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That jurisdiction be, and the same is hereby, conferred upon the United States Court of Claims to hear, determine, and render judgment upon the claims of William Radkovich Company, Incorporated, arising under contracts with the United States for the construction of various structures, said contracts being numbered W–04–353–eng–2036 and W–04–353–eng–2050, against the United States for the difference between the reasonable value of said structures as of the time of the completion of such contracts and the amount paid to said company for such structures, said recovery to be permitted only in the event that it shall be established that the actual cost to the said William Radkovich Company, Incorporated, of erecting such structures exceeded the reasonable value of such structures, such judgment to be entered notwithstanding any limitations imposed by law upon Government representatives whose responsibility it was to let the aforementioned contracts and notwithstanding the technical provisions of said contracts with respect to payment thereunder: *Provided,* That the suit herein authorized shall be instituted within six months from the date of the approval of this Act.

With the following committee amendment:

Strike all after the enacting clause and insert: "That jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment upon the claims of William Radkovich Company, Incorporated, arising out of contracts numbered W–04–353–eng–2036 and W–04–353–eng–2050, against the United States for the reasonable value, computed as of the time when made, of any reasonable and necessary changes and increase beyond the terms of said contracts made at the direction of the contracting officer, for which the said William Radkovich Company, Incorporated, was not compensated because of the provisions of section 12 of the Military Appropriation Act, 1947 (60 Stat. 565), which precluded payment of more than $7,500 per unit for the construction of temporary family quarters: *Provided,* That the suit herein authorized shall be instituted within six months from the date of the approval of this Act."

The committee amendment was agreed to.

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

## SELL MINERAL ESTATE IN LANDS IN MARICOPA COUNTY, ARIZ.

The Clerk called the bill (H.R. 8134) to authorize the sale of the mineral estate in certain lands.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior be, and he hereby is, authorized, at his discretion to sell to the surface owners, and their successors in title, the mineral estate reserved to the United States in the following described lands which were patented under section 8 of the Taylor Grazing Act, as amended (43 U.S.C. 315g):

Township 3 north, range 6 east, Gila and Salt River meridian, Maricopa County, Arizona.

Section 10. All.

Section 11. Lots 6, 7, 8, 9, west half east half, west half.

Section 14. Lots 9, 10, 11, 12, west half east half, west half.

Section 15. All.

Section 22. All.

Section 23. Lots 9, 10, 11, 12, west half.

Section 26. Lots 9, 10, 11, 12, west half.

Section 27. All.

Total 4,540.57 acres.

Such sales shall be made at the fair market value of such mineral estate as determined by the Secretary of the Interior by appraisal or otherwise, as of the time of such sale.

With the following committee amendment:

Page 2, strike out all of lines 11 to 14, inclusive, and insert in lieu thereof the following:

"All sales of the rights of the United States to the mineral estate under the provisions of this Act shall be on condition of payment of the fair market value for such rights, but in no event shall payment be less than $5 per acre, plus the cost of the appraisal thereof."

The committee amendment was agreed to.

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

## ANTONIO C. YSRAEL

The Clerk called the bill (H.R. 2103) for the relief of Antonio C. Ysrael.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Antonio C. Ysrael 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.

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

## AUGUSTIN RAMIREZ-TREJO

The Clerk called the bill (H.R. 2187) for the relief of Augustin Ramirez-Trejo.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding the provision of section 212(a)(22) of the Immigration and Nationality Act, Augustin Ramirez-Trejo may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Augustin Ramirez-Trejo. From and after the date of the enactment of this Act, the said Augustin Ramirez-Trejo shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued. *Provided,* That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act."

The committee amendment was agreed to.

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

## CARLOS SEPULVEDA ABARCA

The Clerk called the bill (H.R. 2198) for the relief of Carlos Sepulveda Abarca, Rosario Perez Sepulveda, Carlos Perez Sepulveda, Jorge Sepulveda, and Antonio Perez Sepulveda.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Carlos Sepulveda Abarca, Rosario Perez Sepulveda, Carlos Perez Sepulveda, Jorge Sepulveda, and Antonio Perez Sepulveda shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. *Provided,* That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act in the case of Carlos Sepulveda Abarca.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Carlos Sepulveda Abarca. From and after the date of the enactment of this Act, the said Carlos Sepulveda Abarca shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

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

The title was amended so as to read: "For the relief of Carlos Sepulveda Abarca."

A motion to reconsider was laid on the table.

## MISS SUSANNA MOSCATO

The Clerk called the bill (H.R. 5916) for the relief of Miss Susanna Moscato (Reverend Mother Charitas).

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

## DAVID B. KILGORE AND JIMMIE D. RUSHING

The Clerk called the bill (H.R. 8631) for the relief of David B. Kilgore and Jimmie D. Rushing.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $720 to David B. Kilgore, 201 East Xenia Drive, Fairborn, Ohio, and the sum of $374.40 to Jimmie D. Rushing, 605 Kirkwood Drive, Vandalia, Ohio, in full settlement of their claims against the United States for compensation during the period between January 14, 1959, to July 21, 1959, inclusive, while serving as members of a Nuclear Accident Control Team at Wright-Patterson Air Force Base, Ohio. In this period, during which they served two thousand two hundred and eighty hours and one thousand and seventy-four hours, respectively, they were required to hold themselves in readiness to report to their command posts within thirty minutes of a call: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

## WILLIAM FALBY

The Clerk called the bill (H.R. 1653) for the relief of William Falby.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That William Falby, who lost United States citizenship under the provisions of section 349 (a) (4) (A) of the Immigration and Nationality Act, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said William Falby shall have the same citizenship status as that which existed immediately prior to its loss.

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

## SONIA MARIA SMITH

The Clerk called the bill (H.R. 2672) for the relief of Sonia Maria Smith.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of sections 101(a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Sonia Maria Smith, shall be held and considered to be the natural-born alien child of Doris and Cecil Smith, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, line 7, after the words "of the United States" change the colon to a period and strike out the remainder of the bill.

The committee amendment was agreed to.

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

## JANINA MACIEJEWSKA

The Clerk called the bill (H.R. 3714) for the relief of Janina Maciejewska.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Janina Maciejewska 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.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Janina Maciejewska. From and after the date of the enactment of this Act, the said Janina Maciejewska shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

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

## MOLLY KWAUK

The Clerk called the bill (H.R. 9669) for the relief of Molly Kwauk.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding the provision of section 212(a) (1) of the Immigration and Nationality Act, Molly Kwauk may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act: *Provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.

Mr. BURKE of Kentucky. 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 Kentucky?

There was no objection.

Mr. BURKE of Kentucky. Mr. Speaker, Molly Kwauk is the daughter of Dr. Dorothy Yueh-Ching Ma, a resident of my congressional district who is now employed as chief of anesthesia at the Veterans' Administration Hospital, Louisville, Ky. Dr. Ma is a naturalized citizen of the United States. She originally came to this country from China in 1948 to do postgraduate work in her medical specialty, anesthesiology. She left her daughter, Molly Kwauk, in Shanghai with the child's maternal grandmother, now 80 years old. The child's father had died before Molly was born.

Shortly after Dr. Ma's arrival in this country, the Communists took control of China and Dr. Ma was prevented from returning to her home and her medical practice. For 14 years she did not see her daughter and for most of that time was unable to maintain contact with her. In 1955, Dr. Ma received her American citizenship papers. Last fall Dr. Ma was able to arrange for her daughter's emigration from Red China under the then relaxed travel policies of the Communist Government. Through her mother's continued efforts Molly was admitted to Hong Kong under a transit visa. Dr. Ma went to Hong Kong and was successful in persuading authorities there to extend Molly's visa to March 5, 1962. A visa petition filed by Dr. Ma to accord Miss Kwauk second preference status in the issuance of an immigrant visa to this country was approved December 19, 1960. Subsequently, Miss Kwauk became entitled to nonquota status under the provisions of Public Law 87–301. In November 1961 Miss Kwauk was refused an immigrant visa by the American consul, Hong Kong, on the ground that she is feebleminded. She was then faced with deportation to Red China. It was at this point that Dr. Ma came to me seeking my assistance. As a result, H.R. 9669 was introduced on January 15, 1962. Since that time, with the splendid cooperation and assistance of the Committee on the Judiciary, the Departments of State and Justice, the American consul at Hong Kong, the Governor, and other Government authorities of Hong Kong, and the Colonial Office of the British Embassy, which I here publicly acknowledge, we have obtained permission from the Governor of Hong Kong for Miss Kwauk to remain in the colony at the home of a friend of Dr. Ma pending a final decision as to whether she will be permitted to enter the United States.

Mr. Speaker, I do not wish to occupy the time of the House by recounting in further detail the history of the causes of the separation of this mother and daughter or the legal technicalities which make a real reunion of these people so near and yet so far. I do not intend to dwell on those facts which the Committee on the Judiciary has in its files in the form of departmental reports. The medical report of the examination of Miss Kwauk establishes that she is mentally retarded or feebleminded, but there is no indication in that report as to the degree of the retardation. Dr. Ma is of the opinion that her daughter has a mental age of 10 years. The important thing is that her case is not a hopeless one, if in fact, any mentally retarded person could ever be considered hopeless. This young woman has been without the love, care, and tender encouragement of her own mother for more than 14 years. Bear in mind that Miss Kwauk, in effect, never had a father and lost her mother when she was 11. She apparently has a mental age of 10. During her separation she has been forced to do manual labor, has not had the benefit of that considerable area of treatment that does help these people. I am not a physician and I cannot, therefore, speak with authority about this young woman's prospects for improvement or partial recovery. I can speak only as a human being and a parent. The alternatives for this young woman are either the love and care and security of a life with her mother or a return to the fields of Red China with hard labor and an unbelievably insufficient diet as her only future.

Our esteemed colleague, the gentleman from Rhode Island [Mr. FOGARTY], rendered a splendid service toward a better understanding of the problems of mental retardation in his address to the House on March 22. Appended to his remarks is an address by Mrs. Eunice

Shriver who serves as special consultant to the President's Panel on Mental Retardation. I urge the Members of the House to read these addresses which appear in the CONGRESSIONAL RECORD beginning at page 4785.

Molly Kwauk may well be a leading example of the accidental nature of mental retardation. There is no other known instance of mental retardation on either side of her family. I have compiled a list of the accomplishments and educational feats of her nearest relatives in order that the House may be fully advised:

Mother: Physician, chief of anesthesia.

Father—deceased: Died while a medical student.

Paternal grandfather—deceased: Engineer, managing director, Shanghai-Nanking Railroad, Shanghai Arsenal, Shanghai Mint.

Paternal uncles: First, physician, degree from McGill University; second, chemical engineer, master's degree, Princeton University; and, third, shipbuilding engineer, Newcastle upon Tyne, England.

Maternal uncles: First, professor of entomology, master's degree; second, chemical engineer; third, physician; and, fourth, civil engineer, McKee Chemical Engineering Construction Co., Cleveland, Ohio.

Mr. Speaker, if there is hope for the mentally retarded, and there is every reason to believe that there is, Miss Kwauk would appear to occupy an advantageous position. Her mother is a doctor who pleads for the chance to care for her daughter. Her mother is in a comfortable financial situation according to the report submitted to the Committee on the Judiciary by the Immigration and Naturalization Service. Dr. Ma is in excellent health and has a good, secure earning potential. Molly's uncle, an engineer, is an American citizen working in Cleveland and is in a position to assume responsibility for her care if something should happen to Dr. Ma. In other words, Miss Kwauk's position is such that there is little likelihood of her ever becoming a public charge.

Mr. Speaker, I respectfully urge the House to take favorable action on H.R. 9669.

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

The SPEAKER. This concludes the call of the Private Calendar.

## MRS. ETHEL KNOLL

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 491, the bill (H.R. 7332) for the relief of Mrs. Ethel Knoll.

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

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That national service life insurance policies V-320-78-33 and V-322-62-08 issued on the life of George L. Knoll (Veterans' Administration claim numbered XC-5392945) shall be held and considered to have been in force on the date of his death, January 7, 1959. Payments made by reason of this Act shall be made out of the national service life insurance appropriation.

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

## MARY R. GALOTTA

Mr. LANE. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 474, the bill (H.R. 8946) for the relief of Mary R. Galotta.

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

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of all laws administered by the Veterans' Administration, the marriage of Mary R. Galotta (widow of Edward John Galotta, XC-4039308) to Tanios Touma annulled in the probate court of Massachusetts, by decree, shall be held and considered to have been void within the meaning of section 101(3), title 38, United States Code, and she shall be considered as the widow of said Edward John Galotta.

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

## COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate this afternoon.

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

There was no objection.

## DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1963

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes; and, pending that motion, Mr. Speaker, while we will move along as fast as we can, I ask unanimous consent that general debate be limited to not to exceed 6 hours, the time to be equally divided between the gentleman from Michigan [Mr. FORD] and myself.

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

There was no objection.

## CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 74]

| | | |
|---|---|---|
| Addonizio | Hansen | Rivers, S.C. |
| Alger | Hays | Roberts, Ala. |
| Andrews | Hébert | St. George |
| Ayres | Hoffman, Mich. | Scott |
| Blitch | Jones, Ala. | Selden |
| Boykin | Kearns | Shelley |
| Brooks, Tex. | Kee | Smith, Miss. |
| Cahill | Kitchin | Spence |
| Celler | Lankford | Steed |
| Chelf | McDonough | Thompson, N.J. |
| Cohelan | Miller, George P. | Thompson, Tex. |
| Daniels | Miller, N.Y. | Thomson, Wis. |
| Dawson | Moorehead, Ohio | Tollefson |
| Diggs | Moulder | Tuck |
| Dowdy | Murray | Utt |
| Doyle | Pilcher | Weis |
| Fascell | Powell | Whitten |
| Finnegan | Rains | Willis |
| Fino | Reece | Wilson, Calif. |
| Garland | | Wilson, Ind. |
| Grant | | Zelenko |

The SPEAKER. On this rollcall, 376 Members have answered to their names, a quorum.

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

## MISS SUSANNA MOSCATO

Mr. SANTANGELO. Mr. Speaker, I ask for unanimous consent to return for immediate consideration to Private Calendar No. 543, the bill (H.R. 5916) for the relief of Miss Susanna Moscato—Reverend Mother Charitas.

Mr. Speaker, in the early morning, objection was made to the consideration of this bill at the time it was called. The objection has been withdrawn.

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

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Miss Susanna Moscato (Reverend Mother Charitas) 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 the payment of the required visa fee. Upon the granting of permanent residence to such alien as provided 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.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of section 101(a)(27)(B) of the Immigration and Nationality Act, Miss Susanna Moscato (Reverend Mother Charitas) shall be held and considered to be a returning resident alien, and the pro-

visions of section 212(e) of that Act shall be inapplicable in her case."

The committee amendment was agreed to.

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

## DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1963

The SPEAKER. The question is on the motion of the gentleman from Texas [Mr. MAHON] 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. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11289, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the unanimous consent agreement the gentleman from Texas [Mr. MAHON] is recognized for 3 hours, and the gentleman from Michigan [Mr. FORD] is recognized for 3 hours.

The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, we have before us today the largest peacetime appropriation bill in the history of the U.S. Government. The funds provided today in this bill, if approved, would be equivalent to a levy upon every person in the United States, 185 million people, in the sum of $258.

So without question this is a bill of great magnitude and I say to you that it is a measure of great significance.

### DEFENSE VERSUS NONDEFENSE SPENDING

I would like at this point to examine with you this bill in terms of the relationship between defense spending and nondefense spending. There is a tendency on the part of many Americans in and out of Government to feel, more or less, that high taxes, big government spending and the increase in the ceiling on the national debt are the result of defense spending. This is not correct. We should not give ourselves an opiate and lay all our problems at the door of defense spending; we must have defense and we must pay, and pay in very large sums, for defense. And, insofar as I know, the American people almost unanimously support a high level defense program.

The Korean war ended in mid-1953. So I would like to use as a point of reference the fiscal year 1954 which began on July 1, 1953, the Korean war at that time having just concluded.

During the year 1954 we spent a certain amount for defense and we spent a certain amount for nondefense purposes. During the following years through fiscal year 1961, the last fiscal year to be concluded, defense spending increased by 1 percent. Nondefense spending during this 1954–61 period increased by 65 percent.

If you extend this period through fiscal year 1962, from 1954 through 1962, which will conclude on June 30 of this year, the increase in defense spending over 1954, according to the current budget estimates, is 9 percent and the increase in nondefense spending is 85 percent.

If you project this through fiscal year 1963, which will begin on July 1, 1962, you will find again, according to the budget estimates, that through that period the increase in defense spending will be 12 percent above 1954 and nondefense spending will be 94 percent above nondefense spending in 1954.

In other words, the Government has held, since the Korean war, a rather even level of spending in defense. It has been edging up and down a little, but relatively it has been even, especially prior to about a year ago. But nondefense spending has gone up precipitously so that at the end of the fiscal year 1963 it will be 94 percent, according to the estimates, above 1954.

These are facts that need to be considered, and especially at a time when we discuss this large bill.

In referring to defense spending versus nondefense spending I have included in defense spending not only the Defense appropriation bill, which is by all odds the largest item, but I have also included the small sums for the Selective Service, and the cost of the stockpiling program and defense production, military construction, the military foreign aid, and the Atomic Energy Commission.

In substantiation, Mr. Chairman, I include the following official table:

*Analysis of new obligational authority and budget expenditures for the fiscal years 1954–63*

[In millions of dollars]

| Fiscal year | National defense function | | Other than national defense | | Budget totals | |
|---|---|---|---|---|---|---|
| | New obligational authority | Budget expenditures | New obligational authority | Budget expenditures | New obligational authority | Budget expenditures |
| 1954 actual | 38,901 | 46,986 | 23,864 | 20,551 | 62,765 | 67,537 |
| 1955 actual | 33,656 | 40,695 | 23,420 | 23,694 | 57,076 | 64,389 |
| 1956 actual | 35,903 | 40,723 | 27,295 | 25,501 | 63,198 | 66,224 |
| 1957 actual | 40,234 | 43,360 | 29,945 | 25,606 | 70,179 | 68,966 |
| 1958 actual | 40,448 | 44,234 | 35,897 | 27,135 | 76,345 | 71,369 |
| 1959 actual | 45,517 | 46,491 | 35,848 | 33,851 | 81,365 | 80,342 |
| 1960 actual | 44,761 | 45,691 | 34,813 | 30,848 | 79,574 | 76,539 |
| 1961 actual | 45,994 | 47,494 | 40,681 | 34,021 | 86,675 | 81,515 |
| 1962 estimate | 52,644 | 51,212 | 43,104 | 37,863 | 95,748 | 89,075 |
| 1963 estimate | 54,744 | 52,690 | 44,559 | 39,847 | 99,303 | 92,537 |

NOTE.—The data on this table corresponds to the classification used in the 1963 budget. National defense functions include Department of Defense including military assistance, Atomic Energy Commission, stockpiling of strategic and critical materials, Selective Service System, expansion of defense production, and civil defense.

### PURPOSE OF BILL

The purpose of this bill is evident. It is to increase further the military strength of the United States. Our foreign policy, to be effective, must be backed up by military power of unquestioned superiority. The purpose of this bill, stating it another way, is to deter aggression, to deter and prevent war. The purpose of this bill is to enable us more effectively to fight communism in the cold war and to fight communism successfully in a hot war should this country be attacked.

We do not know what the future holds. There are many uncertainties that lie ahead of us. About one thing there is no doubt, however, and that is the necessity, the urgent necessity, to maintain superior military strength in this country. The passage of this bill will evidence to the whole world the determination of the United States Congress to stand resolute and firm in the face of the Berlin crisis, in the face of all other international crises, in the face of threats to our freedom in any area of the world.

There has been some talk, and I think we should say some loose talk, about a no-win policy. Such a policy is unthinkable, and I have not seen evidence of such a policy in the legislative or executive branches of the Government, where policies are made and implemented. No one in his right mind would think that Congress would appropriate $47 billion for the purpose of supporting a no-win policy. No one in his right mind would conclude that we in the Congress would pass a bill equivalent to a levy of $258 on every man, woman, and child in the country with anything in mind other than a victory policy, and that is the policy of the American people.

### A $7.5 BILLION INCREASE IN APPROPRIATIONS

Since fiscal year 1961, if we take into account the funds provided in this bill, we have raised defense appropriations for the functions covered in this bill by $7.5 billion, from about $40 billion-plus to about $47.5 billion-plus. Why does this Congress, Democrats and Republicans alike, support for fiscal year 1963 an appropriation bill for the Department of Defense $7.5 billion above the 1961 figure?

The purpose of this program for defense is simply to accelerate the rate of the buildup of military power that is needed to maintain the position of

strength that this country requires in the face of the threats which confront us. It is plain for all to see that the threats against our security have been intensified in recent months. Our accelerated program is calculated to meet these intensified threats. There is a need to add more strategic power in the new area of intercontinental ballistic missiles, and there is a great need, which the bills last year and this year fill, to add to our power in conventional warfare weapons.

There has been a very marked change in the situation which confronted us in the 1950's and the situation which is confronting us in the 1960's. It is no criticism of any past policy of the Congress to say that we have abandoned the level of defense that we had 2 years ago and have raised the level of the program to a higher plateau. A program to acquire a more immediately alert posture to resist aggression was inevitable. It has no political complexion. It would have come about sooner or later under any administration. It happens to be coming at this time, and it is timely. The committee feels that this action should no longer be deferred.

There was a time when we were so preponderant in nuclear weapons and other factors were such that we could safely afford to have a lower program for defense. The growth of nuclear weaponry in this country and in Russia enters into the picture. Intercontinental ballistic missiles are a part of the picture. The Army needs to come to the fore more than has been required in recent years. That is all a part of this pattern.

When and how to apply our military power is in large measure up to the Executive. It is up to the Congress, however, and it is the responsibility of the Congress to provide funds for the development of our military power. It is a sobering and demanding responsibility which we are required to fill in this field. It is the judgment of the Committee on Appropriations that additional funds are necessary. Let me say that in the matter of defense this year, as in former years, politics has played no part in the formulation of this bill. I cannot remember any occasion that members of the subcommittee divided along partisan lines on any issue which was recommended to the full committee in connection with this bill. That, I think, is the sort of atmosphere that the people of the United States desire and have a right to expect of the Congress, and I am glad that we can work in the area of defense in that kind of atmosphere.

GENERAL DETAILS OF THE BILL

I think it would be well to say that I have no disposition to undertake to discuss in great detail the provisions of this bill. Several hours would be required to do so. The report, especially the first few pages, contains much significant information which Members will want to have. The report points out, on page 2, that the bill carries a total of $47.8 billion for the Army, Navy and Air Force. Of this sum $11 billion plus is for the Army, $15 billion plus for the Navy and $19 billion for the Air Force. For the other defense agencies, in excess of $2 billion is provided. A table will be asserted to provide more detail.

If we look at this huge program in another way, we find that for the military personnel the bill recommends $12 billion plus.

For operation and maintenance and this, of course, is one of the "musts" that have to be provided for, $11.5 billion is recommended.

For procurement $16.5 billion.

For research and development $6.8 billion.

That makes up the principal part of the total of the bill before us. I insert, to provide more detail, a summary of appropriations table:

*Summary of appropriations*

| Title | Appropriations, 1962 (to date) | Budget estimates, 1963 | Recommended in bill, 1963 | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | Appropriations, 1962 | Budget estimates, 1963 |
| Title I—Military Personnel | $12,805,000,000 | $13,050,200,000 | $12,901,890,000 | +$96,890,000 | −$148,310,000 |
| Title II—Operation and Maintenance | 11,731,130,000 | 11,568,800,000 | 11,551,473,000 | −179,657,000 | −17,327,000 |
| Title III—Procurement | 16,714,896,000 | 16,445,000,000 | 16,525,770,000 | −189,126,000 | +80,770,000 |
| Title IV—Research, Development, Test, and Evaluation | 5,243,930,000 | 6,843,000,000 | 6,860,358,000 | +1,616,428,000 | +17,358,000 |
| Total, titles I, II, III, and IV | 49,494,956,000 | 47,907,000,000 | 47,839,491,000 | +1,344,535,000 | −67,509,000 |
| Distribution of appropriations by organizational component: | | | | | |
| Army | 11,802,312,000 | 11,654,000,000 | 11,546,567,000 | −255,745,000 | −107,433,000 |
| Navy | 14,545,665,000 | 15,269,900,000 | 15,081,570,000 | +535,905,000 | −188,330,000 |
| Air Force | 18,836,534,000 | 18,926,500,000 | 19,177,634,000 | +341,100,000 | +251,134,000 |
| Defense agencies | 1,310,445,000 | 2,056,600,000 | 2,033,720,000 | +723,275,000 | −22,880,000 |
| Total, Department of Defense | 46,494,956,000 | 47,907,000,000 | 47,839,491,000 | +1,344,535,000 | −67,509,000 |

The bill provides, ladies and gentlemen, and it is your bill if you adopt it by your vote here today or tomorrow, for the support of men and women in uniform in the total number of 2.6 million-plus. It provides pay for approximately 1 million civilian workers.

It provides, of course, for millions of non-Government workers in defense plants of one kind or another. It provides for the support and operation of more than 30,000 aircraft. It provides for the operation and support of more than 860 ships, more than 700 active military bases and major installations. It provides for two additional regular divisions of the Army, and a tremendous acceleration of the state of readiness of the Army and of the other services.

It provides significantly, and I am sure the committee is unanimous on its decision, for support of the resumption of nuclear atmospheric testing in order to make sure that in this race for survival the United States shall not be caught short. Indeed, it provides strength and support for the Secretary of Defense and for the President of the United States during the forthcoming fiscal year at the conference tables wherever and whenever conferences may be held.

AIRCRAFT VERSUS MISSILES

Much has been said about missiles in recent years, and the buildup has been rather spectacular in the field of missiles, but there is no disposition to abandon the aircraft or to rely in the future on pushbutton warfare, so to speak.

The bill provides for a total procurement of 2,412 aircraft, of which 719 would be helicopters. In looking at it in dollars and cents and including research and development, plus procurement, the estimate included $8 billion for aircraft, and it provides 6 billion-plus for missiles. I offer a tabulation which shows this comparison in more detail:

*Aircraft and missiles as recommended in the estimates for procurement and research and development*

[Dollars in millions]

| | Aircraft | Missiles | Aircraft to be procured | |
|---|---|---|---|---|
| | | | Type | Number |
| Army: | | | | |
| Procurement | $218.5 | $558.3 | Helicopter | 534 |
| Research and development | 52.8 | 447.0 | Fixed wing | 48 |
| Total, Army | 271.3 | 1,005.3 | | 582 |
| Navy and Marine Corps: | | | | |
| Procurement | 2,134.6 | 952.7 | Helicopter | 144 |
| Research and development | 160.4 | 671.9 | Fixed wing | 755 |
| Total, Navy and Marine Corps | 2,295.0 | 1,624.6 | | 899 |
| Air Force: | | | | |
| Procurement | 3,135.0 | 2,500.0 | Helicopter | 41 |
| Research and development | 489.8 | 1,304.1 | Fixed wing | 890 |
| Total, Air Force | 3,624.8 | 3,804.1 | | 931 |
| Total | 8,054.4 | 6,434.0 | | 2,412 |

Mr. SIKES. Mr. Chairman, this is a very pointed matter. I wonder if we might have a little better order.

Mr. MAHON. I wish to say to my colleagues on the committee that it is good to be heard when one speaks, but it is not so important that our colleagues or the citizens of our country hear the message that is contained in this bill today; the important thing is that the enemies of this country need to hear what is said, but more especially to take cognizance of what is done by this bill. It represents a resolute and determined position of the people of this country in the contest for world leadership.

RS–70 AIRCRAFT PROGRAM

I think it desirable to discuss the B–70 aircraft program, or the RS–70 as it is now known, the reconnaissance strike aircraft program. The report beginning at page 7 gives a very excellent statement on this situation. It gives evidence of support by the Appropriations Committee of the B–70 program which we have supported in prior years, in some instances even above the budget, as we do this year. It points out that we are now in the process of producing three 2,000-mile-an-hour prototype XB–70's, shall I say. The first one of these planes will fly, according to the estimates, in December of this year. The other two will come along later. The Air Force had desired an acceleration of this program to a six-plane program. The whole matter is being restudied by a high level policy group in the Office of the Secretary of Defense and by a high level policy group in the Office of the Secretary of Defense. We cannot see what the future will hold, but we have in this bill taken care of any eventuality from the standpoint of money insofar as the RS–70 is concerned.

We have provided $171 million, which is requested in the budget; we have provided another $52 million requested in the budget for use in connection with items akin to component parts of the RS–70. Then there are other programs which will inure to the benefit of the RS–70 program.

The committee provides $52.9 million above the budget for application to the RS–70 program.

In the event there are breakthroughs which will precipitate a much more rapid program for the RS–70, we have made available in this bill the sum of $300 million in emergency funds which are provided by direct appropriation or by transfer.

So it seems to me undoubtedly true that the RS–70 program will not suffer for funds in 1963. It is the view of the committee that it should not suffer for needed funds because of the tremendous significance and importance of this program.

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

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

Mr. ARENDS. I would like to ask the gentleman from Texas whether or not this item of some $52.9 million was taken through action by the committee, or was this a request from the Department of Defense; or, in other words, why was it put in here?

Mr. MAHON. It was taken as committee action, but not without consultation with the Department of Defense, particularly the Air Force. The figure is an Air Force figure. This money would be applied to the component parts of the RS–70 needed to make it a fighting weapon. It applies to the most significant area of the component parts and the perfection of this particular program will more or less make or break the program, because these are pace-setting programs within the framework of the RS–70 concept.

Mr. ARENDS. I approve heartily of what the committee did, but my question was, Did it come about through a request from the Department of Defense or was this solely and wholly by committee action?

Mr. MAHON. It was wholly and solely committee action but based upon consultation with the Air Force. As stated, the figure is an Air Force figure. The question of additional funds was also discussed with the Director of Research and Engineering of the Department of Defense.

NATIONAL GUARD AND RESERVES

Mr. Chairman, I forgot to mention, in saying what this bill supports, that we provide for the maintenance of the National Guard at 400,000 drill pay strength, as in previous years; we provide for the maintenance of the Reserves at a strength of 300,000 as in previous years. We have not been critical of the determination on the part of the Army and of the Department of Defense to give a greater degree of readiness to the Reserve program. But we have felt this level that has been maintained through the years will be a stabilizing and wholesome influence upon the guard and the Reserve program.

It is my hope this bill may be passed unanimously. I hope that our action will, in effect, be a message of encouragement to the enemies of this country to abandon aggressive designs and work with the free world toward the objective of peace and better understanding.

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

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

Mr. STRATTON. Mr. Chairman, a number of us have been in receipt of communications from educational institutions in our districts—and I know the matter was referred to in the press in a statement by the president of Columbia University—in regard to a provision in the bill that would restrict the overhead charges on grants with the Defense Department being handled by educational institutions to a figure of 15 percent. I am not familiar with all of the details, but I am advised by the educational representatives that this restriction would virtually eliminate many of our respected educational institutions from taking part in assisting the Defense Department. I wonder if the gentleman would comment on this or whether he might suggest a way in which we could amend the language so that we would not eliminate these respected and valuable institutions from the great service that they have been rendering.

Mr. MAHON. Well, I would be glad to comment on that.

The American people—and that applies to our colleges and universities; indeed, to all of us—more or less like to avoid restrictions, if possible. Nobody likes restrictions; we all like blank checks wherever reasonably possible.

Now, this restriction applies only to grants. The research grants provided in this bill are in the area of $40 million. Most of the programs for defense which are carried out by the colleges and universities are done not through grants but through contracts, and this provision does not relate to contracts. It relates only to the grants that are given by the Federal Government to the institutions.

Year before last a request was made for only $8 million for this purpose—for grants. Last year it was $28 million, and like most Government programs, it has snowballed forward and become more expensive. This year the sum of $40 million is requested for grants.

It is not the desire of the committee to hurt the colleges. I have a college of 10,000 students in my home town, Texas Technological College of Lubbock, Tex. Officials of the college have been in touch with me. Members of the Committee knew that this limitation would generate a lot of interest. This is all very wholesome and very good. I believe that as the result of this display of democracy in action, through the use of the telegraph and telephone and letters, we will be able to focus attention on this problem and that we will be able to arrive ultimately, in conference with the Senate, on a figure that will be reasonably adequate, 15 percent, less or more. The indications are that it might be more.

So, this is the situation in which we find ourselves. We must bear in mind that this is not really a Federal aid to education bill. That legislation is pending before another committee. But, we have gone along and provided funds for defense research in the colleges, and we are now simply trying to keep this thing from getting completely out of hand. I am sure that the colleges and the universities and the Members of the Congress are interested in preventing chaos in this area. Likewise we are aware of the importance of the work in research in the colleges.

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

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

Mr. SIKES. Should it not be pointed out, I ask the chairman, that this is a limitation on indirect costs in the field of grants? This is to keep the costs not directly associated with the work that is being done for the Government from getting out of the ball park.

Mr. MAHON. The purpose is to get more defense out of the dollars we are appropriating by restricting the overhead to 15 percent.

That is a very obvious reason.

Mr. SIKES. If the gentleman will yield further, in talking about indirect

costs one may be talking about the cost involved with which to pay the fireman who fires the boiler in order to keep the university warm.

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

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

Mr. FORD. I think it should be pointed out that for the last several years we have had a 15 percent limitation in the Health, Education, and Welfare Department appropriation bill. Second, the Committee on Appropriations has sought for years to get a policy established in the executive branch of the Government whereby we would have uniform rules and regulations as to the amount of indirect overhead. The executive branch of the Government, for one reason or another, seems to want to avoid this problem. It is like a plague to them, and we have not been able to get any straight policy enunciation. I admit that this is a tough, hard way to approach it, but I am convinced that this is the only way to get any action from the administration.

Mr. MAHON. I must say that all of the items in the bill were not unanimously agreed to, but it was unanimously agreed by the committee when this bill was marked up that this research provision would generate more discussion and heat than many items in the bill involving even several billions of dollars. This is all right, but let us hold firm and work out a program during the legislative process that will be reasonably acceptable to all. We all have interests involved. The various colleges are very much interested, and should be, and I am sure they will accommodate to a program of sense and reason. Because of the way this program has skyrocketed, it needs to be brought under control in its early phase rather than after it has become a program of confusion in administration.

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

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

Mr. SANTANGELO. In connection with this very problem, on page 49 of the report there is an indication that the investigative committee has found that indirect costs to the universities in their research programs is exceeding 32 percent. However, in this report on page 14 you indicate that there is no desire on the part of the committee to hurt the institutions or to be too restrictive.

Does not the gentleman think that a reduction of 15 percent for legitimate costs, if they are legitimate costs, is being unduly restrictive?

Mr. MAHON. This varies. I think the overhead at Harvard is about 27 percent. The overhead at some of the other schools is higher. Many of them are lower. But why should a school in one State get a better break on overhead costs in programs of similar nature than a school in another State? What is wrong with some degree of uniformity in a Federal bill involving 50 States? That is what is sought to be achieved here. I think this will generate interest, to the point where the other body, plus this body, having heard all the facts—and that is one of the purposes of this amendment—will come to an agreement that will be reasonably acceptable. I hope the 15 percent might be reasonably adequate, but if it is not—and many think it is not—we do not want to do anything that would disrupt the important work which the great colleges and universities in this country are doing.

Mr. STRATTON. Mr. Chairman, will the gentleman yield again to me?

Mr. MAHON. I yield again to the gentleman from New York.

Mr. STRATTON. I appreciate the comments of the distinguished gentleman from Texas [Mr. MAHON] with respect to this, and particularly the reiteration of his view that he is not interested in disrupting this program. If I understand the gentleman correctly, the gentleman would recommend some adjustment in the 15 percent figure, so that the figure included in the legislation is not necessarily a hard and fast figure. I wonder if the gentleman might support an amendment offered on the floor which would raise this figure somewhat so that when we meet with the other body we can arrive closer to a final figure that would cause the least such disruption to our educational research programs?

Mr. MAHON. There is a time for everything. This is a time to sit steady in the boat and let this problem be aired completely.

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

Mr. MAHON. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I would like to ask the gentleman from Texas, whose judgment I respect, a question with reference to the indirect cost of research grants:

Why is it, if, as the committee report says, the Committee on Appropriations is undertaking to arrive at a proper overhead cost and is planning to study the problem, why should we be attempting to arrive at a solution before we have had the results of that study? I would assume that the chairman is not suggesting that the present approach of paying these indirect costs is giving these institutions blank checks, which I believe was the gentleman's expression?

Mr. MAHON. I think what I said was I do not think we should give the colleges blank checks as to how many defense dollars they may apply to overhead.

Mr. FRELINGHUYSEN. Mr. Chairman, if the gentleman will yield further, is it not true that in every case under this flexible approach they have to justify the indirect costs in order to get reimbursement? I notice on pages 80–85 of volume 5 of the hearings, that the Department of Defense comes out in strong opposition to this approach of a 15-percent limitation. They say that there would be very real penalties imposed upon the educational institutions if we should apply this limitation as is now proposed.

I notice that Princeton University, in my State, has a figure for indirect costs of 72 percent as compared to the direct costs. The programs, I might point out, involve research and development in air propulsive systems, aircraft design, and so on.

These indirect costs would have to be justified in order to have reimbursement. I think that this limitation now being proposed would result in a very serious problem and create inequity, if the figure should be mandatorily reduced to 15 percent. I do not see how the committee can justify imposing it on the present system.

Mr. MAHON. This figure is the same overhead limitation that is carried in the Department of Health, Education, and Welfare appropriation bill. Defense is important, but health is also important. This was patterned after that provision. The ultimate figure will be fixed as the result of the legislative process, and this is the beginning of the legislative process in the House. The House can work its will. But I would urge the House to let this figure stay as it is at this time.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield further, briefly?

Mr. MAHON. I yield to the gentleman.

Mr. FRELINGHUYSEN. Is it not true that Dr. Brown, Director of the Division of Research and Engineering, pointed out that there were very real differences between the programs of Health, Education, and Welfare with reference to costs as compared to programs conducted for defense? Did he not argue that for that reason we should have a flexible approach in the case of defense and perhaps a fixed limitation in the case of other programs?

Mr. MAHON. It is true that in the hearings we tried to develop the pros and cons on this issue. Dr. Brown expressed views in opposition to the limitation. It is true that Dr. Harold Brown, Director of Research and Engineering in the Department of Defense is one of the ablest men in or out of Government. He is doing an excellent job, in my opinion, for the country. But the gentleman from New Jersey would be the last to say that the only function of Congress is to be a rubberstamp for the administrative branch. What we are trying to do here is to represent the taxpayers of the country generally and to try to bring into proper focus the handling of these grants to the various colleges.

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

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

Mr. BOLAND. Mr. Chairman, I have no objection, and I am sure the majority of the Members of this House have no objection, to this Committee and the Congress taking a long and hard look at this problem. This is not the only area in which this problem presents itself. It presents itself also in the grants for the National Science Foundation. We have a problem here—that is, the Subcommittee on Appropriations for Independent Offices. We do not believe there ought to be a restriction of 15 percent to every college and university in America. The gentleman did state that it might be 15 percent in one area and 30 percent or 40 percent or 28 percent in another. I do not think we ought to say

that it shall be 15 percent for every university. I think the gentleman recognizes that the costs at a particular university may be a little higher than at some other university in some other States around the Nation.

Mr. MAHON. I think the gentleman would agree, too, that this would vary as well with different programs. But this is an attempt to try to get hold of the reins, so to speak, and prevent a runaway.

Mr. BOLAND. There is no doubt about it.

I should like to read into the RECORD a telegram from Harvard University on this matter:

At Harvard University we are deeply concerned about that part Defense Department appropriations bill placing limitation 15 percent for indirect costs associated with grants. Our experience shows such limitation will place serious burden Massachusetts universities doing Government research. Indirect expense rate at Harvard, developed in accordance formula prescribed by U.S. Budget Bureau and audited by U.S. Navy Audit Section, is 28.2 percent. A 15-percent limitation on defense agency grants would necessitate the university making up the difference. As a result primarily of statutory indirect cost limitations on NIH grants, Harvard contributed over $1 million 1960–61 toward cost Government grant and contract research work. All other universities incurred proportionate losses which had to be met by diversion of funds from other university programs of research and education important in the interests of national security and welfare. I urge your support in removing this limitation from the defense appropriations bill.

NATHAN M. PUSEY,
*President.*

So actually Harvard is losing money under NIH grants.

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

Mr. MAHON. I yield to my friend, the gentleman from West Virginia.

Mr. BAILEY. If the gentleman will permit, I should like to read a wire I have received from Paul A. Miller, president of West Virginia University. It is just three or four lines:

Urge your consideration of increasing 15-percent limitation indirect costs of research in defense appropriation bill. This inadequate level distorts total university program by forcing transfer funds from other uses to guarantee indirect cost on federally sponsored research.

In conversation with members of the committee I find that they say the president of the university evidently has a mistaken idea of this. Would the gentleman mind explaining the situation he has raised here? He says the facts stated here are not the facts in the case.

Mr. MAHON. It is true that of the money we give to colleges in grants many of them are using in excess of 15 percent for indirect costs. It cannot be denied that many of the schools are using more than 15 percent.

Mr. BAILEY. Did I understand the gentleman to say earlier in his explanation that it did not apply to contracts?

Mr. MAHON. I did. There are about $300 million to be spent on contracts and about $40 million on grants.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield for two questions?

Mr. MAHON. I yield.

Mrs. GREEN of Oregon. The gentleman has talked about grants and contracts. As far as indirect costs are concerned, is there any difference?

Mr. MAHON. As to indirect costs, there might not be a marked difference, but in the one case it comes about as the result of the negotiation of a contract. We do not recommend any limitation in that area.

Mrs. GREEN of Oregon. There has recently been a study that has been released by the National Science Foundation. I wonder if the gentleman from Texas would comment on it. The Office of Economic and Statistical Studies for the National Science Foundation shows that the national average of indirect cost related to research in large universities is 28 percent and in small universities 32 percent. At another point the National Science Foundation has stated that if a 15-percent limitation is placed on these contracts or grants, either one, $36 million of university funds must be used to pay for these indirect costs. This is at a time when the Committee on Education and Labor is looking at the colleges and universities with a rapidly increasing enrollment and we have legislation passed by the House to give Federal funds to help build classrooms and to pay some of the costs they must meet. I wonder if the gentleman would comment, therefore, on these two reports from the National Science Foundation.

Mr. MAHON. I have not read the reports. I realize that the action of the appropriations committee is opposed by the colleges, that they would like to have no restrictions and probably larger sums. They are doing a great work. We want to encourage them to do a great job. We will be glad to look further into this whole problem and are sympathetic to it. I am not one who is wholly untouched and unrelated to it. I have the second largest State-supported school in Texas in my own home town. The Members of the House can rest assured that this thing will be handled in a prudent way.

Mrs. GREEN of Oregon. The gentleman talked about the universities and colleges objecting because of the needs there, but this is the National Science Foundation, really a branch of the Government, that in its study comes up with the fact that in the large universities the cost is 28 percent and the small ones 32 percent. This, it seems to me, is an objective statement.

Mr. MAHON. It is a point in the controversy which has arisen. It is a part of the story.

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

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

Mr. BECKWORTH. Apparently the General Accounting Office made available some statistics recently which indicate that millions of dollars are being wasted in the Defense Department by the type of travel practices and procedures followed. Did the gentleman and his committee find any evidence as to a lot of waste in the travel practices of the Defense Department personnel?

Mr. MAHON. For years we have been hammering away in the Congress at excessive travel costs, and the gentleman has participated in this effort. We have made arbitrary percentage cuts. We have written reports. We have done what we could in this area. I think our efforts have been helpful in keeping these costs from going completely beyond bounds. The Department of Defense is now using the practice of having people who travel at times to travel second class rather than first class. I am sure many of the Members of the House of Representatives, when they make a long trip, travel coach probably or tourist class in the big planes. There is no good reason why there should not be some economy here. It is not a matter of first-class citizenship or second-class citizenship. It is a matter of providing an adequate expense allowance and that program is being implemented to some extent at this time in the Department of Defense.

Mr. BECKWORTH. Our colleague, the gentleman from Texas, always makes a very, very splendid statement about our defense program. I want to commend the gentleman for the great job of work he does for the Congress and for the country along that line. I was particularly impressed by the method by which the gentleman portrays the fact that we are not pursuing a so-called no-win policy. The gentleman makes it crystal clear that every citizen in this country by paying $258 of this bill, certainly, is trying to carry forward a win policy. I would like to make this comment. Just a few days ago, we had the Secretary of State before the Committee on Foreign Affairs. I asked him this question: "Mr. Secretary, if you should find a single individual in your Department pursuing or advocating a no-win policy, would you fire him immediately?" He said he would fire such an individual.

Mr. MAHON. I thank the gentleman for his very generous reference to me.

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

Mr. MAHON. I yield to my colleague, the gentleman from Wisconsin, a member of the committee.

But, Mr. Chairman, I do want to say in reference to the comments by our colleague, the gentleman from Texas [Mr. BECKWORTH] that I am only one member of a team on the defense subcommittee. We all work together and I deserve no special credit.

Mr. LAIRD. I would like to ask the chairman a question about the language on page 39 of the report. I have had an opportunity to discuss this language with him.

Mr. MAHON. I had hoped my colleague would defer that discussion until later.

Mr. LAIRD. I would like to have that point clarified at some point in the gentleman's remarks.

Mr. MAHON. I yield to my colleague, a member of the committee.

Mr. LAIRD. With reference to this particular section, in the committee I offered an amendment to limit the cost

of the carrier to $280 million. That particular amendment was adopted. Now at the top of page 39 there is this sentence in the report:

Should additional funds be required for the construction of the carrier, they can be reprogramed from prior year funds presently available, and through the competitive assignment of other ships to private yards, without the loss of any ships from the approved program.

My question, Mr. Chairman, is, Is this an invitation to go beyond the $280 million?

Mr. MAHON. In the opinion of the gentleman from Texas, it is certainly not an invitation to go beyond the $280 million. I realize the statement could be misleading. It was the determination of the committee that the aircraft carrier, that is the new carrier that is being talked about, would cost $280 million. It is true technically that there are some ways by which modification may be made in the future, but this language should not be interpreted to mean that the committee feels there should be any change in the $280 million figure.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

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

Mr. SMITH of Iowa. I would like to point out that one subcommittee on which I serve looked into NIH operations. We found that in some instances 7 percent is too much for indirect cost, but in other cases perhaps 28 percent is not too much. It depends upon the bookkeeping methods and allocations to direct and indirect costs.

My question is this: If we put a limitation of 15 percent on indirect costs, would not this in effect result in forcing a bookkeeping system upon the grantee which would shift some of the indirect cost over to direct cost?

Mr. MAHON. I would think they they would make a sincere effort to live within the limitation that is fixed upon them by the Congress.

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

Mr. MAHON. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would like to get back to section 540 again, if I could. Do I understand if this should be included that we would be obliging the institutions to prove that their indirect overhead costs are justified? Even if they submitted proof could they get no more than 15 percent of those costs, even though as in the case of the Massachusetts Institute of Technology the indirect costs have been over 51 percent? Would they be limited to a 15-percent reimbursement? Even to get that much would they have to prove that they spent over 15 percent? Is that correct?

Mr. MAHON. I believe the statement I have previously made in connection with this problem clarifies my position on the subject.

Mr. Chairman, I reserve the balance of my time.

Mr. FORD. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, I will make a few comments at the outset indicating my approval of the committee reccommendations. As in every instance where we have legislation before the Committee on Appropriations there are cases where you may or may not agree with every specific decision. Even with that reservation, however, I certainly endorse what the committee has proposed.

In my judgment this appropriation bill is in general a continuation of the basic military policy that we established right after the Korean war. There are some changes in programs and policies in the recommendations this year; on the other hand, it is not a significantly different program than the ones we have had over the last few years. The changes that have been made in programs or policies reflect the different conditions that we face today worldwide or conditions which we may be called upon to face several years hence.

I would like at this point to review the actual committee decisions as to the budget itself. I do this because if one makes a casual observation of the committee report one might come to the conclusion that the committee is recommending a very insignificant dollar reduction. If you refer to page 2 of the committee report you will find that the net reduction according to the statistical information is only $67,509,000 against an overall amount recommended in the bill of $47,839,491,000. In reality, if one carefully reads the report one will find that the actual reduction below the budget recommended by the administration is $581,509,000, which is a reduction of 1.2 percent.

The committee in reducing this appropriation bill has acted no differently than in the consideration of other appropriation bills over the last few years.

For example, in the 85th Congress, 1st session, the House on the recommendation of this committee reduced the appropriation bill by 7.1 percent. In the 85th Congress, 2d session, the House increased the administration's military request by 0.5 percent. In the 1st session of the 86th Congress the House, on the recommendation of this committee, reduced the appropriation bill by 1 percent. In the 2d session of the 86th Congress, the House approved this committee's recommendation increasing the appropriation by 7.3 percent. In the 1st session of the 87th Congress, last year, the House went along with the reductions recommended by this committee of 0.5 percent. In the 5-year span I outlined, the average reduction has been 1.5 percent. The reduction this year, if you will look at the true figure, is 1.2 percent.

So our committee has not treated this bill one iota differently than we have treated any others. The committee in 1962 exercised its judgment for reductions and increases just as we have done heretofore. We have found areas of disagreement with the Department of Defense in this bill as we found in previous years.

How did we arrive at the $581,509,000 for reduction? To understand the result requires some careful consideration of the process.

Last year the Congress approved $514.5 million to be earmarked for the procurement of long-range bombers. In the law which we approved for appropriation of the Defense Department in the fiscal year 1962, the Congress said: "of which not less than $514,500,000 shall be available only for the procurement of long-range bombers."

This language gave the Defense Department the right to spend this much money for the additional procurement of B–52's, B–58's, and possibly B–70's. The Defense Department decided not to use this money in fiscal 1962.

At the time President Kennedy recommended his budget for fiscal 1963, he proposed that this $514.5 million, which could only be spent this year for long-range bomber procurement, be carried forward to help provide funds for fiscal year 1963. He requested that the Congress free these funds from this limitation in fiscal year 1962 to help finance the program for the next fiscal year. Our committee has decided and is recommending that we in effect rescind this $514.5 million, and then appropriate a new amount of $514.5 million on the basis that if in fiscal 1962 the administration was not going to follow the directive of the Congress and spend this money for B–52's, B–58's, or B–70's procurement, we should strike the availability of the funds and start fiscal 1963 fresh.

So on page 25 of the bill before you, you will find this language:

*Provided further*, That funds restricted to procurement of long-range bombers in this appropriation for fiscal year 1962 shall not be available for obligation after June 30, 1962.

With that action taken, then we added $514.5 million to the Air Force aircraft procurement account. From that point on we considered the administration's request on its merits for fiscal 1963. We are simply following out what makes sense to me, namely the policy that if the executive branch of the Government does not carry out the will of the Congress, we should take action to rescind that which we proposed and then start afresh in the new year.

Actually we added $514.5 million to the aircraft procurement account for the Air Force as shown on page 25 of the appropriation bill before you. As a consequence of the previous action, the actual amount that we started with in that account was $3,649,500,000. On the other hand, after we had taken that action, we then reduced this account by $141.6 million in the following way:

We reduced the fund to the extent of $40 million, because we believe they can improve fiscal management and increase competitive contracting.

We cut the obligation authority in this account by $2.5 million because we think they can do better in the component improvement program.

We cut $85 million in this account because we think their replenishment program for aircraft spares was overstated.

We cut $10 million in this account because we feel that private industry should contribute $10 million to the C–141 program. It is the committee's feeling that the C–141 program, which is the new long-range military transport, should not be completely supported by the De-

fense Department. This particular aircraft, when it is flying, will have certain benefits for private industry. It can be used and will be used by private industry; at least, a private industry version can and undoubtedly will be built and used. It is our committee's feeling that private industry ought to make a contribution to the development cost of this aircraft.

There is a $2 million reduction in the painting of aircraft program. This item is somewhat interesting. The Air Force wanted $17,631,000 to paint aircraft to prevent corrosion. We admit there is need to paint aircraft to prevent corrosion, but we thought $17,631,000 was a pretty expensive painting program, particularly when they were only going to spend $140,000 on paint. So, we just took $2 million off and thought they could get this painting job done and done adequately for $15,631,000.

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

Mr. FORD. I yield to the gentleman from Ohio.

Mr. MINSHALL. Is it not a fact that to paint one aircraft they wanted some $65,000? That was just for the painting of one aircraft.

Mr. FORD. I think the gentleman is right. Our committee thought this program needed a careful scrutiny, and we are helping them by cutting $2 million from the request.

The committee has recommended a $2.1-million reduction in the procurement of aircraft for the logistic support program for missile sites. The net result is in this one account we have added $514.5 million, but on the other hand, as I have indicated, we reduced it by $141.6 million.

It should be pointed out, in addition, on the broad picture, that the committee is recommending an increase of $698,792,000, which includes the $514.5 million and $184,292,000. The $184,292,000 are as follows:

1. $52,900,000, for further component development related to the RS–70;
2. $42,000,000, to accelerate the Dyna-Soar manned glider space program;
3. $16,970,000, to insure a more economical buy on certain aircraft;
4. $11,500,000, to insure keeping the Mark 46 torpedo on schedule, because of its importance as an antisubmarine warfare weapon;
5. $58,800,000, to maintain the strength of the Army National Guard at 400,000 and the Army Reserve at 300,000;
6. $2,122,000, for water service at certain Marine Corps and naval facilities, and for the National Board for Promotion of Rifle Practice.

On the other hand, we are making reductions—and this is the important thing—which are financial adjustments of $456,210,000, plus $310,091,000 in program decreases. The details of these various reductions are set forth on pages 3 and 4 of the committee report. The reductions are itemized in the following insert:

1. $196,110,000 eliminated for the proposed military family housing revolving fund, pending authorization by law;
2. ¢116,500,000, based on committee estimate of increase in anticipated recoupments of carryover funds from prior years;
3. $45,000,000, to discourage excessive unobligated balances;
4. $39,500,000, on basis that off-shelf sales receipts have been underestimated;
5. $30,000,000, as change in ship construction financing;
6. $20,000,000, substitution of transfer from the Navy industrial fund to finance construction of a MSTS ship;
7. $9,100,000, for several additional minor adjustments.

(b) Program decreases totaling $310,091,000, including:

1. $134,000,000, in aircraft spare parts procurement and management;
2. $68,600,000, related to better contract procedures, improved pricing, and sharing development costs with industry;
3. $25,000,000, in communications improvement programs;
4. $20,000,000, by reason of changes in the mobile mid-range ballistic missile program these funds will not be needed in fiscal year 1963;
5. $62,491,000, representing numerous other decreases in operation, procurement, and research and development programs.

Mr. Chairman, in the past it has been my practice to take some time in the discussion of this bill to lay out in some detail the amounts that are in each account and the specific reductions or additions, account by account. I have done this through the use of charts. But this year, because there are a number of specific items that need special attention, in my opinion, I will change my method of explaining the bill and concentrate on the several areas which I think are vitally important.

First, may I make a few remarks about competitive bidding: This Subcommittee on Defense Appropriations and the Committee on Appropriations as a whole have been very concerned about the competitive bidding problem for several years. The committee has been deeply disturbed about what we call letter contracts. We have been disturbed about letter contracts that seem to drag on ad infinitum, and for months never reach the status of a firm contract.

Mr. Chairman, last year in our committee report the committee had this to say, on page 40:

Lack of competitive procurement in defense contracts.

That is the title of the section, and I am quoting from the report itself, now:

At the heart of the procurement problem is the failure to award many major contracts on a competitive formally advertised basis.

Then, Mr. Chairman, on page 41 of the committee report for fiscal year 1962 we had this to say:

The Armed Services Procurement Act expresses indisputable preference for formal advertising. Even the Armed Services Procurement Regulation of the Department of Defense gives clear expression of preference in this regard. The committee has revised section 523 of this bill to give additional emphasis to this stated statutory policy.

Later on in the committee report, on page 41, this is added, and I quote again:

This statutory policy must be implemented and not bypassed as has been done to date.

Mr. Chairman, the committee report goes on to quote from the Deputy Secretary of Defense, Mr. Gilpatric. He had made a speech, and he spoke out very forthrightly to the effect that we had to do something about competitive bidding, and they promised to do something. I, for one, applaud this attitude.

Mr. Chairman, this year in the hearings, part 4, under "Procurement," our committee had the pleasure of having the Assistant Secretary of Defense for Installations and Logistics, Mr. Tom Morris, before us. He made a very fine presentation about the improvements that are being made in the operation of the Defense Department. I applaud this.

On page 492 of the hearings Mr. Morris had this to say, and I quote:

No other subject has received more attention—

Speaking of competitive procurement—

during the past year in our 60 major procurement offices. This accounts for the encouraging trend which shows a rise in price competition during the first 6 months of fiscal year 1962, to 36.2 percent, compared to 32.9 percent for the fiscal year 1961.

This attitude made a good impression on our committee.

Over on page 494, Mr. Morris had this to say:

Our principal progress in achieving greater price competition has been through informal price competition rather than formal advertised bidding. We endorse and advocate the use wherever possible of formal advertising as the preferred method of procurement, since this method imposes safeguards against any favoritism in procurement by its requirement for unrestricted competition, sealed bids, public opening, and automatic award.

At the same time that Mr. Morris was before the committee, we had the Assistant Secretary of the Air Force for Materiel, the Honorable Joseph S. Imirie, and he spoke of the progress which was being made in the Air Force Department in getting more competition, open competitive bidding. We applauded that point of view.

Then we had the Assistant Secretary of the Army for Installations and Logistics, the Honorable Paul R. Ignatius, and in his statement on page 509 he said:

Formal advertising is, of course, the preferred method of procurement. Its advantages need no elaboration here.

Then we had a statement by the Honorable Kenneth E. BeLieu, the Assistant Secretary of the Navy for Installations and Logistics. He spoke at page 514 about increased competition and he said:

Without question, increased competition among qualified producers is an effective way to reduce weapon costs.

This was a very impressive presentation by the three people in charge of procurement for the three military departments. I was encouraged. But last Friday, to my utter amazement, I heard through the press that in apparent disregard of the procurement laws, the procurement regulations and the previous policy statements, a procurement award by telephone had been made of $5 to $6 million to Lukens Steel of Coatesville, Pa., for the procurement of 11,000

tons of special heat-treated armorplate. It is difficult to imagine—a telephone order of $5 to $6 million without consideration to competitive bidding. I could not believe what I had heard. But I checked with the Department of the Navy today and I am told that in midafternoon of Friday, the 13th, the Navy did award an order of 11,000 tons of special treatment steel for the Polaris program.

It is my understanding that there are three companies that heretofore had made or are capable of making this special armorplate. It was developed initially a few years ago by United States Steel and produced by them at the company's Homestead, Pa., plant.

They did not patent the process even though the company might have done so. They made it available to their competitors, including Lukens Steel, of Coatesville, Pa. For the last several years Lukens Steel of Coatesville, Pa., and United States Steel at its Homestead plant have been bidding competitively to provide this steel to the Defense Department. It has been an open competition with sealed bids. Sometimes Lukens has received the award and sometimes United States Steel has received the award, and sometimes both have received a piece of it.

Within the last year Armco, another major steel producer, developed a similar capability. This company has a plant down in the great State of Alabama. They call it the Armco Sheffield plant. Recently they have been bidding on this program, and I understand they have been getting through competitive bids, sealed bids, a share of this business. But I understand on last Friday about midafternoon the Navy, as directed by higher authority, called up Lukens Steel and ordered from this one company the full amount of 11,000 tons. They ignored Armco, that was another company that had not raised its prices. The basis for the award, according to what the Navy tells me, was that Lukens had not raised its price. However, it should be pointed out Armco had not raised its price. I wonder why the Navy called only Lukens? Why did the Navy exclude Armco, Sheffield Division?

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

Mr. FORD. I will be glad to yield to the gentleman from Wisconsin.

Mr. LAIRD. The gentleman has very clearly pointed out an apparent violation of law by the Secretary of Defense and by the Department of Defense in not following the competitive-bid practices and procedures which are laid down by law. It seems to me, and I am going to develop this in my remarks a little later, that this whole award was illegal. If we are going to get away from the idea of competitive bidding regardless of what the established price may be by a particular manufacturer, if we are going to do away with this whole competitive bidding procedure, this Department of Defense appropriation bill is going to go up by leaps and bounds in the future. I think that we have to call the Department of Defense to task for this violation of the laws enacted by this Congress.

Mr. FORD. At this point I want to raise several questions. I am asking our chairman to have our committee hold hearings where the representatives of the Defense Department can answer certain questions. I do not know whether the law has been violated or not. I think the committee ought to ask some very pertinent questions on this specific point.

Mr. LAIRD. The gentleman knows there were no bids submitted.

Mr. FORD. There is no doubt about that, in view of the telephone order of $5 to $6 million.

Let me ask these questions, and these are some of the questions I want our committee to go into:

First. Why was the competitive-bid process as required by law and by regulation bypassed in this instance?

Second. Why was the Defense Department's alleged policy of getting more rather than less competition changed in this instance?

Third. Were the legitimate rights of the unemployed in the Homestead mill area in Pennsylvania ignored?

This is a very interesting question. In the Homestead, Pa., area they have had for some time substantial and persistent unemployment. This area, where the United States Steel plant is, is under Department of Labor designation a group E area, which means that unemployment is between 9 and 12 percent. As of February 1962, according to the statistics of the Department of Labor, unemployment is 9.9 percent in this area.

The Lukens Steel Co. plant is in Coatesville, Pa., which is in Chester County. This area in February 1962, had 7.1 percent unemployment. Previously it had been designated as a group D unemployment area which means substantial but not persistent unemployment. The group D has an unemployment of 6 to 9 percent.

Our committee ought to ask why this procurement was directed to the Coatesville area when they have less unemployment than they have in Homestead. I do not understand why they want to take an opportunity to bid competitively from a company that has its plant in an area where unemployment is higher. I cannot understand the administration's policy in this regard. These are the kind of questions we ought to go into.

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

Mr. FORD. I am glad to yield to my colleague.

Mr. OSTERTAG. Would the gentleman say that this apparent or alleged violation in placing an order without regard to competitive bidding has all the earmarks of being associated with the recent proposed steel price rise?

Mr. FORD. There is no doubt in my mind that this was a method of trying to club or coerce somebody by unusual means. This is a strange tactic of big government against private enterprise. In this instance the taxpayer is adversely affected by a lack of competitive bidding.

Now I would like to ask another question: Why was the procurement expedited by 6 months? Normally, according to the information I have, this procurement would not have been made until early fall 1962 and it would have been actually a procurement by the private shipyards that have the specific Polaris contracts. But, in this case for some strange reason, it was a procurement made by the Government from 4 to 6 months ahead of schedule.

Then another question: If I came from the State of Alabama, I would ask this question: Why, when the telephone order was placed for $5 to $6 million, did the Navy not call Armco Steel in Sheffield, Ala., and give them a chance to get in on the award. Armco had not raised its prices. If I were in Armco's boots, I would protest to the General Accounting Office. Armco has a justifiable reason to complain.

Mr. Chairman, I hope I have impressed on you the fact that we ought to have an investigation of this matter. We ought to find out what the facts are. Were there any violations of the law? What are the reasons for any change of policy.

Mr. Chairman, on page 32 of the committee report, the committee makes some comments about the ineptness and the inconsistency of the security review program. We reduced this part of the budget by $66,000.

I am thoroughly convinced that the security review functions of the Department of Defense too often have been handled in an inept and confusing manner. The right to and the necessity of an objective security review of testimony given in executive session before the Subcommittee on Department of Defense Appropriations is not the issue. The problem is the operation or management of this important responsibility. Our committee made a reduction of $66,000 in funds included for these security review functions under "Operation, defense agencies." On page 32 of its report, the committee says:

> Statements made by certain representatives of agencies have been deleted in some instances while statements of representatives of other agencies containing the same information have not been deleted from other portions of the record.

Quite frankly the committee in effect is saying that in the security review operation, in many instances the "right hand does not know what the left hand is doing."

The dissemination of information on governmental activities is a vital cornerstone of any free society. The people of the country must be sufficiently well informed to make their wishes known on important issues. At the same time, information which is not of assistance to the people of the United States but would be of assistance to military intelligence agents of the Soviet Union or any other enemy should not be revealed. There is sometimes a fine line between the two. For this reason, those who are empowered to make the decisions as to what information shall be given the American people and what information shall be withheld from them must be persons of competence and complete objectivity. The use of security review to withhold information from the American people

or to cover up vital issues for political reasons cannot be permitted. The Directorate for Security Review of the Department of Defense should be adequately manned by able, knowledgeable individuals, and they should be directed by persons who have no political axes to grind and who impress upon their staffs the need for objectivity and uniformity in their decisions.

In examples to be cited later I will show that the persons who deleted or censored portions of testimony in the hearings of the Subcommittee on Defense Appropriations were not even aware of other testimony on the same point being given before the same subcommittee within a very short period of time. The attempt to delete from the record my innocuous statement concerning the U–2 flights, in the face of the public testimony which has been available for almost 2 years now, seems like the attempt of the totalitarian government described in George Orwell's book "1984" to rewrite history to suit the current viewpoint of the Government.

The examples I will give are but two of many which the members of the Subcommittee on Defense Appropriations had to contend with during this session of Congress. A great many, even more ridiculous, attempts at censorship were made. After inquiry by the members of the committee as to the reasons therefor, many of them were cleared for printing in the public record and the original censoring explained as a clerical error or inadvertent deletion.

Dr. Harold Brown, the Director of Defense Research and Engineering, presented a very interesting statement to the committee. Upon the completion of this statement some of the members asked Dr. Brown how such a statement could be unclassified and placed in the public record. After pointing out that the statement had been reviewed and that it did not contain material which it was thought would be helpful to an enemy he said:

My own judgment is that because the way we determine things in this country, and it is the right way, the way that distinguishes us from the other side, we must have an informed public. We can only have an informed public by giving out information that we perhaps sometimes wish not so many people knew.

This is the viewpoint which must be shared by those whose duty it is to review remarks by personnel of the Department of Defense. The Senate Committee on Armed Services has had extensive hearings on the censoring of speeches of military officers. I have no desire to involve myself or our committee in their deliberations. However, the Committee on Appropriations this year has had unfortunate experiences with the censoring of testimony not only of military officers but of questions of Members of Congress. Obviously all is not well with the Public Affairs Office of the Department of Defense. And I urge that immediate steps be taken to see that a proper job is done in this important field. There have been enough excuses and alibis. The committee wants an objective and consistent job done immediately.

Now let me illustrate what I mean and also present the basis for the committee viewpoint. I have been deeply concerned about the vital necessity of proof or system testing of our ballistic missile systems with nuclear warheads such as the Atlas, Titan, and Polaris, which means the firing of a ballistic missile with a nuclear warhead by operational crews. Throughout the hearings in 1962 on the fiscal year 1963 military budget I repeatedly asked questions on the problem of General Lemnitzer, Chairman of the Joint Chiefs, Admiral Anderson, Chief of Naval Operations, General Smith, Vice Chief of Staff of the Air Force, and General Decker, Chief of Staff of the Army. In 1961 during the hearings on fiscal year 1962 budget the chairman of the Defense Subcommittee, the gentleman from Texas, Mr. GEORGE MAHON, made similar inquiries concerning this important matter.

The security review in this area, as I will illustrate, has been far from satisfactory. Let us look at the record, which speaks for itself, as found in the published hearings of 1961.

In the hearings, Department of Defense Appropriations for 1962, part 4, page 442, Mr. MAHON asked on May 1, 1961, the following question of the Under Secretary of the Air Force, Hon. Joseph V. Charyk, and Lt. Gen. Roscoe G. Wilson, Deputy Chief of Staff for Development:

Mr. MAHON. Have we ever fired a fully equipped missile with an atomic warhead and had it explode and carry out its mission?

After an off-the-record discussion General Wilson made the following statement:

General WILSON. I think you can determine an estimate of reliability mathematically, but in the end you have to conduct tests to prove out your hypotheses. So testing is the only answer. Would you bear me out, Dr. Charyk?

Dr. CHARYK. Sure.

Mr. MAHON. Do you mean to say unless you fire an ICBM with a nuclear warhead, you have not sufficiently tested your weapon?

Dr. CHARYK. I think that is correct; yes, sir.

Your probabilities can run very high, indeed, without tests, but they remain, until you test them, hypotheses. That has been the military view.

We have been extremely nervous about having anything in stockpile that has not been tested, even though we are assured that the probability of success is very high. We feel so much depends upon a high order of success that we must test things.

A bit later Mr. MAHON asked this question:

Mr. MAHON. Where are we going to get definite and complete assurance? If we are going to place the chief reliance at some future time on the intercontinental ballistic missile for the protection of this country, we need to know the facts of life with the greatest degree of accuracy.

Dr. CHARYK. Actually, we of course can fire a missile and check all elements of the system, but——

Mr. MAHON. We have never fired a nuclear warhead, subjecting it to the shock it would be subjected to at the time of launch, and subjecting it to the speeds and atmospheric changes incident to its flight to its objective. How are we to know but that this might bring about some change in the weapon that would make it ineffective?

Having attended the hearing in 1961, knowing what was in the published hearings and being deeply concerned about proof or system testing of nuclear warheads of ballistic missiles, on February 1, 1962 I asked the Secretary of Defense and General Lemnitzer certain questions about the situation. My questions and the answers were deleted from the printed hearings by the security review process.

This was difficult to understand bearing in mind the questions asked in 1961 by Chairman MAHON and the responses by Under Secretary of the Air Force Charyk and Lt. Gen. Roscoe G. Wilson. The inconsistency of this decision is more flagrant if one reads the following from the printed hearings for this year, 1962.

On page 412 of the hearings, Department of Defense appropriations for 1963, part 2, I asked the following question of the Chief of Naval Operations:

Mr. FORD. I think this is very impressive, but let me ask you this question: Have you ever fired a Polaris missile with a nuclear warhead from a Polaris submarine operating at sea?

Admiral ANDERSON. No. We have done all the testing up to the point of having the nuclear head in the weapon itself. We have had instead, telemetering to give us the information back that we would presume would give us the degree of reliability, or the indication of reliability that we have to have.

No request was made by the Directorate for Security Review for this material to be deleted from the printed record. McNamara and Lemnitzer testified February 1, 1962 and Admiral Anderson 5 days later.

On page 507 of the same hearing I asked the following question during the appearance of the Secretary of the Air Force and Vice Chief of Staff of the Air Force:

Mr. FORD. I am disturbed that scientists who designed these weapons are the ones who are telling us that they are going to work. It would be very helpful, it seems to me, if the military people who have to use them had some practical experience in the firing of them.

General SMITH. Actually, I would like to expand on that, Mr. Ford, because as far as firing is concerned the military people do get practical experience. In our category 3 testing of Atlas, for instance, and in category 3 that will come on for Titan I and Titan II and Minuteman, the SAC crews actually fire the weapons system and fire it on a range where results are measured for accuracy. And crews are checked for their ability to handle the complex jobs they have to perform prior to, and during, launch.

The only thing that has not been exercised in Atlas, as an example, is the actual detonation of the warhead at the termination of an actual trajectory. All of the relays and other things which have to function after the reentry body comes back in have been tested.

In concluding a longer and somewhat detailed discussion of this problem, the following concluding question and answer were made—page 508:

Mr. FORD. If such tests were undertaken, and assuming that the Soviet Union would have means of knowing such tests were

made, it would certainly improve the credibility of our deterrent force.

General SMITH. I believe so, sir.

In this instance General Smith testified 12 days after McNamara and Lemnitzer. I am completely puzzled by the paradox that the testimony of General Smith, Admiral Anderson, Secretary Charyk can be published but the statements of Secretary McNamara and General Lemnitzer may not be printed. I can see no justification for a deletion in one and not in the other.

Let me take another example. In this case inconsistencies in policy are obvious but in addition in this instance I confess there is some evidence that the deletion of my question and the answer have a political rather than a security flavor.

On February 1, 1962, while General Lemnitzer and Secretary McNamara were testifying in executive session before the Defense Subcommittee on Appropriations there were questions raised and answers given concerning the adequacy of our military intelligence program. Because of an answer given by General Lemnitzer I asked a question about the U–2 program and the impact of its discontinuance in May 1960. In my judgment it was an important question which should have been answered for the record. My reference in the question to the U–2 program by any definition, including past decisions by security review, was certainly printable. Yet it was deleted in the security review process by the Department of Defense.

Let me show how inconsistent and unreasonable the deletion was.

On June 2, 1960, the then Secretary of Defense, the Honorable Thomas S. Gates, Jr., in testimony before the Committee on Foreign Relations of the U.S. Senate, page 124, stated:

We obviously were interested in the results of these flights as we are in all of our Nation's intelligence collection results. For example, from these flights we got information on airfields, aircraft, missiles, missile testing and training, special weapons storage, submarine production, atomic production and aircraft deployment, and things like these.

These were all types of vital information. These results were considered in formulating our military programs. We obviously were the prime customer, and ours is the major interest.

The above testimony was printed and made available to the general public.

At a later point in the same hearing the following colloquy took place—page 136:

Senator HICKENLOOPER. Now, these U–2 flights have been extremely valuable in the securing of intelligence, have they not?

Secretary GATES. They have indeed, Senator.

Still further—page 138—the following colloquy took place:

Senator LONG. If it were essential or important that the U–2 flights be made for years, right up to and including May 1, is the defense of the United States adversely effected by an absolute discontinuance on May 13?

Secretary GATES. We have lost, through compromise, an important source of information.

Senator LONG. In other words, we do badly need the same information that we were gathering with the U–2 flights?

Secretary GATES. We need a continuity of this information, I think, Senator.

Still further on page 143:

Senator LAUSCHE. My question is, If you did not have the knowledge acquired through the U–2's, could you have intelligently developed your national defense to cope with the actual, potential military power of the Soviet?

SECRETARY GATES. Not as well, Senator; by no means.

Still further, page 154, the following colloquy took place:

The CHAIRMAN (Senator FULBRIGHT). In other words, the result of your overflights and the information you got has given you a better appreciation of their military strength and that appreciation is that they are very well armed—is that correct—better than you expected?

Secretary GATES. In some case, yes. In some case, perhaps less well than they advertised.

The then Secretary of State, the Honorable Christian Herter testified—on page 7:

The U–2 program was an important and efficient intelligence effort.

Later in the same hearing—page 37—the following colloquy took place:

Senator HICKENLOOPER. Would you care to give an opinion on the value to this country, in our defensive posture, of these flights, this series of flights which have gone on over Russian territory for the last several years?

Secretary HERTER. Yes, sir. I will give you this opinion. It is a layman's opinion rather than an expert's opinion, but I think they were of very great value to us.

If all this testimony by responsible Government officials could be printed, there was absolutely no reason to censor my question on the U–2 program.

The committee action in reducing funds for security review by $60,000 may appear to be harsh. However the reduction in funds is about the only method I know to straighten out the problem and accomplish better management. Certainly the current operations as they affect testimony before our committee are unsatisfactory. Individual committee members and the committee staff could give many similar illustrations, some more ridiculous than those I have cited.

In conclusion let me assure those responsible in the Department of Defense that when there is evidence that the management and operation of the security review section is remedied I will personally do all that I can to see that adequate funds are available.

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

Mr. FORD. I yield to the gentleman from Kansas.

Mr. AVERY. Since the gentleman is looking at the committee report, page 32, yesterday we had the Department of Defense military construction authorization bill before us. That bill carried authority for the command to spend up to 50 percent of the cost of replacing a comparable family housing unit to rehabilitate an existing one.

I am trying to translate that over into the appropriations that are included in this bill. Would that be compensated for in this bill? Or how is that to be correlated?

Mr. FORD. Until that becomes law it is a little difficult to be specific.

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

Mr. FORD. I yield.

Mr. VINSON. I think I should state that such items referred to in the construction bill do not appear at all in this bill. This bill does not relate to that. That would be dealt with by the subcommittee headed by the gentleman from California [Mr. SHEPPARD]. This bill deals with aircraft, missiles, ships, and the general running of the establishment.

Mr. FORD. I agree with the distinguished gentleman from Georgia, but after the buildings to which the gentleman refers are built, operation and maintenance money in this bill does take care of their operation and maintenance.

Mr. VINSON. But I may say in reference to the operation and maintenance hereafter under the bill we passed yesterday it will have to be authorized before it can be appropriated for. That was in the bill yesterday.

Mr. AVERY. If I understand it, then—I am only trying to develop an understanding, not to create controversy—after this year the money for rehabilitation will appear as a line item?

Mr. VINSON. That is correct; that was written in the bill yesterday.

Mr. AVERY. Then for all practical purposes we are proceeding now as we have in the past.

Mr. VINSON. That is it exactly.

Mr. AVERY. I thank the gentleman from Michigan and the gentleman from Georgia.

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

Mr. FORD. I yield.

Mr. WESTLAND. The gentleman earlier touched a matter that has caused me considerable concern. In section 535 of the bill the committee apparently has attempted to slow down the defense contractors in their advertising of products they are making for the Defense Department. Apparently this language is completely inadequate; apparently it does not stop the defense contractors from advertising very classified matter in the workaday journals. Recently I saw an ad by some Texas company that was producing parts for our Polaris submarines, and I have seen heat exchangers advertised, things that we knew the Soviets were interested in. I am trying to find some way of stopping it. I do not know whether the gentleman has had this matter before his committee, whether it has been discussed and whether we cannot get some language in this bill to deal with that sort of thing effectively.

Mr. FORD. We tried to do that in the bill last year because of flagrant abuses in spending Defense Department procurement dollars to advertise company products.

This was getting to be a scandalous situation. When companies were puffing

their products, so to speak, they were inevitably releasing certain classified information. Our committee last year put in a tough provision which sought to cut down the drain on procurement funds. We have done all we can in this area to, first, reduce the cost to the Government and, second, to emphasize to the departments these absolutely absurd advertisements are not necessary and should not be necessary to sell their products to Uncle Sam.

Mr. WESTLAND. Admiral Rickover and I have discussed this matter a good many times to try to find some solution.

Mr. FORD. He and I have done the same.

Mr. WESTLAND. It has been an attempt. He has called the gentleman in the well at this time and the gentleman from Wisconsin [Mr. LAIRD], who, I believe, was instrumental in preparing this type of phraseology. I do not know just how far the Appropriations Committee can go in legislating in a matter of this kind, but there should be some way of stopping these contractors from giving away our secrets free to the Soviets.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. FORD. Mr. Chairman, I yield myself an additional 10 minutes.

If the gentleman tomorrow, when the RECORD is printed, will read my remarks about the inadequacy, the ineptness, the inconsistency of the Office of Security Review, he will understand my sentiments about the way this shop is being run. I have documentation of instance after instance where they have done, in my judgment, an inconsistent, inept job.

Mr. WESTLAND. It is still going on, and it is very obvious.

Mr. FORD. Mr. Chairman, on page 9 of the committee bill there is this provision:

*Provided,* That not more than $311,740,000 may be used for the repair and alteration of naval vessels in shipyards.

On page 23, there is the following provision:

*Provided,* That not more than $299,195,000 of these funds may be used for conversion of naval vessels in Navy shipyards.

These two provisions are an attempt to see to it that the private industry shipyards of the United States get a larger share of the repair, alteration, and conversion of naval vessels. It is a very frank effort to see to it that the private yards go from 25 percent of the work to 35 percent of the work with resulting savings to the Government and taxpayers. On the other hand, if this is approved, the share going to the public yards will go from 75 percent in fiscal 1962 to 65 percent in the next fiscal year.

What are the facts? Every witness who ever testified on the subject from the Department of the Navy has admitted categorically that the private yards in new construction, repair, alteration, or conversion, can do the job anywhere from 8 to 22 percent less. The private yards can save money for the Navy and the taxpayers.

Now, if you are interested in saving money, support the committee amendment, because it will mean that the Navy can get the job done cheaper by having it done in the private yards rather than the Navy yards. And, I have citation after citation by Admiral James, head of the Navy shipbuilding, and others to support the point.

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

Mr. FORD. I yield.

Mr. VINSON. In view of the statement the gentleman has just made, what is the justification, then, for keeping the Navy yards?

Mr. FORD. The justification is that we must have a Navy yard capability. I am not arguing for the dismantling of Navy shipyards.

These facts are interesting. In fiscal 1962 the Navy yards are operating at 90 percent of capacity with about 100,000 employees. The private yards throughout the country are operating at 50 percent of capacity. They have only about 50,000 employees working on Navy work.

Now, let us take a look at the facts, comparing 1962 with fiscal 1963. In fiscal 1962, this year, the total amount of work for repair, alteration, and conversion is $784 million, of which the Navy yards will get $586 million and the private yards $197 million under repair and alteration. If this bill goes into effect, we will have a change in the allocation from 75 percent to 65 percent for the Navy yards and 25 percent to 35 percent for the private yards. Overall, for conversion, repair, and alteration, comparing fiscal 1962 with fiscal 1963, the Navy yards will end up with $24 million more work in fiscal 1962 than in fiscal 1963. The total will go from $586 to $610 million.

It is also true that the private yards will end up with an increase, but there will be no less dollar amount of money made available to the public yards in fiscal 1963 even with this limitation; in fact, there will be $24 million more.

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

Mr. FORD. I yield to the gentleman from Virginia.

Mr. HARDY. I am not sure whether I took the figures down correctly, but I believe the gentleman said that in the private yards there would be a saving of between 8 and 22 percent for repair, conversion, and new construction.

Mr. FORD. That is what Admiral James said. I am only repeating what he said.

Mr. HARDY. I have heard Admiral James give a lot of figures, but I never heard him come up with anything like that.

Mr. FORD. Let me quote what he said. On page 271 of part 5 of the hearings for fiscal 1962 I asked this question: Does this—meaning the estimated saving of 8 to 15 percent for work done in the private yards—apply to repair as well as original construction? Admiral James answered: "Indeed, yes, sir."

Mr. HARDY. I am trying, if the gentleman will yield further, to understand, if I can, whether the Admiral made a distinction between the savings which he contends would occur with respect to new construction and the savings which would occur with respect to repair and maintenance.

Mr. FORD. I am just quoting his statement to that effect.

Mr. HARDY. Well, it was not very clear to me. Maybe it was clear to the gentleman.

Mr. FORD. Well, I would suggest, then, that you look at page 275, part 5, of our hearings last year, and it will be very clear.

Mr. HARDY. I shall do that, but in the meantime will the gentleman tell us whether in Admiral James' testimony he indicated that a reduction in these figures or an adjustment in these figures had been made for such matters as additional expense for military supervision, for training ships crews or for other items which would not apply at private yards.

Mr. FORD. I will say this: Admiral James is not for this amendment.

Mr. HARDY. I wonder if the gentleman could be sure of that?

Mr. FORD. Let us put it this way: I understand the Department of the Navy is not for it, and I assume he and they feel alike.

Mr. HARDY. I wish I could be sure of that. I have always had a feeling myself that Admiral James is partial to private yards and would like to expand the contract work.

Mr. FORD. I do not think that he does feel that way. In fact, it is my opinion, from hearing him testify, that he has a strong feeling that we ought to have fully adequate Navy yards.

Mr. HARDY. I would prefer——

Mr. FORD. But, I would say this: I believe he and the committee disagree on how much work ought to go to the Navy yards, and how much should go to the private yards. I do not think the Navy yards should be maintained at 90 percent of capacity, which is the case. I think the private yards ought to be operated at greater than 50 percent of capacity.

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

Mr. FORD. I would be very glad to yield further.

Mr. HARDY. Again, I do not know where these figures came from, but when you talk of 90 percent of capacity I think you should have some base period, or some basis on which to make that comparison. For instance, the Navy yard in my district has an employment level now of only about one-fifth of what it had in World War II. I would hardly say it is 90 percent capacity, or even 60 percent or 65 percent of capacity.

Mr. FORD. The gentleman would not want the Navy yard at Norfolk to be working at 90 percent of World War II capacity, would he?

Mr. HARDY. Not at all. I do not mean to leave that impression.

Mr. FORD. That was the impression I got.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HARDY. Would the gentleman take a little more time in order that I

might pursue this further with the gentleman?

Mr. FORD. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, I could not believe that was the impression the gentleman wanted to create.

Mr. HARDY. What I was trying to find out is what base you were using to make a determination that 90 percent of capacity is now being utilized in the naval shipyards?

Mr. FORD. All I am doing is quoting the figures given the committee. They say the Navy yards are being used at 90 percent of capacity. The private yards tell us their yards are being utilized at 50 percent of capacity. All our committee is trying to do is to give free enterprise a little more leeway and save money. The committee wants to increase the dollar amount for the private yards in this area by about $145 million. At the same time it would mean that the Navy yards would receive a $24 million increase. I do not think that is inequitable.

Mr. HARDY. Mr. Chairman, will the gentleman yield further on that point?

Mr. FORD. Surely.

Mr. HARDY. I subscribe to the proposition that our private yards should be kept healthy also. My district has a good many private yards, as well as the naval shipyard. But I do not believe that by placing them in a straitjacket with a specific limitation that we can serve the best interests of the industry or of the Government. Frankly, I wish the committee had had before it a different witness than Admiral James.

Mr. FORD. I, personally, admire Admiral James. I think he is doing a fine job. I just do not happen to agree with his plan to allocate the funds for ship repair and conversion in 1963. Our committee is trying to nudge him a little bit further along the line of helping free enterprise and saving money without hurting the Navy yards.

Mr. Chairman, I might say to my friend from Virginia [Mr. HARDY] that the 65–35 percent figure does not satisfy the private yard advocates either. They wanted 75 percent for the private yards and 25 percent for the public yards. We did not go anywhere near that figure.

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

Mr. FORD. I would be glad to yield further to the gentleman from Virginia.

Mr. HARDY. Does not the gentleman agree that there are situations in which conceivably there would be times when much more than 65 percent should go into the naval yards and times when much more than the 35 percent should go into the private yards? Is not this a situation that ought to be flexible?

Mr. FORD. Within the bill as we have submitted it there is plenty of flexibility. We simply say that no more than 65 percent of the dollars can go to the Navy yards; and the dollar amounts are large; they total $939,900,000. That figure gives a lot of money for flexibility.

Mr. HARDY. The gentleman will recognize that flexibility is all on the side of the private yards and not on the side of the Navy yards?

Mr. FORD. Oh, no; the flexibility is for both.

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

Mr. FORD. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The gentleman from Michigan [Mr. FORD] has made the point as far as private enterprise is concerned. I would like to make the point that I believe this amendment of the committee is in the interest of the American taxpayer. Here is where you are going to save from 15 to 25 percent in a particular area involving large sums of money. This is not what the private shipbuilding industry wanted. They wanted, in their appearance before our committee, 75 percent. The Navy has plenty of flexibility here with the amendment of the committee. And after all, this is good for just 1 year and we can take another look at it next year and see where we are at that time. But I think that the taxpayer is being protected.

Mr. FORD. Let me give you a good example. There is a request in here for a new aircraft carrier. The Navy testified that if this aircraft carrier were built at a Navy yard the cost would be $325 million. They also testified that if the aircraft carrier were built at a private shipyard, by private industry, the cost would be $280 million, a differentail of $45 million. The budget figure as recommended by the administration was $310 million. I think that is two-thirds of the difference between the private and the Navy yards' figures. Our committee thought we ought to take advantage of the lower figure and we reduced the carrier from $310 to $280 million. We hope the Navy can find a way to build the carrier for $280 million.

Mr. HARDY. Mr. Chairman, will the gentleman yield on that?

Mr. FORD. I yield.

Mr. HARDY. Mr. Chairman, I think that the gentleman has made a pretty good point for competitive bidding in the procurement of new construction. I think undoubtedly there have been evidences of savings so far as new construction contracts are concerned. But when you get into the question of actual cost, I should like to ask the gentleman if the committee had any figures on the cost of the *Kittyhawk*.

Mr. FORD. Mr. Chairman, I would like to add this comment, because I suspected that it would be brought up probably by my good friend from Georgia. He probably will say that we should not direct that $x$ number of dollars be spent in the private yards and $x$ number in the public yards. I think you can argue that for some years the Congress has directed how Navy funds should be spent, particularly for new construction. And if it is good policy for new construction it is good policy for repair, alteration, and conversion. Under the Vinson-Trammell Act—and the gentleman from Georgia, I am sure, can tell me the date when it became law—the Congress directed that every ship of a class should go to alternate type yards, public and private. If it is good to direct that new construction should go half to the private and half to the public, I cannot see why we should not make some arbitrary decision about repair, alteration, and construction.

It seems to me it is the same problem: shipbuilding, shipyards, Navy dollars. I think the precedent was established a long time ago that the Congress on its own make some decisions in this matter. We are now carrying out the same general policy. I do not think there is any basis for a distinction between new construction, alteration and repair, and conversion. Therefore, I strongly hope that these provisions I have indicated remain in the bill. They are fair to all concerned. I for one want it known now that I intend to oppose any deletion, and if we have a rollcall we will find out who stands up for free enterprise and who does not. Who wants to say dollars and who does not.

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

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

Mr. CONTE. I want to take this opportunity to commend the gentleman from Michigan for the very able and capable presentation he has made here in the House of Representatives today. The gentleman from Michigan, and the gentleman from Texas [Mr. MAHON], are two of the greatest authorities on the defense of this Nation. We are certainly fortunate to have men like Mr. MAHON and Mr. FORD on this important committee.

Mr. FORD. I appreciate the gentlemans' comments. We have a great number of people who are extremely competent and qualified in this area on our committee and on the House Committee on Armed Services. If both committees work together and try to resolve our differences we can come up with good programs for the defense of this country. We have in the past and I am sure we can in the future.

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

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

Mr. GROSS. I regret that I missed a few minutes of the gentleman's presentation this afternoon. I wonder if he commented on this situation that has grown enormously, of contracting for technical management services and consultants. I would ask the gentleman, when the present administration said it would come in with a report on this by March 1, what reason was given for not coming in with this report?

Mr. FORD. It is my understanding that such a report will be released shortly. It is long overdue.

Mr. GROSS. It certainly is.

Mr. FORD. Our committee did not have the benefit of its recommendations. As a consequence, we cut $5 million, as I recall the figure, for the contracts with Rand, the MITRE Corp., the Space Technology Laboratory, and others.

Mr. GROSS. Aerospace.

Mr. FORD. And Aerospace. We made an arbitrary cut, because we felt the matter was getting out of hand. We did the same thing last year. We made some very strong statements in the re-

port last year. We have seen very little progress in the executive branch in straightening out the situation in the past year. We have been waiting for this report. The only way we could handle the problem was to cut $5 million. Perhaps we can get some action in this way.

The CHAIRMAN. The time of the gentleman from Michigan has expired. The gentleman has consumed 1 hour.

Mr. FORD. Mr. Chairman, I ask unanimous consent that I be permitted to continue for 3 minutes.

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

There was no objection.

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

Mr. FORD. I yield.

Mr. CONTE. I want to ask the gentleman this question. I agree with the committee formula in regard to public and private shipyards, and I want to go along with him. However, I am a bit confused in regard to the language on pages 38 and 39 in regard to the aircraft carrier, where you set somewhat of a limitation of $280 million, stating that you could save $35 million by building this aircraft carrier in a private shipyard.

Mr. FORD. I can give the gentleman an answer: $280 million is available to build the aircraft carrier; no more. We said that the administration must follow the law in making the award. I believe the gentleman is familiar with what the law says. We are not inviting them to come in and ask for additional funds over the $280 million, nor are we inviting them to have a reprograming request. As a matter of fact, I want it perfectly clear without any qualification that they build that aircraft carrier for $280 million, period.

Mr. CONTE. I think that clarifies it. I think we should have some legislative history here because the report would seem to indicate to the contrary. It is my hope that this aircraft carrier will be let to a private yard—it would mean a great saving to our taxpayers.

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

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

Mr. LINDSAY. Can the gentleman tell me something about the provision of the $150 million for the emergency fund defense contained in title IV of the bill on page 30?

Mr. FORD. It is the same provision, as I recall, that we have had heretofore. The emergency fund provides $150 million in obligation authority plus the right of transfer of another $150 million.

Mr. LINDSAY. Why is that a fixed amount each year? Does it always turn out to be $150 million worth of emergencies?

Mr. FORD. This is 1-year money, which amount over the years has been found to be adequate to meet any unforeseen emergencies.

Mr. LINDSAY. May I ask the gentleman what kind of emergencies?

Mr. FORD. Many of the requests for emergency fund expenditures are of a classified nature. If the gentleman will look at the printed hearings, we show you the ones that are unclassified, but many of the requests for this money are of a classified nature.

Mr. LINDSAY. One hundred and fifty million dollars is an awful lot of classification, in my judgment.

Mr. LAIRD. Mr. Chairman, if the gentleman will yield, and if he will look at part 5 of the hearings, he will find on page 103 a great portion of the transfers of an unclassified nature which make up almost the entire transfer for this past year.

PROFESSIONAL AND CLERICAL STAFFS OF THE COMMITTEES OF THE HOUSE

Mr. MAHON. Mr. Chairman, I yield 15 minutes to the distinguished gentleman from Missouri, chairman of the Committee on Appropriations [Mr. CANNON].

Mr. CANNON. Mr. Chairman, on page 5354 of the CONGRESSIONAL RECORD appears a table purporting to tabulate the professional and clerical staffs of the committees of the House with reference to their political affiliation.

So far as the staff of the Committee on Appropriations is concerned, it could not be more erroneous. Of the 50 members of the staff accredited to the Committee on Appropriations, I have appointed all but 6. I have not known at the time of appointment—and I do not know today—to what political party, to what church or to what fraternal organizations a single one of the 50 belongs, and may I say further, Mr. Chairman, that none of them are from my congressional district, or from my own State. I have never exercised personal political preference in the appointment of any of them.

In the distribution of the patronage of the House, a list of all appointive positions, and that includes the charwomen, custodians, elevator operators, policemen, clerks and those who officiate at the desk, all others, is compiled and the sum total—the aggregate of all their salaries—is divided by the majority membership of the House and each Member of the House has the right to appoint his allotted share, with the exception of the chairmen of committees.

Chairmen of committees are not included in this disposition of patronage because each of them appoints the staff of his respective committee. That, of course, fluctuates with the political control of the House and any changes in the chairmanship.

But the staff of the Committee on Appropriations is permanent. It is made up of careermen who serve for life. Special qualifications are required, and we have our own system of civil service. For example, former service in some budgetary capacity in a Federal department is one of the requirements. In order to know how to tear down a budget the clerk must have had experience in building up a budget. There are other requirements, of course, that are essential. In selecting the last addition to the staff something like 200 men were screened—without their knowledge, of course—before we reached the man we took.

Incidentally, no one who applies for a position is ever appointed. We do not have room for a man who is looking for a job. We can use only men who are so efficient and so well located that they have no desire for a change; and any man who makes application to us for one of these jobs thereby automatically eliminates himself from consideration.

Every now and then a Member of the House comes to us to recommend some good man from his district. He will assure us: "Why, this man can carry his ward any time." But the men we can use must assist in the distribution, as shown here today, of hundreds of millions of dollars in every department of governmental activity. They have highly responsible duties; they must be technical, scholarly, objectively minded men and, of course, men of immaculate integrity.

We cannot pay them what they are worth; we cannot pay them what they should have, but we do retain them for life as long as they will stay with us.

You do not hear much of these devoted men because it is a breach of committee procedure to praise them. It is a breach of committee procedure to praise them in the report of the subcommittee to the whole committee, or in the report of the whole committee to the House. But it is unnecessary to say that they are deeply appreciated and that they have the confidence and the affection of every subcommittee chairman.

These men—and I would like to emphasize this point because this was the matter that was under consideration at the time the table was presented in the House—these men are available to any member of the committee irrespective of whether he is a minority member or a majority member.

Any member of the subcommittee may go to any member of the staff of his subcommittee, and all the staff will work for him and with him and in cooperation with members on one side of the aisle as well as on the other side. There is no difference in their attitude toward members of the committee or subcommittee in that respect.

The staff proper consists of 21 men. The remainder of the 50 are stenographers and are equally divided—half of them are assigned to subcommittee chairmen and half to the ranking minority members of the subcommittees. That means they are appointed on the recommendation of the men they serve, and are of course personal appointees.

In other words, the suggestions and implications set forth in the CONGRESSIONAL RECORD on page 5354 when this table was inserted, do not apply in any respect to the staff of the House Committee on Appropriations.

I shall be glad now to answer any questions on the subject here on the floor or in committee at any time.

Mr. MAHON. Mr. Chairman, I yield 15 minutes to the distinguished gentleman from Georgia [Mr. VINSON], chairman of the Committee on Armed Services of the House.

Mr. VINSON. Mr. Chairman, the Appropriations Committee has inserted

two provisions in this bill which to my mind are highly objectionable.

The effect of these provisions is to require that not more than 65 percent of conversion, repair, and alteration of naval vessels can be performed in naval shipyards.

That is to say, then, that under all circumstances—at least 35 percent of the conversion, repair, and alteration of naval vessels must be done in private yards.

Now, this sounds entirely reasonable on its face. It seems to be a proper and fair distribution of work between the naval shipyards and the private shipyards.

But it is one of those pictures that is very much better on its face than it is when you dig down a little below the surface.

I do not care what percentages would be imposed by the Appropriations Committee. I do not care whether it is 65 percent as against 35 percent—or 75 percent as against 25 percent—or 10 percent as against 90 percent. The fact is that any rigid percentage figures in themselves constitute a disservice to the proper functioning of our naval ship program.

The minute that a percentage figure is imposed on the Secretary of the Navy, he loses his discretion.

And what is wrong with his loss of discretion?

Just this: When the Secretary of the Navy loses his discretion he loses his opportunity to bargain, and when he cannot bargain, there is only one person who suffers and that is the taxpayer of the United States.

Such a proposal is economically unsound, is philosophically unsound, and is plain, simple, bad business.

I am as anxious as any man on the floor of this House to see to it that our fundamental principles of private enterprise are preserved.

I am just as anxious that the Government not become a provider of subsidies for private shipyards or for private manufacturers or producers of any kind.

I want to go into the marketplace and get the best price I can. That is fundamental in our history and fundamental in our economy.

If I am limited as to what store I can trade at, then I lose all of my ability to bargain, to walk a few steps farther and get what I want a few cents cheaper.

Or in this case, a few million dollars cheaper.

There are only a limited number of adequately equipped private shipyards within the United States which are capable of performing the kind of work that we are talking about here.

If they know that they are going to get a great influx of work—more than they have ever had from the Navy before—they are going to sit back in their big chairs with the widest smiles on their faces that you ever saw. And they are just going to let the money roll in.

They do not even have to work for the money because the competitive aspect of ship conversion, repair, and alteration has been eliminated.

All right, that is the economics of the situation. And I want to repeat that I do not care what the percentages are. The basic philosophy is unsound. It imposes exactly the kind of rigidity which we have always opposed in this country in our economic dealings.

As a matter of practical fact in the area of new ship construction, private shipyards have traditionally gotten the lion's share—going as high as 100 percent.

The lowest in recent years was in 1953 when the private shipyards still got more than the naval shipyards but in that very low year, all they got was 54 percent. Normally, new construction runs better than 70 percent in private shipyards.

Of course, we are here in this bill talking about conversion, alteration, and repair to ships. But the whole picture is not clear unless we see what the private shipyards are getting today in the way of shipwork.

It does not make much difference what the work is—the dollars are just the same.

Now, a few more practical considerations.

Naval shipyards cannot be properly compared with private shipyards. They might look the same to a layman but they are very different, indeed, from a private shipyard. They have highly specific and complex functions that private shipyards do not have, do not need, and from an economic standpoint, do not want. Naval shipyards have a higher overhead than private shipyards—and for a very good reason.

They must keep a steady number of key, highly trained personnel who perform functions that are performed only in naval shipyards. These functions relate to battle damage, expensive and intricate repairs, and alterations which a private shipyard is not designed to perform.

And if we force this kind of work into private shipyards, we will pay for it. And we will pay for it by tremendously increased costs.

Special personnel will have to be hired by the private shipyard; special equipment will have to be installed in the private shipyard; special training will have to be given to shipyard personnel.

There is no one on this floor who believes that the private shipyards are going to absorb these additional costs. How will these additional costs be paid for? Higher contract prices—or in the alternative, by direct subsidies to the private shipyards.

Here is a situation that I can easily visualize. Side by side are a private shipyard and a naval shipyard. In the naval shipyard, there are today all of the special skills and special equipment. Next door is the private shipyard with none of these things.

Along comes a requirement that this conversion, repair, and alteration go into the private shipyard. What happens? We duplicate the facilities of the naval shipyard in the private shipyard.

And when I say "we," I mean you and me and every taxpayer in America.

It simply makes no sense.

Also—and this is a very important consideration—at the naval shipyards are facilities for the officers and men of the ship. Facilities to house them, feed them, and take care of them during the time the ship is being altered or repaired.

Now, private shipyards do not have these facilities. So what is the result? The officers and men must go out on the local economy and find a place to live, and a place to eat.

In addition to these considerations is the fact that naval families tend to reside in the home port area of the particular ship.

There waiting are the wives and children of the sailors. The sailors have been at sea on a long cruise. Now there is the opportunity for the family to be together again. This is part of the career—these visits with the family during the periods of vessel repair and alteration.

This is an expected thing.

But now—where do we find ourselves? The family is on the east coast and the ship is being repaired on the west coast. But even if it were only a distance of 100 miles, much the same disruption of family life would be involved.

I think we all agree that we have some obligation to our military personnel—at least the obligation not to disrupt their family life any more than is reasonably necessary. In the case of the Navy, this disruption is a necessary part of their career. Let us keep it to a reasonable minimum.

Another consideration is the fact that when repair and alteration is done in a naval shipyard, the crews are right there. The crews watch and observe and study the work that is being done on the vessel.

They—the crew—are going to have to live with these changes at sea, perhaps under very extreme circumstances. They have got to know how to make repairs at sea. They have got to be familiar with these changes that are being made in their vessel.

And I am talking about intricate, complex changes in electronic equipment, in fire-control systems, and in all sorts of complicated devices that are on our modern ships.

Everything that I am saying is based on sound facts. Economics have their place in any operation of this kind but even if the economics did dictate that more work go into private yards, there are very substantial military reasons why the current practices should be continued.

For example, there is a real danger that there will be a period while the private yards are attempting to get the capability to handle this new and different kind of work during which the military readiness of the fleet will be endangered by lack of the kind of logistic support which has always been immediately available.

Furthermore, key private yards could be paralyzed by strikes. It has happened before.

Most private yards do not have the pier and crane capacity, the depth of

water, the dry docks, and the electronic and guided missile repair capacity that are absolutely essential for modern warships.

As I said before, this capacity would have to be provided and we know it will not be provided by anyone but the U.S. Government, either through higher contract prices or from subsidies.

And of course, since only a few private yards have the basic capability—and I am talking about depth of water, piers, cranes, and things of that kind—these yards would be preselected. And what does this mean?

It means that the Navy is forced into negotiated contracts, and we all know what this means. It means one very simple thing. No competition, and no competition means higher prices.

One other inevitable effect is that about 5,000 naval shipyard personnel would lose their jobs. And this is more than the mere loss of 5,000 people. These 5,000 naval civilians still have to make a living and so they will be scattered throughout industry and when we see—and we will see—the error of our ways, these highly trained people will no longer be available.

We want to see private shipyards flourish.

We want to see private shipyards make money.

We do not want to see private shipyards flourish and make money at the expense of military readiness and at the expense of the American taxpayer.

Just let me make this point and let me read one of the provisos that is, to my mind, objectionable. It reads:

*Provided,* That not more than $311,740,000 may be used for the repair and alteration of naval vessels in naval shipyards.

Now the total amount of money in the budget for the repair and alteration of naval vessels, including the Military Sea Transportation Service, is $479,662,000, and the $311,740,000 represents 65 percent of that larger sum.

Now the way I read this amendment is that the Appropriations Committee is directing that 35 percent of this work go into private shipyards.

Not so long ago on the floor of the House some members of the Appropriations Committee raised very serious questions about the word "direct." They objected to it very strenuously.

Apparently it makes quite a bit of difference as to who is doing the "directing," the Armed Services Committee or the Appropriations Committee.

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

Mr. VINSON. I yield.

Mr. FORD. I am sure the gentleman has checked the figures for fiscal 1963 compared with fiscal 1962 under this limitation. Assuming that he has, he will find that under this limitation the Navy yards will get $24 million more work than they did or are getting in fiscal 1962.

Mr. VINSON. Well, I am giving a 10-year average in order to show how it has been allocated and has been going on, taking into consideration all three of them—new construction, conversion and repair. Here are the figures:

[In percent]

| | Naval shipyards | Private shipyards |
|---|---|---|
| New construction | 29 | 71 |
| Conversion | 89 | 11 |
| Alteration and repair | 80 | 20 |

Mr. Chairman, this is a very important subject, and let me say this: I am not disturbed about the threat that the gentleman from Michigan made with reference to a rollcall vote so as to see who stands up for private enterprise, and who stands up for Government operations. My record, I think, demonstrates conclusively that no man in the House of Representatives has done more to bring about elimination of Government in fields in which it had no business than I. So, let us have a rollcall on this, and let us stand up for what we think is right. Let us stand up and say that we are not going to adopt today a policy of "direction," when we refused to adopt a policy of "direction" a few days ago.

Mr. Chairman, what does the committee do? The committee wrote a magnificent report. They said this:

The committee does not fully endorse the position taken by the representatives of private shipbuilding interests, who appeared before the committee, that the vast majority of the repair, alteration, and conversion work in this program be channeled into private yards. Nor does it fully agree with the Navy that the present method used to allocate work to public yards rather than private yards is proper.

Now, what do they suggest we do? Listen to this:

The entire problem of the utilization of shipyard facilities is a matter for intensive study by the Department of Defense and the Navy with a view toward working out a realistic, practical, and economical approach to the utilization of this capability in a manner commensurate with the best interest of the Government. The committee will expect the Secretary of Defense to cause such a study to be made and the results thereof made available to the Committees on Appropriations of the House of Representatives and of the Senate prior to the consideration of the fiscal year 1964 budget estimates.

Mr. Chairman, in view of that and in view of the fact that this is only a 1-year limitation, why not wait and see what the study concludes, and then base action on these conclusions? They are asking for a study. They recommend a study. Yet at the same time, and before the study is made, they write into the law what they think is the proper allocation of work with reference to the private yards, and to the public yards. Why bother to have the study? The decision has been made.

Now, I say the sensible and commonsense way to approach this matter is this: Make the study and, after the Appropriations Committee has had an opportunity to study what it discloses, to write these findings into the law. The horse and the cart are then in the proper order.

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

Mr. VINSON. I yield to my distinguished friend, the gentleman from Michigan [Mr. FORD].

Mr. FORD. The proposed dollar allocation even under the amendment for fiscal 1963 for repair, alteration and conversion, is greater than it is in the current year.

Mr. VINSON. That may be true.

Mr. FORD. And therefore the amendment does not do any harm whatsoever to the Navy shipyards.

Mr. VINSON. That may be true. But the principle is unsound.

The gentleman has pointed out that he was not satisfied with the situation. Therefore, the gentleman is trying to commit us to figures with which right here, in your report, the gentleman says he is not satisfied. I say that sensible men should try to act in a sensible manner, and let us have this study and let us see what it discloses. If it discloses what the committee thinks it will disclose, then write the proper language in the next appropriation bill. But not in this one.

Mr. FORD. There will be no harm done to the program in fiscal year 1963 under this limitation. What is the difficulty with putting a limitation in the bill if we can save money and help a taxpaying industry.

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

Mr. VINSON. I yield.

Mr. ANFUSO. Is it not a fact that very few private yards are capable of doing repair work within a certain limit of time?

Mr. VINSON. Oh, yes.

Mr. ANFUSO. And if that is so, Mr. Chairman, would not this cause many layoffs in Government enterprise and eventually affect our national security which, to my mind, is even more important than private enterprise?

Mr. VINSON. If this amendment goes through, this is what will happen. The Secretary of the Navy was in my office this morning at 8:30 and he advised me that there would be 5,000 Navy workers laid off in the shipyards of this country. I say that this is not the sensible way to approach this matter. The sensible way to approach this is to have this study and then decide what to do when the study is completed.

Mr. FORD. Mr. Chairman, if the gentleman will yield, let me correct him, if I may. Under this limitation the dollar amount in the next fiscal year will be more, not less, than they have this year. I ask the gentleman, how can you lay off $x$ number of people in such a situation? It just does not follow.

Mr. VINSON. The Secretary advised me this morning——

Mr. FORD. With all due deference to the Secretary, he has not looked at the figures if he makes that kind of statement.

Mr. VINSON. That is the very reason for the study. You are asking the committee to act upon this matter now. The effect of these provisions is to require that not more than 65 percent of the conversion, repair and alteration of naval

vessels be performed in naval shipyards. This sounds entirely reasonable on its face.

It seems to be proper and fair—the distribution of work between the navy shipyards and the private shipyards. But we must dig down a little under the surface. I do not care what the percentage figure is. As I said I do not care what the percentage is, 65 percent or 35 percent or 50–50 or 75 percent or 25 percent or 10 percent, the facts are that a rigid percentage figure constitutes a disservice to the proper functioning of our naval shipbuilding program. This is the point I want to make. The minute that a percentage figure is imposed on the Secretary of the Navy, he loses discretion; he has no discretion, and when you have no discretion you have no bargaining power.

Let us look at this picture. Here are 35 percent of these ships that must go into the industrial yards. The industrial yards will not even have to compete, because they know that 35 percent of the work will come to them. So what do they do? Why, as I say, under this law they know they are going to get 35 percent and do not have to compete at all. The Secretary cannot take but 65 percent for the navy yards. The private shipbuilder knows that he has 35 percent that he is going to build. He knows that he is going to get these contracts, and up goes the price on the contracts.

Mr. Chairman, as we are going to have some amendments to offer, here is another thing to think of. What about strikes? Let me tell you about that. What about strikes in the navy yards?

What about strikes in the industrial yards?

You do not have any strikes in Government yards. Recently the great Quincy Navy Yard, the Bethlehem yard, had 11 ships that were being built. A very long strike took place there. Now think about it. If you send these ships that have been damaged in action, or in any fashion, to an industrial yard and a strike occurs, it slows down your whole program.

What about the facilities when you repair the ships? In every one of these navy yards they have quarters for the crew while the job is being repaired. In an industrial yard you do not have them at all.

I say we are getting along fine, we are doing a magnificent job. We are for private enterprise, we are for the private yards, but let the Secretary continue to allocate them just as he has, and you will get competition. The industrial yards that are qualified to do this work will get their share and without any subsidy from the Government. A great many of them do not have the trained personnel for repair, alteration and conversion of naval vessels. A great many of them do not have the facilities. Therefore, somebody will have to pay for it either by raising the contract price or direct subsidy.

Mr. Chairman, I propose tomorrow to offer amendments striking these two provisos out of the bill. I welcome a rollcall vote on it, and I will be happy to discuss this matter in detail later.

Mr. FORD. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, first of all I want to take this opportunity to pay tribute to the chairman of our Subcommittee on Defense Appropriations, the gentleman from Texas [Mr. MAHON], for his understanding and devoted leadership in connection with the responsible task of determining the vast requirements of our vital Defense Establishment. It has been a privilege for me and a valued opportunity to serve as a member of this subcommittee, and with the passing of each year I am increasingly conscious of the great contribution he has made toward the development and the maintenance of a defense posture second to none in this troubled world.

Each and every member of our subcommittee, I believe, deserves a word of tribute for their untiring and unstinting efforts throughout the long period of our hearings on the defense budget, particularly for their individual and collective understanding of the vast and far-reaching problems and operations associated with such a large establishment as our Defense Department and the respective military services.

In that connection, no one deserves more credit than the gentleman from Michigan [Mr. FORD], who served as the ranking minority member of this important subcommittee. May I say that he is thorough and commands a keen grasp and knowledge of the many aspects of our military function, its management, as well as the many important programs and weapon systems. I am proud to be associated with this subcommittee, and I regard it with a high sense of satisfaction. During the 3½ months of our hearings on this nearly $48 billion Defense appropriation bill, 6 volumes or more than 3,500 pages of testimony were taken by the committee.

Generally speaking, this is a sound and adequate bill and I believe it will continue to provide for an excellent state of readiness. Although this appropriation constitutes a new high for peacetime military defense, and I want to repeat that because it is important to know that this bill constitutes a new high for peacetime military defense, however, we are, in my humble judgment, doing the right thing. It can be said that in no sense are we "rocking the boat." As our chairman has so well pointed out, "it would be an indication of weakness to reduce this appropriation by any sizable amount."

Mr. Chairman, we are all aware of the tremendous responsibility that rests on our Nation's shoulders, particularly as it relates to the security and preservation of the free world. Our overall balance of forces, our terrific striking power, our capability to retaliate and destroy any enemy who may decide to attack us constitutes the greatest deterrent to an all-out nuclear war. Let there be no mistake about it. Our strength is our security and a deterrent to war. We have in the past possessed that superior posture and there is every indication today that we shall continue to hold first place in this world struggle. Our know-how coupled with the development and possession of a weapons system second to none, mobile and deployed throughout the world, gives us a devastating striking power that any enemy must calculate with and respect. Yet, we must also be aware that it remains a challenge, and I might add a costly one. It is bound to be a heavy drain on our resources and a constant burden on our Nation. Mr. Chairman, until and unless, a meaningful arms control and disarmament agreement can be reached, we have no alternative but to maintain a military capability and might that commands the recognition and the respect of the Communist world. I believe that our continued superiority will play an important role in the realization of any arms agreement that might ultimately be entered into. As has been pointed out, this new high defense appropriation bill of nearly $48 billion is $1,344 million over that of last year. Yet, it is only fair to point out that defense spending has not increased percentagewise to the same degree as compared to the nondefense expenditures of our Federal Government.

Mr. Chairman, I would venture to predict that defense costs will level off during the foreseeable years ahead at approximately the level that is provided for in this 1963 defense appropriation bill.

As our report discloses, the defense programs for this year were presented to us in terms of military missions which they are designed to serve and the Defense Department has provided us with long-range projection of these programs for a period of the next 5 years. Both of these innovations proved helpful to your committee and we certainly commend the Defense Department for utilizing this procedure.

In summarizing this 1963 appropriation for defense, we are dividing it into four major parts and the funds are allocated in this way. For example, in the overall $48 billion defense programs, military personnel alone takes some $13 billion.

That is the overall financial support for our military personnel which requires $13 billion for all branches of the services. Operation and maintenance, which is no small item in the functioning of our Military Establishment, requires as you will note in our report, $11.5 billion.

Procurement, that is procurement of weapons, yes, our entire weapons system including missiles, aircraft, ships, tanks and many other phases of our entire military force, amounts to about $16.5 billion.

Last, but not least, is the area of research, development, test, and evaluation packaged together under one phase of our overall defense operation and that general field totals about $6.8 billion. If you divide this total $48 billion defense appropriation by services, Mr. Chairman, it shows up something like this:

The Army is allocated for the support of their program, a total $11,500 million.

The Navy receives in this 1963 defense appropriation, a total of $15 billion and the Air Force is allocated some $19 billion.

All other related defense agencies amount to a total of $2 billion.

On page 6 of our committee report, Mr. Chairman, you will find an excellent table which clearly discloses a breakdown of the major military programs and their relationship in terms of dollars to military personnel, operations, and maintenance, procurement, and research and development, tests and evaluations.

Mr. Chairman, I desire to direct a few moments to the subject of military personnel. In this particular area you will note that this budget provides for a total of 2,684,000 uniformed personnel on active duty, plus a total of 740,000 civilian employees under the overall planned program.

And I might point out that no provision is made in this bill to cover the recall of Reserve components beyond the period of July 1 of this year. Directives have already been issued for the release of all recalled reservists not later than some time in August, and a recent order calls for the release of the Navy and Air Force reservists by the end of the current fiscal year, namely, July 1.

Our committee did propose higher strength levels for the Army National Guard and the Army Reserves than that provided for in the budget as submitted by the administration. The budget requests for the Army National Guard and the Army Reserves call for levels of 367,000 for the National Guard and 275,000 for the Army Reserves.

It has been pointed out previously, but I desire to remind you, that we have included funds in this bill to maintain the National Guard at a 400,000-man level and the Reserves of the Army at a 300,000-man level.

An important and costly aspect of our military responsibility is that of retired pay. I wonder how many are aware of the fact that our annual appropriation for this obligation, retired pay on an annual basis has passed the billion-dollar mark.

It is estimated within a period of many years it will reach a $3 or $4 billion obligation annually.

Time will not permit a complete description of our overall missile and strategic strength and that of the armament program as envisioned in this appropriation bill. Suffice it to say, we have missiles of every conceivable type operational today, missiles which have a capability of operating from air-to-air, air-to-ground, and ground-to-air, intercontinental missiles, intermediate-range missiles, and otherwise, in the Army, in the Navy, in the Marine Corps, and in the Air Force. All of the services are equipped and are now maintaining a missile force.

As our report indicates, Mr. Chairman, we will have over 1,000 land-based intercontinental ballistic missiles, plus 650 Polaris missiles by 1967. Four additional Minuteman squadrons are funded in this bill. These ICBM missiles brings our total forces to 800 hardened and dispersed missiles. And, too, Mr. Chairman, we are providing for the completion of 13 Atlas squadrons and 12 Titan squadrons in this overall missile program.

In connection with our strategic retaliatory forces, it is interesting to note that we will have during the same period of time over 700 long-range bombers, such as the B–58 and B–52. These supersonic bombers are being equipped with the so-called Hound Dog and Skybolt missiles which have a long-range target capability. In other words, we have literally hundreds of supersonic bombers equipped to launch a missile from midair to a target many, many miles away.

The RS–70 program has been discussed heretofore, and I shall not deal with this particular phase of the program because I believe in the first instance our report clearly points out the situation as it exists today, as well as the reasoning behind the committee's decision to provide a considerable amount of funds in this bill over and above the original budget request.

I should like, Mr. Chairman, to take a moment, if I may, to speak about the fantastic Polaris atomic submarine and its place in our overall weapon system and its great and important part in the defense and security of this Nation.

As you all know, the Polaris atomic submarine is equipped with missiles—mobile and fast nuclear submarines capable of firing ballistic missiles from the depths of the ocean, into the atmosphere, then into outer space, to a target from 1,500 to 2,500 miles away.

I thought you might be interested to know that 35 of these atomic Polaris submarines have been funded up to now; 29 have been built or are under construction; 6 more are added by this bill, and 6 additional atomic Polaris submarines are funded insofar as long lead items are concerned.

Yes, in addition to that, we have in this bill 8 additional atomic-powered nuclear submarines, and in the overall program the Navy will have 826 ships in the active fleet, of which 383 are wartime ships.

And, an interesting and important aspect of this defense and naval operation is one which is known to us as antisubmarine warfare. We know today that the Soviet Union and the Communist world have literally hundreds of submarines of one kind or another roving the seven seas. Our committee has been increasingly concerned with the need and the importance of developing greater antisubmarine potential and capability and the development of additional means to combat such a threat and menace. We are happy to say that the Defense Department, and more particularly the Navy, has recently placed the antisubmarine warfare program under single management, with a director heading this program. We believe it is reasonable to say that real and effective progress is being made in this important field of our defense insofar as submarine warfare is concerned.

The Navy in its testimony before our committee impressed upon us that the mission of the Navy is the control of the seas. They claim that they have that control and that in our great power and strength and with all the weapons systems and the outstanding developments that have taken place, we have outstripped any potential enemy in this important field.

I might add that I was privileged within a matter of the last few days to witness, along with other Members of the Congress, naval maneuvers of the Atlantic Fleet which took place off the coast of North Carolina. The aircraft carrier operation with their bombers, with their antisubmarine warfare operations, with their missiles from planes in the air, with the amphibious operations of Marines was an impressive sight. It clearly established the capability of our Navy in dealing with these aspects of our defense. As I understand it, a certain need for aircraft carriers and other weapons systems, including ships, exists in the South Pacific and the Indian Ocean area of the world. And, I am sure as we recognize our great mobility that our operations not only at sea but our bases otherwise throughout the world, with our balanced forces, with our terrific weapons systems, weapons of great potential and a great striking capability, whether it be bombers, bombers with missiles, intercontinental ballistic missiles, and other strategic weapons represents the greatest known strength and might, all of which, is essential to peace, essential to our security, and essential to the preservation of the free world.

It seems to me, Mr. Chairman, that this Defense appropriation bill for 1963 might well be regarded as the most important measure and appropriation bill to come before the House of Representatives this year because it constitutes the life blood of our security, and I do believe that we have provided adequately and generously. I further believe we have provided essentially, and that this program will give us the potential necessary for progress and development of weapons heretofore unknown. We must be supreme in might and in know-how.

Research and development, the progressive stages of these weapons is vital to our keeping ahead and remaining ahead in this troubled world.

Mr. SIKES. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I listened to what has been said about a steel contract which was awarded last Friday. Now, I am a strong advocate of competitive bidding. My colleagues know that. I am not expert on this present situation which has been discussed. However, I am told by the Department of the Navy that there is a requirement for a special type of steel that in this special procurement, which is for Polaris submarines, a long leadtime item, only Lukens and United States Steel are suppliers.

Now, the other companies named may have the capability to produce this steel, but they are not now suppliers. Only Lukens and United States Steel are now suppliers. Lukens did not increase its price to the Government. United States Steel did.

Mr. Chairman, this is a long leadtime item for the new-type Polaris submarines. Consequently a contract was awarded.

Mr. FORD. Mr. Chairman, would my friend, the gentleman from Florida [Mr. SIKES], yield?

Mr. SIKES. Of course.

Mr. FORD. Previous procurements of this steel have been by competitive bidding—sealed invitations for bids. It is most unusual that that system which has worked successfully should be abandoned under these circumstances.

Mr. SIKES. The $6 increase in the price of steel to the public which must come out of the taxpayers' pockets is also unusual.

Mr. FORD. If the gentleman will yield further, we did not know that would have been the case, because no bids were invited by the Navy and consequently no proposals were submitted under the regular competitive bidding situation.

Mr. SIKES. I think the situation is clear on the surface. It speaks for itself. The Government is fully justified in making such a saving. I should like to point out, too, that certain exceptions to the law on competitive bidding are permitted. One is under requirements for defense. This exception was followed when a noncompetitive contract was awarded to Lukens.

Mr. Chairman, some serious charges have been made in this matter, and a hearing has been requested. I think that a hearing is indicated. I think it will serve a useful purpose. But I do think my friend, the gentleman from Michigan, [Mr. FORD], will agree that there are two sides to the question.

Mr. Chairman, now let me get to my subject. At the outset let me say that in my opinion, we have one of the strongest teams ever assembled at the level of the Secretariat in the Department of Defense. This is reflected in the aggressive manner with which defense problems are met all along the line. Secretary McNamara has shown an amazing ability to grasp the broad and complex details of the huge establishment which he runs. When he came before this subcommittee early in the year, he brought with him for presentation to the committee, the most complete document that I have seen developed within the Department of Defense. He spent an entire week before the committee explaining the Defense Department's program, its capabilities and its requirement, and I do not recall that he at any time had to refer to a backup witness for information with which to answer committee questions. This is almost unbelieveable. As a matter of fact, he left such a complete picture in the minds of his listeners that he nearly killed the rest of the hearings. Much that followed was anticlimax.

Mr. McNamara has been able to insure a degree of coordination, cooperation, and unification that no one else has matched. He has even been able to require the Air Force to fly Navy planes and Marines to fly Army helicopters and, this indeed, is a new high in achievement. Someone has said that the individual services are so angry with the Secretary that they are forgetting to fight each other, but the sum of it is that here is a strong man who is pulling the services together and giving America the strongest defense team we have had in many years.

Now I shall not talk generally about the details of the bill and the program which it makes possible. This already has been done. I shall, instead, touch on the number of items which I think should have particular stress. In passing, I want to say that this bill, more than any we have had in a long time, provides for a buildup of general purpose strength. Last year, after long neglect of the field of conventional warfare, we gave particular stress to a buildup in that category. The present bill is one that offers a continuing reinforcement of national defense in both conventional and nuclear capability. We are building up strategic retaliatory forces with long-range bombers, Hound Dog and Skybolt missiles; Atlas, Titan, and Minuteman missiles; and Polaris submarines. At the same time, conventional capability is being built up and regular forces are being strengthened to deal with the limited war situations in which we currently are engaged and are likely to remain engaged for a long time. Airlift and sealift forces are being modernized and airlift forces in particular are being expanded. This has been another area of very serious deficit. All of this adds up to a costly program but an essential program, for it is this solid buildup in all categories of America's defense effort which is making Mr. Khrushchev easier to talk to.

Now I want to be doubly sure that the House understands what we are doing in the field of the RS–70. The Department of Defense had proposed that three airframes be built so that there would be complete testing of this new concept of a 2,000-mile-an-hour reconnaissance strike aircraft. Because of the extreme cost in building this entirely new aircraft, with new design, new engineering and new materials problems necessitating years of experimentation prior to perfection, it was felt unwise by the Department of Defense to spend the additional money necessary to have an RS–70 plus its complete operating weapons system. By the time this plane is ready for operation with the forces, there is always the possibility that it will be obsolete and of no significant military value. However, that is a risk we take with all new weapons.

The SAC bomber today, which was developed years ago, continues to be the backbone of our retaliatory capability. The various missile systems which are so prominent in the news have never been tested in war. They may or may not function according to plan. Yet it is almost certain they will function according to plan. It is also very likely that there will continue to be a need for aircraft at the time the RS–70 is perfected. Consequently, this committee believes that the development of the weapons system which will make the RS–70 functional as a military weapon should proceed simultaneously with the airframe itself. This is in keeping with the thinking of the Committee on Armed Services.

Questioning by our committee revealed that the Department of Defense anticipates it can successfully use some $52 or $53 million over and above budget estimates in the development of new improved side-looking radar and photographic equipment and new missiles which can be carried within the aircraft. Present-day equipment is inadequate for the requirements of the RS–70. Present-day missiles which are mounted externally on SAC bombers would burn up in the atmosphere at the great speed at which the RS–70 will travel. So additional funds are provided. Actually it should be said our position is something of a compromise between the original proposal of the Armed Services Committee for the full development of six RS–70 aircraft with complete weapons systems, and the present budget proposal for three airframes plus limited development on the weapons system.

Nike-Zeus is another area of question and controversy. I recall a number of years ago when America was stunned by Russia's achievement in putting the first satellite into space. In the hearings which this committee held in an effort to stimulate and speed up America's lagging satellite program, it was brought out that Wernher von Braun's work at the Redstone Arsenal would have permitted us to place a satellite in orbit a year ahead of the Russians had he and his team received the necessary backing. It was this team which, when given the go-ahead, placed a satellite in orbit some months after the Russians—the same satellite that he had proposed originally to orbit ahead of the Russians. In those hearings, Dr. von Braun said that given the go-ahead a Nike-Zeus could be developed which would be effective against intercontinental ballistic missiles. He has maintained continuously that years could be saved in the development of an anti-ICBM capability if production were initiated simultaneously with research and testing.

This program years later carries no funds for production. We are still testing the Nike-Zeus. This year's budget will implement tests which are planned in the South Pacific against missiles fired under conditions approximating those which will exist in war. These will be the most realistic tests of the Nike-Zeus ever undertaken. The Department of Defense is not convinced that the costly Nike-Zeus system will provide sufficient safeguard to the people, the homes, the defenses, and the industries of America to justify production. Current tests on Nike-Zeus are very promising and missiles have been destroyed in flight with this weapon.

But, the Department of Defense says that the controlled conditions of testing done thus far do not provide a realistic answer to the capability of Nike-Zeus to meet a salvo of missiles accompanied by decoys and chaff which will make selectivity extremely difficult. The Army is just as insistent that it can lick all of these problems and that by spending 172 or so millions now on production, we can save 4 years in achieving a realistic defense against ICBM's. We know the Russians are working hard in this field. We think they are following the same course that we are following. We do not think that they are significantly ahead of us. We have no highly prom-

ising substitute for Nike-Zeus. We may be missing the boat by failing to begin production now. Another year should tell us much more and perhaps we will not have lost time that is invalauble. But we will have lost invaluable time if the Russians achieve a realistic defense against ICBM's ahead of us. That would provide a breakthrough very costly to our security.

It is the field of the Reserve components that I want to discuss in detail. We have encountered the same proposals for cutbacks in the Reserve components that have confronted us for years. This, despite the fact that the essentiality of the Reserve components has never been more strikingly evidenced than was true in the peacetime callup last year when the Reserves were needed to strengthen the Regular Forces at the time of the Berlin crisis. The Department of Defense has been highly laudatory of the contributions of the Reserve components and of the reservists themselves during this period. I realize that criticisms have been launched against the manner in which the reservists were uitilized in some areas. But, the fact remains that they constituted bodies in uniform and added impressively to our total strength. This is the thing that our enemies see and this is much more important than shortcomings which others portray and which in any big program will always be present.

The current recommendation for a decrease in strength in Reserve components is accompanied by a proposal for a reorganization of the Reserve components. It is not for Congress to say whether there should be a reorganization or how it shall be effected. The organization of the Reserve components should always be that which provides the greatest support to the regular forces and reorganization in keeping with new concepts of warfare is justifiable. We also are assured that there will be a more realistic effort to properly equip the Reserve components. Historically, the Reserve components have had to take what is left over and some of them got little in the way of equipment. A realistic program of reorganization is fully acceptable provided it is meaningful and provided modern equipment is procured and made available at the same time.

The reduction in numbers in the Reserve components is another matter. The ink with which the proposed reorganization was written is scarcely dry on the Pentagon papers. As a matter of fact, it has been in frenzied formulation during these recent weeks. It probably will be changed to a considerable extent before it is made operational. At best, months are going to be required for its implementation. This is not a time for reorganization plus a reduction in personnel. We know that the reservists are, if world conditions permit, going to be returned within a few months to their homes. The majority of them will go back into their Reserve units. It is inappropriate to express our appreciation for a year of service by sending men back to units which no longer exist. During the time required for reorganization there should not be the further chaos of reduction in personnel. And, there is nothing to indicate that there is a lessening requirement for a strong overall defense, of which reservists are an essential part, at the time this bill is written. Next year may bring another story. But, we should cross next year's bridges when we get to them.

I think all the Members of this body—and of the other body—are committed to continuance of our Reserve programs. The cost of the Reserves is a small fraction of our defense cost; yet the Reserves are as vital to our national survival as any other element of our defense structure.

All of us will be pleased that the committee has seen fit again to include sufficient funds to preserve the present strength of the Army Reserve and the Army National Guard. This requires a relatively small addition to the budget as submitted by the Pentagon. Yet this addition is vital to the maintenance of a sound defense posture and a modern, trained, equipped Reserve Force in the Army.

We note with some misgivings that the same degree of support is not accorded the Navy and the Air Force Reserve. I consider this is because the Pentagon had not fully informed the committee, that its members did not insist upon restoring cuts which had been imposed in these programs.

Proportionately, these cutbacks were greater than those proposed for the Army Reserve and Army National Guard. Yet the cuts have been so gradual, over several years, that the impact was not fully felt until now.

In both the Naval Reserve and Air Force Reserve, there has been for several years, a continuing erosion of strength. In my opinion, this represents a danger to our country. The costs of correction would be minor and should be appropriated.

The Naval Reserve has suffered consistent erosion in the following line items:

First. The Selected Reserve—48 paid drills, 15 days active duty for training:

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|---|---|
| Mobilization requirements | 155,000 |
| Secretary of Defense and congressional authorization | 135,000 |
| Proposed 1963 budget | 122,488 |

This program covers the Naval Surface Reserve and the Naval Air Reserve.

These are the reservists who are organized for instant mobilization to augment the fleet and to provide air and surface ASW forces. The history of the gradual erosion is as follows:

| | |
|---|---|
| 1960 budget | 130,000 |
| 1961 budget | 127,500 |
| 1962 budget | 125,000 |
| 1963 budget (proposed) | 122,488 |

Second. Category D training—Nondrill pay program—15 days active duty for training with pay:

| | |
|---|---|
| Officers in program | 24,000 |
| 1960 budget | 10,259 |
| 1961 budget | 7,645 |
| 1962 budget | 2,700 |
| 1963 budget (proposed) | 2,700 |

This program represents the only paid training—2 weeks' active duty— received by officers in the specialists component—naval research, and so forth—and young officers who are fresh from the fleet and who cannot join the Selected Reserve. Our particular concern relates to the younger officers. These officers are products of the various officer procurement programs who have had from 2 to 5 years' active duty in the fleet. All of them are competent. Some of them have been heads of departments on such complicated ships as the new fleet destroyers. If they can go to sea for 2 weeks each year, they will retain their competence. If they cannot, they will soon become useless as naval officers and will lose interest and be lost to the Navy.

In our view, this cut is shortsighted economy and is a waste of real talent trained at considerable expense.

In 1961 the Congress enacted an appropriation for Reserve personnel, Navy of $88 million. Immediately upon receipt of the appropriation, the Bureau of the Budget impounded $2 million. The Defense Department Comptroller almost equalled the speed of the Bureau of the Budget in holding back an additional $2 million. The Navy forced to curtail its plans to fit the reduced apportionments and it followed that obligations and expenditures were reduced and approximately $4 million were not used. This served to form a new and lower plateau for the 1962 appropriation which was reduced to approximately $84 million. The 1963 budget has been reduced again and the net decrease for the Naval Reserve amounts to $1,400,000.

To bring this program back to its authorized strength would cost approximately $4½ million.

The House Appropriations Committee has usually given the Navy exactly what it asked for in its Naval Reserve budget. The reductions have come about through impoundments and reduced apportionments which have gradually cut this program down to its proposed strength of 122,488 men.

It should be noted that by next August, the Navy's selected Reserve will undoubtedly have on board approximately 122,000 men. There were 130,000 on board when the recall went into effect. This will mean that those splendid reservists who responded immediately to the recall and who have performed so effectively without complaint will be denied entry into the selected Reserve program when they are released to inactive duty and if they are placed in the program, others who are now in it will have to be eliminated in order to make room for them.

The Reserve personnel budget for the Air Force Reserve has also been subjected to seemingly slight reductions in the defense appropriations bill over the past several years. These reductions while appearing to be so small as to hardly be noticeable, have partially hamstrung the Air Force Reserve program, particularly in view of the added mission inherent in the activation of Air Force Recovery Groups and Squadrons throughout the country. The legislative history shows that the fiscal year 1961 and 1962 appropriations in this area were $54 million each year. In 1962 the budget request was held at $52 million—although the Congress added $4 million

which the Department of Defense did not allocate to the Air Force for their use. This year the budget request has again been reduced to $50.1 million.

It is not necessary for me to go into detail on the appropriations required to support the Air Force in developing and proving the capability of the recovery units. It is apparent, however, that the current restrictions in the proposed Department of Defense budget—allocating $8.3 million in Reserve personnel funds and 20,000 drill pay spaces to the recovery program—which means 50 percent manning and only 24 drills, will merely smother a program which really needs a spark to show its merits. If the program is worthwhile—and we believe it and believe the Congress believes it—the full requirements for fiscal year 1963 are an additional $6.7 million. This would provide an additional 12,000 drill pay spaces and 48 drills for all personnel assigned to this mission.

These are problems which have been disregarded too long.

Mr. Chairman, I now call attention of the membership to a number of items in the report that I think deserve special consideration. One is a weakness in the modernization program of naval aircraft shown on page 185, volume 4 of the hearings.

One is the inclusion of funds to implement the work of the National Board for the Promotion of Rifle Practice on page 33 of the report. Another is the stress on competitive procurement and industry cost-sharing, both of which are carried on page 35 of the report. Still another is the mention on page 50 of the report of the increase in the funding for the Chemical Biological Warfare effort of the Nation. I would like to place emphasis not contained in this report on the significance of the contributions of this agency to the Nation's health programs. The hearings carry much more detail, and is shown beginning on page 170, volume 6 of the hearings. Members will do well to read this. There is one point in particular which should not escape our scrutiny. If we should achieve an agreement on nuclear disarmament, the Russians are certain to stress capability in other fields of warfare. They have a significant capability in the field of CBR—much greater than our corresponding defense capability.

All in all this bill does not carry a great many changes in the recommendations made by the Department of Defense, but that is because the recommendations of the Department of Defense are among the soundest and most impressive that we have noted for a long time.

It does carry a significant advancement in our defense capability—and even in this enlightened age—in the year of our Lord, 1962, a strong defense is the only sure and certain way to preserve this wonderful institution which is America.

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

Mr. LAIRD. Mr. Chairman, first I would like to comment on the remarks made by the gentleman from Texas and the gentleman from Michigan in presenting this bill to us today. I am sure it is the unanimous opinion of the Defense Appropriation Subcommittee that we insist that our country continue to carry forward a policy which will lead to victory, a win policy. There are certain things, however, that have come up during the past month, yes, the past year, which have led me to question just what kind of policy we are pursuing as a nation.

Yesterday I was concerned to read in the New York Times of the new State Department master strategy plan which is under study in the White House. On the front page of the New York Times of yesterday is a story with a Washington dateline which discusses for the first time in the public press a heretofore secret report which has been prepared under the direction of Mr. Walter W. Rostow, Counselor and Chairman of the Planning Council of the State Department.

This particular document which I requested some time ago through the professional staff of our Defense Appropriations Subcommittee, was refused and our staff was advised that this particular document would not be available for the deliberations of our committee because it was secret in nature. During the course of the hearings which have gone on since early January, our committee has received all secret and top secret information about the defense plans of our Nation as approved by the Joint Chiefs of Staff and the Secretary of Defense. Now the State Department has moved in to downgrade the victory policy of our Defense Department. They classify it secret and refuse to produce it. One has to go to the public press for its alarming recommendations.

At no time has any member of the committee violated security on the information which has been given to our committee. I do not feel the Rostow report should have been withheld from consideration by members of our Defense appropriations committee. There must be some reason for this action but as of this date no explanation has been offered.

The New York Times story reveals for the first time some basic State Department recommendations for changing this nations defense strategy. The changes recommended by the Rostow report should be first reviewed by the Joint Chiefs of Staff and the Defense Department before the White House adopts this new strategy.

We have to have the will and the determination, we have to lend credibility to the power which we have today if we are truly going forward with a victory policy in this cold war with international communism.

There are several sections of this bill which I should like to discuss for a few moments.

NATIONAL GUARD AND RESERVE

During the hearings on the bill we went into the call to active service of the National Guard, the 49th and 32d Divisions. We also took testimony on the Reserve Units, which were called into active service by the President late last summer and early last fall.

Mr. Chairman, on Wednesday, April 11, the President announced that the release of Army National Guard units and Army Reserve units now on active duty would commence next August.

In commenting upon the release of the reservists on active duty, he said that the release was not the result of any marked change in the international situation which continues to have many dangers and tensions. It is the result, rather, of the successful buildup of permanent instead of emergency strength. He continued by stating that the units to be released will remain available in a new and heightened state of combat readiness if a new crisis should arise requiring their further service.

Since that statement was made, I have received a great many letters from National Guardsmen and reservists training with the 32d Infantry Division of the Wisconsin National Guard. Their concern is the President's suggestion that, after having served on active duty for almost 1 year and because their unit has improved its combat potential, that division will be available for immediate recall. The implication here, as they see it, is that in the event of a future emergency cold war crisis arising shortly after their release or at some later period, these National Guardsmen and reservists would again be called upon to serve on active duty. This problem is discussed on page 233, volume 6, of our hearings. The 10 months of training which the 32d and 49th Divisions have had will be in vain if the men resign on return home.

Their concern, I am sure you will agree, is understandable. It would appear here that in defense planning a heavy burden is being placed upon a few while the vast majority of the National Guardsmen and reservists are not being readied to perform active duty service in the event of further emergency.

My concern, as I view this situation, is that the new Department of Defense Reserve policy is tending to place too great an emphasis on the readiness of too few National Guard and Reserve organizations and that by so doing we are not providing for an equal share of the defense burden, but rather we are planning to call again on those who have already just recently served.

This is related directly to the proposed new Department of Defense reorganization of the Army National Guard and the Army Reserve which is currently the subject of hearings before a subcommittee of the House Armed Services Committee.

The Defense Department proposal would be to eliminate a great many of the existing units of the Army National Guard and the Army Reserve and to place the emphasis on manpower, equipment and training of a few select divisions and supporting elements, and that these organizations would be expected to carry the burden in future emergencies.

Our committee believes it would be well to maintain these Reserve forces at their present strengths and with the present numbers of organizations. It

is necessary to provide for the proper training and equipment of all of these Reserve and Guard forces in order that they might all be available for duty in the event of all-out mobilization. We cannot depend on our Regular Forces to meet mobilization needs. I think that there is ample evidence and precedent demanding that we have in this country a wide mobilization base rather than a small highly ready group of National Guard and Reserve organizations. This is the way we must match the Soviet Union on a manpower basis in the event we are called upon for all-out mobilization.

The Regular Forces must provide the highly ready group to meet cold war crisis situations. I am sure the members of our committee feel that within our present and future programed Regular Forces we have the manpower to meet the challenge of a Cuba, a Laos, or a Vietnam. If we are willing to use our power to preserve peace and prevent aggression we do not need to rely on our National Guard or Reserve Forces to meet crisis situations but can use them properly in the event of all-out mobilization.

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

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

Mr. BOW. May I express my appreciation for the gentleman's statement. I know many people in the service have the same concern that the gentleman has had in reference to this Reserve situation. The gentleman has made a great contribution in this respect. Can the gentleman tell us something about the cost of calling these Reserves and Guard during this emergency?

Mr. LAIRD. The cost of calling up the Reserves and Guard was set forth in our committee record. The funding that was used to have the Reserves and National Guard called up was in section 512(c) of this bill, which gives to the Department of the Army and the Department of Defense the authority to fund this callup on a deficiency basis.

Thus far the Department of Defense has not submitted a supplemental request or deficiency request in connection with the terms of the 1962 appropriation act. We have estimates on this particular cost. In committee I thought that we should fund this particular program on a line item basis and require the Department of Defense to come up on a line item basis to fund this program completely through August. But, as of this date the Department of Defense has not come up through the Bureau of the Budget with any deficiency request under the terms of section 5–12–c of the 1962 appropriation act, and, of course, has not used the section which we are discussing today.

Mr. BOW. I thank the gentleman.

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

The CHAIRMAN. The Chair will count. [After counting.] Thirty-one Members are present; not a quorum. The Clerk will call the roll.

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

[Roll No. 75]

| | | |
|---|---|---|
| Addonizio | Garland | O'Brien, Ill. |
| Alger | Garmatz | O'Brien, N.Y. |
| Andersen, Minn. | Gavin | Patman |
| Andrews | Glenn | Pilcher |
| Ashley | Grant | Pillion |
| Ayres | Green, Oreg. | Powell |
| Baker | Griffin | Rains |
| Barrett | Hays | Riley |
| Bass, Tenn. | Hébert | Rivers, S.C. |
| Becker | Hoffman, Ill. | Roberts, Ala. |
| Boggs | Hoffman, Mich. | St. George |
| Boykin | Horan | Scott |
| Brademas | Huddleston | Scranton |
| Brewster | Jarman | Selden |
| Brooks, Tex. | Jones, Ala. | Sheppard |
| Cahill | Kearns | Shipley |
| Celler | Kee | Smith, Miss. |
| Chelf | Kilburn | Smith, Va. |
| Chiperfield | King, N.Y. | Spence |
| Cramer | Kitchin | Thomas |
| Daddario | Lankford | Thompson, La. |
| Daniels | Loser | Thompson, N.J. |
| Davis, Tenn. | McDonough | Thompson, Tex. |
| Diggs | Madden | Trimble |
| Fallon | Mason | Utt |
| Fascell | Miller, N.Y. | Weis |
| Finnegan | Moeller | Wharton |
| Fino | Moulder | Whitten |
| Friedel | Murray | Williams |
| Gallagher | Norblad | Wilson, Ind. |
| | Nygaard | Zelenko |

Accordingly, the Committee rose; and the Speaker pro tempore, Mr. BOLLING, having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11289, and finding itself without a quorum, he had directed the roll to be called, when 343 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its session.

The CHAIRMAN. The gentleman from Wisconsin [Mr. LAIRD] is recognized.

Mr. LAIRD. Mr. Chairman, the gentleman from Ohio [Mr. BOW], shortly before the quorum call, asked for the cost of the Army Reserves and National Guard called up late last summer and fall.

I want to make clear that the Department of Defense has not come forward with these figures from the Bureau of the Budget as yet, but they are expected to do this within the next week or 10 days. So these figures are not Bureau of the Budget requests, but are estimates of the Department of Defense in accordance with the understanding the Department has with our committee.

In fiscal 1962 the cost of the Reserves and National Guard called into active duty, Army personnel account, will be $213½ million, Army O. & M.; $139½ million, Army, personnel; making a total cost of $353 million in the fiscal year 1962. In fiscal 1963 to fund these two National Guard divisions and reserve units through August the cost will be $111 million, for Army personnel account; $42 million, Army O. & M. account; or a total cost for the 2 months in fiscal year 1963 of $153 million. The grand total of the 10-month cost in fiscal years 1962 and 1963 for the Army Reserve and National Guard callup is Army personnel account costs of $324.5 million, Army O. & M. account costs, $181.5 million, or a total cost for this callup of $506 million. This $506 million will fund the National Guard and Reserve units through the cutoff date in August as announced by the President last Wednesday.

Mr. Chairman, earlier this afternoon the gentleman from Michigan brought out a very important point. It had to do with the use of competitive bidding in the Department of Defense. Competitive bidding must be done on an open public basis. Costs and reliability must be emphasized.

RELIABILITY MUST BE SPOTLIGHTED

Mr. Chairman, during recent hearings before the House Appropriations Committee, much of the testimony presented emphasized efforts being directed toward procurement of defense materials and supplies at the lowest possible price.

Further, the procurement and contract administration practices and policies currently being followed by many Government agencies, including Department of Defense, Atomic Energy Commission, Treasury Department, General Accounting Office, and the recently established Defense Supply Agency, also emphasize, if not force, procurement at the lowest possible price. This year's hearings are full of statements which give emphasis to price and price alone.

Personally, I am greatly alarmed by this increasing trend which emphasizes price over performance and reliability. I am further concerned by what seems to be a diminishing comprehension of the fact that lowest price is not necessarily synonymous with lowest cost and the fact that initial cost can be substantially different from final or total cost.

To arrive at the point of my remarks, I submit that we are experiencing a trend of unrealistic price buying which in reality is penalizing the taxpayers, the U.S. Government, and American industry, millions of dollars in unnecessary cost.

In these times of rising prices, the American housewife is probably as aware as anyone of how to get true economy with her shopping dollars. Price alone is not enough to induce her to buy even a can of beans. She selects a brand she can rely on to meet her demands for quality at the price level she is willing to pay.

Can we afford to be any less prudent when purchasing the materials and weapon systems that form the basis for the deterrent strength of this country? The answer is obvious. However, there are altogether too many indications that many of our actual procurement practices ignore the obvious truth that sacrificing quality and reliability in the interest of a low price can lead to national disaster.

By now we should be aware that obtaining the performance and accuracy demanded for advanced weapon and space exploration programs is neither simple nor cheap. The Government and industry personnel associated with the recent successful entry into orbit and return of *Friendship 7* spent thousands of man-hours checking and rechecking every detail that could have any bearing on the success of the mission. In spite of this tremendous effort to insure that

all components and systems would function properly, troubles did develop in flight. Fortunately they were not serious enough to prevent the safe return of Astronaut John Glenn.

If malfunction occurred during the *Friendship 7* mission in spite of considerable special effort to insure maximum reliability, what can we expect in performance of weapons systems produced without this special attention on a production basis, especially in view of the current trend to place price ahead of quality and reliability.

Paragraph 1–302.2 of Armed Services Procurement Regulations states:

> Irrespective of whether the procurement of supplies or services from sources outside the Government is to be effected by formal advertising or by negotiation, competitive proposals (bids in the case of procurement by formal advertising, proposals in the case of procurement by negotiation) shall be solicited from all such qualified sources of supplies or services as are deemed necessary by the contracting officer to assure full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the military department concerned, and thereby to obtain for the Government the most advantageous contract price, quality and other factors considered.

Note that the paragraph states "and thereby to obtain the most advantageous contract price, quality and other factors considered."

In other words, paragraph 1–302.2 directs that the contracting officer assure that contracts are awarded to qualified sources which have the capability, price notwithstanding, to fully meet applicable requirements including delivery schedules, quality, and reliability.

Obtaining prime and subcontracts that are truly most advantageous to the Government is not a simple matter. Modern weapon and space exploration systems represent a highly complex state of art. Advancing design specifications call for closer tolerances, reduced weight, improved properties, and higher performance at all levels of the procurement and supply system. To meet these new specifications has required the development and use of new metals and materials; new fabrication, forming, and joining methods; new inspection and quality control methods and techniques; new facilities, equipment, experience, and know-how.

Developing the new capabilities required has involved expenditures in the billions. While much of the expenditure has been with Government funds, many industrial concerns have invested very substantial amounts of private funds in order to keep pace with advancing defense procurement technology. The companies who have demonstrated the willingness to develop, with private funds, the facilities, methods, and know-how required to meet demanding specifications inherent in advancing weapon and space systems, rightfully expect to provide their products at a price which will recover these investments. In fact, they must be able to do this in order to remain a defense supplier.

It would be expected that companies that have not made the investment necessary to keep pace with weapon and space technology could sell at a lower price. All too often that lower price reflects insufficient comprehension of the quality and reliability required to fully meet applicable specifications. Contracts awarded under these circumstances almost invariably result in serious losses in terms of rejections and shipping delays. Even more serious, if the deficiency in product quality and reliability remains undetected, human life and national security could be endangered. If this is economy, the price is too high.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. FORD. Mr. Chairman, I yield the gentleman from Wisconsin [Mr. LAIRD] 5 additional minutes.

DYNA-SOAR

Mr. LAIRD. Mr. Chairman, there is one amendment in this bill which increases the Dyna-Soar program. I would like to take a few minutes to discuss this program. For all our hopes that space may not become an arena for future conflict, we must clearly recognize that if man can go into space for peaceful exploration and research, he can use this same environment for military purposes. Those people in this country that are today placing all emphasis on getting to the moon at a cost of billions of dollars are making a mistake.

I am convinced that there will be future military weapon systems operating in space and that some, perhaps most, of these systems will have to include men to be most effective. To support this view I can quote passages from the speeches of our adversaries:

Maj. Gen. G. I. Pokrovskiy, director of the Zukovsky Air Military Engineering Academy, said on October 2, 1957, 2 days before the first sputnik:

> The struggle in and for outer space will have tremendous significance in the armed conflict of the near future.

Mr. Khrushchev himself said in 1959 that "after disarmament the U.S.S.R. will be prepared to reveal all its space secrets but not now because these secrets are of great military importance."

We must be prepared to counter this new threat to the security of our Nation that may be unveiled at any time it suits the purposes of the Soviets.

The concept of manned space vehicles for military purposes is not new. As early as 1942, a proposal to use rocket boosted space gliders to bombard the United States of America was seriously considered by Germany. In the early 1950's proposals were made to the Air Force to develop such a system in this country. A number of studies were then sponsored by the Air Force to establish the feasibility of extending future weapon systems capabilities to the fringes of the atmosphere and beyond. At the same time NACA—National Advisory Committee for Aeronautics—predecessor of NASA—was considering the requirements for a test vehicle to extend aeronautical research from the regime of the X–15 research airplane up to orbital velocities. In 1958 an understanding was arrived at by NACA and the Air Force to jointly develop the Dyna-Soar. With the establishment later that year of NASA, the agreement was continued by that agency and is in force today. Active development of Dyna-Soar began in May 1960, and the Air Force is funding and administering this program.

In considering the military requirements of a space weapon system, several features distinguish the differences between the need for exploration and research, and for military operations in space. Foremost among these is the requirement for the positive recovery of men and equipment from space missions. The ballistic reentry from orbit of the Mercury capsule with parachute descent and recovery by prepositioned surface units is an appropriate and relatively simple first step for flight into space. The follow-on NASA Gemini program and the Apollo lunar landing program can use and extend this principle of recovery. But from the beginning it has been recognized by the Air Force that military space operations could not be based on this concept which restricts launch direction and timing, is affected by weather conditions and depends on predeployment of recovery units.

What is needed for the routine, reliable and flexible military exploitation of space is the means for reentry from a wide spectrum of orbit inclinations with sufficient maneuverability within the atmosphere to return to the United States with minimum delay and then to proceed to a conventional landing at a chosen base, all under the precise control of the pilot. The Dyna-Soar system is being developed to obtain and demonstrate the required technology to meet this need. It is a piloted space glider in which the pilot will have the freedom to choose the time when he will initiate reentry from orbit and to control the point at which he will make a conventional landing. In achieving this goal, Dyna-Soar will demonstrate satisfactory solutions to design problems in aerodynamics, aerodynamic heating, radiation cooling, structures, materials and a host of other technical problems. In addition, this vehicle will afford the Air Force the means of investigating the role of man in military space operations.

DEVELOPMENT OF DYNA-SOAR

Prior to initiating active development of Dyna-Soar in 1960, a design competition was conducted by the Air Force. The vehicle configuration was selected after intensive evaluation of the capabilities of a broad spectrum of modified capsules, lifting bodies and various glider concepts. The glider vehicle selected is still considered the most practical approach to achieve the program objectives within the current state of the art.

When active development was begun, there was no suitable rocket booster under development which could launch a vehicle of the size of Dyna-Soar into orbit in the forecast time period. Thus a modified Titan ICBM booster was selected for a preliminary suborbital test program. The quickening pace of space developments in this country and the advent the Titan III "work horse" space

booster has made it possible to eliminate the suborbital test program and go directly to orbital flight tests.

Although the Dyna-Soar as it is now conceived is not in itself a weapon system, the basic space glider with the Titan III space booster together provide the principal building blocks which can be rapidly exploited when particular military mission needs are more clearly defined in the future.

The unique technology being developed and to be demonstrated in the Dyna-Soar program is not included in any other part of the national space program. This technology will provide the bases for the development of future practical manned military space systems. In addition, it will provide a large body of aerodynamic and space flight data of great value to the useful exploration of space and to the technological progress of the Nation.

LAIRD ADD-ON AMENDMENT

Through fiscal year 1962 the Air Force will have spent $187.7 million on the active development program, plus $21.5 million on design competition and configuration studies. For fiscal year 1963 the OSD budget for the program has been established at $115 million. However, the Air Force has provided information and testimony to our committee indicating that $42 million additional could be utilized in the coming fiscal year to conduct the program at a pace compatible with the Titan III booster development. In addition, the program would be augmented to reduce technical risks. Adding this money as provided by my amendment will make possible the first orbital flights of Dyna-Soar early in 1965 rather than late in that year. It will also permit attainment of the range of capabilities necessary to properly exploit the concept during the initial test program.

We in the Appropriations Committee have concluded that the Air Force should have the additional $42 million in fiscal year 1963. The Congress has supported Dyna-Soar since 1958 and we are convinced that this, our only manned military space program, should be conducted as vigorously as circumstances will permit. The level of funding recommended by the President in fiscal year 1962 and proposed for fiscal year 1963 does not seem to provide a development pace that recognizes the urgency of this program.

It is my hope that this House will support your committee recommendation. Four years ago this House supported a similar Polaris submarine add-on amendment proposed by me. During these past 4 years I believe this add-on has been justified. The future will show that this Dyna-Soar add-on will also be justified.

SECTION 535 ADVERTISING COSTS DEFENSE CONTRACTORS

Mr. Chairman, in closing I would like to comment on the remarks made earlier today by the gentleman from Washington [Mr. WESTLAND] about section 535 of this bill.

I would like to commend the Department of Defense for establishing its regulation concerning advertising. These regulations are set forth on page 111, volume 6, of our hearings.

There is some indication that the Department and the President recommended the continuance of section 535 this year because it thought our committee desired such inclusion. But, in the meantime, the Department has promulgated very strict advertising cost regulations which are more restrictive than the law. Since the Department has promulgated this regulation, it appears that continuance of section 535 as a part of the 1963 appropriation bill is not necessary. The Department has testified that it would continue its regulation regardless of whether or not the provision is included in the law.

The Department, of course, knows that some of us on the committee, because of the existence of the new regulation, do not now insist that section 535 be repeated in this year's appropriation bill. It may well be that the other body may concur with this view. While I was one of those who favored including the identical provision last year, its purpose has been accomplished and I do not believe that Congress ought to legislate perhaps unnecessarily. I am hopeful that the Department will reexamine its views as set forth on page 110, volume 6, of our hearings prior to Senate consideration of this matter.

Mr. Chairman, the Defense Appropriations Committee has worked long and hard on this bill. I believe that this bill merits the support of the House.

Mr. SIKES. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, as is unusual for this bill, this whole day has been a love feast. I never heard so many people say so many nice things about each other and about a $47 billion appropriation bill in the years I have been on this committee and the years I have been in this House.

If anybody told me there was not something the matter with this bill I would start looking at it from now on, after this hanky-panky debate here all day about this wonderful bill. As a matter of fact, I usually am cast in the role of a skunk in a stump about this time of the debate on an appropriation bill, and I usually have a pot full of amendments here to try to straighten out in a couple of hours of 1 day what this distinguished committee tried to do in about 4 months. I have never had much success with those amendments, but I have found out all you have to do around here is live long enough or have the people in your district have the good judgment to return you often enough and you get practically everything you want, and that is about what has happened to me in this bill.

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

Mr. FLOOD. This is a real general. If you never saw a real general, this is a real general, my distinguished friend from Florida.

Mr. SIKES. It seems to me this might be a good time to point out that one of the reasons the gentleman from Pennsylvania has nothing to be mad about is the fact that through the years he has worked so diligently and so zealously for the improvements in our defense program which at long last are being realized that he sees here the achievements that we have long sought, that we all have wanted. I want to commend publicly the gentleman from Pennsylvania for his great contributions to a strong defense for the United States.

Mr. FLOOD. Is not that nice? I wrote that for him just 10 minutes ago. He is a real fast study.

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

Mr. FLOOD. This is the man I have had more trouble with than anybody else. He is my chairman.

Mr. MAHON. I cannot resist saying that I know of no man in this House who has more diligently pursued the cause of the defense of the United States in the Army, Navy, Air Force, and Marines than the gentleman from Pennsylvania [Mr. FLOOD]. I know of no man on the committee who has been more regular and more loyal in his attendance upon the sessions of the subcommittee, and they have been many and long.

Mr. FLOOD. What I had better do, Mr. Chairman, is quit while I am ahead.

Talking about generals, you know, I am one of these—it is one word, so it is perfectly parliamentary—"damyankees" from the coal mines of Pennsylvania. When you sit back in the cloakroom with these boys from the South for 16 years, you learn to call it the War Between the States. I used the words "Civil War" when I came down here in 1944. But it is the War Between the States. In talking about these generals, whom I have the most of my trouble with, they tell the story about Pvt. Johnny Allen. Johnny Allen came back after the war. He decided he was going to run for Congress. The fellow he was going to run against was a general. The general got up before this big crowd and he said, "My friends, I was up there in that bivouac during that rain, with my troops up on that hill, and I stuck under that tree while we were facing all those Yankees. I was there all that night with my men. I think you ought to recognize that and appreciate that and vote for me." Pvt. Johnny Allen got up and said, "Yes, he was there. Well, I will tell you my friends, the general was under that tree because I was standing there guarding him all night. So I want all of you fellows who are generals to vote for the general and all of you fellows who are not generals to vote for me." So that is how Johnny came here.

Well, there are a couple of things I want to talk about. However, the gentleman from Florida [Mr. SIKES] is quite right.

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

Mr. FLOOD. I yield to the greatest advocate that the Tennessee Valley Authority ever had.

Mr. EVINS. How are we to address the gentleman from Pennsylvania, as general or private?

Mr. FLOOD. I have been called so many things that I would rather not get

into that right now. I will see you out in the hall.

Mr. Chairman, the fact remains, I have been one of the very few advocates for many years, in what has been called a limited war, I have never believed all during the years since the last war that there was going to be this atomic chaos. I do not believe it now. I never believed it. I sat on this committee all these years when it was building up and I voted for these things because we must have them. If the other fellow has them, we have got to have more and bigger and better. But, I have never been satisfied that, God forbid when the shooting goes on, and according to the Good Book, there will be wars and rumors of war until the end of time—and it is going on now and people are getting killed and shot all over this world every hour, every day in some kind of little war—you know that. Right now Americans are getting shot and killed in another little war—I know that. And that is the war and that is the kind of fighting that we have not been prepared for and we have not been trained for and we were *not* equipped for and we are just now getting ready for. Do not forget that. I sat here for 8 years—the last 8 years—and I lost a division a year for 8 years. Every year I lost a division in this Army. What were they going to do? They were going to make bellhops or policemen out of my Marines. I tried here, and I introduced amendments—and I am glad that you are smiling because you all voted against them—I tried here last year and the year before—for 8 years to increase the Army to a million men. I wanted to raise it to 16 to 18 to 20 divisions—and you voted against it. I gave you plenty of chance. There is nothing nicer than being a Monday morning quarterback. I love to come down here today in this year of our Lord 1962 and say, "Didn't I tell you? Didn't I tell you every year for 6 years you had to have an army of a million men? Did I not tell you you had to train for guerrilla warfare and train guerrilla warfare fighters? Did I not tell you you had to train guerrillas?" For 10 years I pleaded with you for that. Now we are training guerrilla fighters. We have 5,000 training now—it should be 10,000. The only thing the matter with this good bill is that you did not listen to me. So after 6 or 8 years, you are doing it—you are doing all right—you are doing it now. I am proud of you. I am proud of you; there is not going to be a vote against this bill. I cannot imagine anybody voting against this bill. I would bet you there will not be one who will vote against it.

These things are going on in the Army. Now we are going to have that kind of an Army. I pleaded with you to leave your hands off the Marines.

Good Lord. No matter what you do, do not touch the Marine Corps. If there is trouble any place you send the Marines. You paid no attention to them; the administration paid no attention to them. You cut back the Marines, but now you are bringing them back to 190,000. Let me tell you one thing. Last Saturday I thought I was going to get 200,000 marines and somewhere between here and the foot of the hill I lost 10,000 marines in about a half an hour. I have not been able to find out exactly what happened. Anyway we will have 190,000 marines, three full divisions, three full air wings, and a cadre for a fourth division, and a cadre for a fourth air wing. I say to you, Mr. Chairman, in this bill there should be four full Marine divisions and four full air wings. That is one thing that is the matter with this bill.

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

Mr. FLOOD. I yield to the gentleman from Ohio, because of what he has down there in Cleveland. If he does not keep on giving us hardware we cannot go very far.

Mr. MINSHALL. I would like to say to the Members present that there is no man on the committee, on either side, who is better informed on military affairs than is the distinguished gentleman from Pennsylvania, DAN FLOOD. I should also like to remind him, since he is extolling himself, that he has forgotten one of his greatest accomplishments in which I assisted in a little way.

Mr. FLOOD. What is that?

Mr. MINSHALL. That is the Bomarc.

Mr. FLOOD. You mean that old dog Bomarc they have spent $2 billion on and sent to the Canadians supposed to help us in their defense? I do not think it could knock the starlings off the Department of Justice building down here, yet it has cost us $2 billion. It is as phony as a $3 bill, but there it is. We cannot do much about it.

Strac. For years I have been telling you that you should have four divisions in the Strategic Air Corps for the continental United States, and now you are going to have them.

You had one medium tank battalion down at Fort Bragg training on medium tanks. This was 2 or 3 years ago. Then we found out that the tanks they were training with were not battle-fit tanks. When called to their attention they said, "Well, train them anyway. We will send the trainees overseas and they will be equipped with good tanks." When we got the tanks overseas it was found they were in worse shape than the training tanks at Fort Bragg.

How many times did you oldtimers around here hear me almost get down on my knees and plead with you to give us an airlift, to give us an airlift that could move large numbers of men? But you did not have an airlift up until this last year, you could not airlift a division of the U.S. Army to South Philadelphia inside of 30 days, and there is no question about that, no question about it. You could not go much further, yet we have $500 million—thank goodness for that—in this bill for an airlift, for C–143's which are coming off the line. The C–141's will not be coming off for a year, but we are starting, but we have had to wait 6, 8, or 10 years for this.

Examine the list of officials that come before us, secretaries and assistant secretaries and assistants to the assistant secretaries, admirals, and generals. Try to pin the blame on somebody for something that goes wrong, and if he is an admiral he is a way out to sea somewhere; if he is a general he has gone back to civilian life; and if he is a civilian nobody knows where he is, he is back somewhere making money.

Now about this aircraft carrier. The gentleman from Michigan mentioned the aircraft carrier; did you not?

Mr. FORD. I mentioned that we were going to save $30 million.

Mr. FLOOD. The gentleman is getting things mixed up with the Lukens Steel Co. I know what he is trying to do and what I am trying to do. But that is something else. Nobody talked about the carrier. The carrier in the bill is a conventional carrier. I voted for it. I voted for a conventional carrier because it was a conventional carrier or nothing, and in limited war you must have carrier support. You cannot run a limited war without that. But I think the conventional carrier is a mistake, I think it is wrong.

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

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

Mr. FLOOD. Mr. Chairman, a conventional carrier at this time will take 4 years to build, a long leadtime. I believe by the time a conventional carrier will be operational it will not be obsolete, it will be obsolescent. If you are going to have a carrier, why do you not match the *Enterprise* we were down with last week. We should have a brandnew, modern nuclear carrier, the biggest and best in the world. Why not? Do not tell me you cannot afford it. I am sick and tired of that. There should be no part of that kind of talk in a defense budget. You can afford it. You can afford it and like it. Make no mistake about that. You should have a nuclear carrier. But I have not got the votes. I need not try. I am not going to offer an amendment, it would not get to first base. The varsity here is against me, and I know better. But you should have a nuclear carrier. In 4 years that is what you want to have, not a conventional carrier, though I am for the conventional carrier. But that is not the way it should be.

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

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

Mr. SANTANGELO. I would like an answer to this question from the gentleman from Pennsylvania. Every year for the past 3 years we see just before the appropriation bill comes out of the committee a newspaper report showing that the Nike-Zeus missiles are becoming operational, conventional, and are becoming successful.

Can the gentleman tell us in his own inimitable way whether all of these releases are propaganda or whether there is any merit to it?

Mr. FLOOD. The gentleman is asking me, and I will tell him for what it is worth. The last administration was wrong, this administration is more wrong on the Nike-Zeus. I have been trying to offer amendments, and the gentleman will remember that. We have been working on the Nike-Zeus for years. The only defense of missile against missile on the face of this earth

is the one we have being run by the Army, the American product, the anti-missile missile Nike-Zeus. There is no other. The Russians do not have one, we do not have one, but we are further advanced than they are.

They told me 5 years ago, you will never be able to hit one bullet with another bullet. I told McNamara, "I bet you a hat you are wrong." I won the hat, but he bought it in London. We can hit one missile with another missile. They have done it, and they are going to do it in December. The only problem is, they say, they do not want to go ahead any further than they are with the research and development money because of radar. There are three sets of radars, the target radar, the extension radar, and the radar to select, the discrimination radar. They say the Russians will throw a missile with garbage and debris, and when the head breaks you will not know whether there is one or five warheads. But I know this. One of them or two of them will have a warhead. A warhead is a warhead; it is not something else. It is not garbage or debris. And, I believe there will be a breakthrough by our long-haired, fabulous scientists who will find that out. They broke through with the solid propellent for the Polaris overnight. I said for 3 years that our scientists will do the same thing with the selection radar on the Nike-Zeus. I say that the Eisenhower administration made a mistake for the last 3 years when they did not put money in this bill to study the long-range production of hardware so that when we did break through we could get into production. And, the Kennedy people are just as wrong, because they have refused to do it. And, before you get home tonight, the scientists are liable to break through with this. The first nation that does break through with the intercontinental ballistic missile has the other nation absolutely at its mercy. Yes, naked you are; make no mistake about this. That is the story all along.

Mr. SANTANGELO. I thank the gentleman.

Mr. FLOOD. There is money in here for the R. & D.; enough money. They do not need more money for the R. & D. That is not what I am talking about. They do not have enough money in here for long lead time production items.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

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

Mr. MEADER. Mr. Chairman, when the Defense appropriation bill, H.R. 11289, is before the Committee of the Whole for amendment tomorrow, I intend to offer three amendments and will ask unanimous consent that they be considered en bloc:

On page 28, line 2, strike out "$1,317,000,000" and insert in lieu thereof "$1,318,000,000."

On page 28, line 16, strike out $3,480,900,000" and insert in lieu thereof "$3,483,900,000."

On page 49, strike out lines 18 through 22.

The effect of these amendments is twofold—to restore research and development funds to the bill which were deleted by the committee in the amount of $4 million, and to strike out section 540 which limits indirect costs of research grants to 15 percent of direct costs.

Mr. Chairman, this is a novel provision in a defense appropriation act and is especially disturbing because the committee in its report on page 48 announced that "this year the committee is applying this same limitation to other departments of the Government."

It should be noted first that the limitation of 15 percent for indirect costs applies only to research grants, not to research contracts, but the effect of the amendment will be far reaching and, in my opinion, will have a disastrous effect upon institutions of higher learning in the country, their scientific research programs, and upon the research and development activities of the Federal Government.

I propose to show that the limitation is hastily adopted, that it has not received sufficient study, that it bristles with problems in its administration, that it will not save money, and that it is a rigid and basically unsound approach to a complicated and serious problem.

The only testimony concerning this provision occurs in part 5 of the committee hearings on pages 80–85, 162–163, 222–223, and 361. The evidence contained in the hearings is overwhelming in opposition to the imposition of a limitation. Perhaps the best statement is that made by Dr. Harold Brown, Director of Defense Research and Engineering, pages 81-85 of the hearings. The following passages from Dr. Brown's statement set forth the difficulty of separation of direct from indirect costs, showing the basic fallacy of the rigid percentage limitation technique:

The concept of a mandatory flat overhead rate limitation overlooks the fundamental cost-accounting principle that there is no real difference between direct and indirect costs, except for the manner in which they are allocated to the work benefited by their incurrence. The costs of the material directly used in the work and the salaries of people directly employed on the work can be clearly and readily identified and classified as direct costs. Other materials and labor costs serving some general support purpose are not readily identifiable directly with the work but can be reasonably prorated as indirect costs. Both types of costs (direct and indirect) are made up of such elements as salaries and wages, materials, supplies, and services. A dollar of indirect cost is exactly equal to a dollar of direct cost in terms of outlay. The man who fires the furnace that heats the laboratory in which the researcher performs his work contributes in his way to the research just as surely as does the researcher himself.

There are no hard and fast rules governing the division of total costs between those to be treated as direct costs and those to be treated as indirect costs. Consequently, the total costs of a contractor with a high overhead rate could very well be less than the total costs of a contractor with a low overhead rate. In the absence of an artificial stimulus such as a mandatory, fixed overhead rate limitation, the logical and economical division of total costs is a matter dependent on such factors as how the contractor is organized, the nature of his business, how he keeps his books and whether the costs were specifically incurred for a particular purpose such as the performance of a contract or grant or whether they were incurred for common or joint objectives not readily subject to treatment as direct costs of a contract or grant or other activities.

In the case of educational institutions, the Department of Defense follows the policy of measuring the costs of its grants and contracts in accordance with the cost principles issued for that purpose by the Bureau of the Budget (Circular A–21 issued for Government-wide application). These cost principles provide for fair and equitable costing under the particular circumstances prevailing at educational institutions. This includes a logical division of direct and indirect costs flowing from the fund accounting systems employed by educational institutions.

In regard to the various questions asked by your committee with respect to the imposition of a 15-percent indirect cost limitation, if such a limitation were imposed on the funds used to pay for DOD research performed by educational institutions, the institutions might be said to have three alternatives (1) absorb the additional costs, (2) make radical changes in the logical costing pattern (division between direct and indirect costs) in order to get the maximum amount of costs classified as "direct" so they can be reimbursed and increase the base to which the 15-percent rate would apply, or (3) drastically curtail the research activities vital to the defense of the Nation. Actually, in our opinion, the institutions would be forced to curtail DOD research activities because they simply could not afford to absorb the additional indirect costs or install the cost-accounting procedures necessary to change the logical costing pattern.

In view of the importance of university research to DOD research and development programs as outlined above, curtailment of the university research activity for DOD such as a flat rate would impose, would constitute a serious impediment to the research and development programs vital to the Nation's defense and security.

The committee, in fact, concedes that it has not given careful study to this limitation in the following passages in its report on page 48:

The committee has no wish to establish a limitation which will be too restrictive as there is no desire to hamper or discourage cooperation between colleges and universities with the Department of Defense. The Committee plans to study this problem in an effort to achieve more uniformity and better performance in the research programs of the Department of Defense.

The committee concedes that the Department of Defense estimates that it is paying an average of 32.6 percent in direct costs—page 49 of report—but nevertheless removed $1 million from the $11,700,000 Army research grant program. One of my amendments would restore this million-dollar cut.

The committee report, pages 54–55, estimates a reduction of indirect costs on $26,500,000 on research grants from the Air Force will be in excess of $4 million and has taken $3 million out of the bill. Another of my amendments would restore this amount to the Air Force research grant program.

Federal expenditures for research conducted in institutions of higher education are now approaching the billion dollar mark according to reports prepared by the National Science Foundation. This agency estimates that for fiscal 1960 and fiscal 1961 slightly more

than half of the $800 to $900 million for federally sponsored research went to educational institutions proper, while the remainder went to special research centers operated by educational institutions, for example, the Los Alamos Scientific Laboratory of the University of California, or the electronic defense group at the University of Michigan.

Federal research funds are made available to educational institutions by grant or by contract, but no matter how the arrangement is described both the Nation, as represented by the Federal Government, and the institution expect to benefit from it and both at the same time assume obligations in connection with the relationship established by the grant or contract.

The Government has a right to expect that it and the Nation will receive benefits from sponsored research at colleges and universities that are in some way commensurate with the expenditure of the taxpayers' money. The institution, on its part, has a right to expect that it will be adequately and equitably reimbursed for undertaking Government-sponsored research, even though there will be particular benefits to the institution in terms of advancement of knowledge and effective use of staff which the institution might otherwise be unable to secure or retain.

HOW THE GOVERNMENT DETERMINES OVERHEAD COSTS

There is, at present, no consistent policy for determining the overhead cost which is followed by all agencies of the Federal Government. Thus, a university doing research for the Atomic Energy Commission, the National Science Foundation, and the Department of Health, Education, and Welfare will find that the overhead or indirect cost of this research will be computed in three different ways depending on the agency with which the institution is dealing. A decade ago, the problem of reimbursement for overhead cost was one that concerned a relatively few institutions engaged in large-scale research projects for the military agencies. Until 1958, the principal policy document governing computation of overhead for Federal research was the so-called blue book developed in 1947 by a group representing educational institutions and the Departments of War and Navy.

Then, in 1955 the National Science Foundation recommended that all Federal agencies reimburse educational institutions to the maximum extent possible for the indirect cost of sponsored research projects. In 1958, following lengthy discussions between groups representing colleges and universities and an interagency committee representing the Federal Government, the U.S. Bureau of the Budget issued Circular A–21 setting forth the principles for determining the costs applicable to research and development under grants and contracts with educational institutions. Although some of the details of Circular A–21 were not satisfactory to the educational institutions, it was generally recognized by them that this action by the Bureau of the Budget was a major step toward a uniform Federal policy.

Even so, Circular A–21 is not applied uniformly throughout the Federal Government. The Department of Defense uses a modification of Circular A–21 in determining indirect costs of research on projects which it sponsors. Likewise, the Atomic Energy Commission uses its own adaptation of the principles of Circular A–21. The National Science Foundation, which pressed most vigorously for a uniform Federal policy on reimbursement for indirect costs of sponsored research, until recently has arbitrarily limited the payment of indirect costs to 15 percent of the direct costs of the project and has only recently raised this limit to 20 percent of the direct costs. Since 1957, the Department of Health, Education, and Welfare has been prohibited by law from paying more than 15 percent overhead on the direct cost of grants for research projects. Thus far, efforts to repeal or modify this rider to the Health, Education, and Welfare appropriation bill have been unsuccessful.

BRIDGING THE GAP BETWEEN OVERHEAD COST AND GOVERNMENT PAYMENTS

Until the Bureau of the Budget published Circular A–21 in 1958—revised in January 1961—colleges and universities that believed they were not receiving equitable treatment from the Federal Government with respect to the indirect cost of sponsored research had no single point of reference upon which to base such a claim. However, a recent—but as yet unpublished—study by the National Science Foundation leaves no doubt that for lack of a uniform Federal policy on payment of the indirect costs of sponsored research in colleges and universities, those institutions which undertake such projects are forced to pay almost $1 of indirect cost for each $1 of reimbursement for indirect cost received from the Federal Government. Note that the title of the study is "Interim Report on Indirect Costs of Federally Sponsored Research and Development in Colleges and Universities, Fiscal Year 1960," prepared by NSF for the Federal Council for Science and Technology.

The NSF study, which is the most comprehensive and thorough yet made, examined research cost data from 89 large universities and colleges with total expenditures for federally sponsored research of $357,982,000 in fiscal year 1960. Comparable data were obtained from 61 small colleges and universities with total research expenditures of $11,358,000 in fiscal 1960. To these cost data the National Science Foundation applied the Circular A–21 method of computing overhead costs. The results of this analysis were as follows:

First. The national average indirect cost rate of federally sponsored research and development of large colleges and universities, in 1959–60, was 28 percent of direct costs. In computing this rate, employee benefits were considered part of direct costs, and the principles of the Bureau of the Budget Circular A–21 were used. Each large college and university has a rate established under Circular A–21 by a cognizant Federal agency.

Second. The national average indirect cost rate of federally sponsored research and development of small colleges and universities, in 1959–60, was 31 percent of direct costs. These small colleges and universities do not have an established rate and, therefore, the abbreviated principles of Circular A–21 were used by the institutions in computing this rate. Consequently, there are some technical accounting differences in the methods used for small versus large institutions.

Third. In fiscal year 1962, using the principles of Circular A–21 as a base—28 percent of direct costs—applied to the Federal grant programs of all institutions, it is estimated that the total indirect costs of federally sponsored research and development grants will be $83 million. Since current practices of Federal agencies call for an outlay of $47 million to cover the indirect costs of grant programs for research and development, it is estimated that an additional $36 million would have to be made available either by the colleges and universities or the Federal Government in order to cover the total indirect costs of federally sponsored research and development.

The impact of this compelled cost sharing varies from institution to institution. The National Science Foundation study applied an average indirect cost rate of 28 percent and found a $36 million difference between indirect costs and Federal reimbursement for these costs. But 38.2 percent of the large institutions reporting to the National Science Foundation had overhead costs in excess of 30 percent, and 72.2 percent of the small institutions had overhead costs in excess of 30 percent. Again, it should be emphasized that this computation of overhead costs was made by the National Science Foundation, not by the institutions themselves.

The effect of the 15-percent indirect cost limitation is that a burden of $4 million is now being transferred from the Federal Government to hard-pressed universities and colleges and will result in their acquiring this money from their State legislatures or elsewhere or else being forced to refuse to engage in research thought to be desirable by the Defense Department.

The limitation of a percentage of indirect costs to direct costs presupposes a universal system of accounting among the universities and colleges. There is no such uniformity, however. A large university, for example, may make a direct charge to a department having a research grant of such items as maintenance, use of equipment, and so forth, while another institution, possibly a smaller one, would simply lump such contributions into the total overhead cost of operating the university.

In effect this percentage limitation of indirect costs is meaningful only if the Federal Government is to establish a universal accounting system for all institutions of higher learning and thus assert a Federal right to interfere and control the business management of these institutions of higher learning. This is a dangerous precedent because it asserts the predominance of the bureaucratic mind over scientific research—the supremacy of Parkinson's law over a field

which by its very nature demands imagination and freedom of thought if worthwhile new discoveries are to be made for the benefit of mankind.

Mr. Chairman, Federal funds devoted to research and development have been soaring, and the trend will be for further increases rather than reductions. It is estimated that some $15 billion of Federal funds through one agency or another are now being expended annually on scientific research and development programs, either by the agencies themselves or through research contracts and grants.

The matter of indirect costs is only one of many problems that arise from these huge and growing expenditures. Universities have become concerned that huge proportions of their total budget are derived from Federal funds.

The University of Michigan is located in Ann Arbor, Mich., my hometown, and their officials estimate that approximately 22 percent of the total budget of the University of Michigan in 1959 was represented by federally financed research.

The California Institute of Technology had at the same time some $50 million in Government research representing 83.6 percent of its total expenditures.

Harvard University became concerned about the impact of Federal research expenditures on the program of the university and in September 1961 issued a report entitled "Harvard and the Federal Government." After reciting that at least 80 percent of the institutions of higher education in the United States now receive Federal funds, the report recited, on page 3, that in 1959 and 1960 Federal funds supplied one-fourth of the budget of the university as a whole and supplied 55 percent of the budget of the School of Public Health and 57 percent of the budget of the medical school. The report also noted on page 13:

> One of the most serious of questions in Federal programs is that of unreimbursed indirect costs on grants. Most spectacular in 1959–60 were the unreimbursed costs arising from research grants, which made satisfactory allowance for direct, but not for indirect costs. While spending $11,860,836 of Federal funds for project research, the university incurred $687,500 in unreimbursed indirect costs.

In fiscal year 1961 the University of Michigan had a total of $17.3 million of federally financed research contracts and grants of direct costs of which $10.3 million were from the Department of Defense and $7 million were nondefense.

In the same fiscal year, according to Federal Government auditors—Signal Corps—the university had a total of indirect costs for the administration of these Federal contracts and grants of $5.9 million, of which $4.4 million were reimbursed by the Federal Government, leaving approximately $1.5 million of indirect costs for which the University of Michigan was not reimbursed.

From the foregoing it is clear that Federal expenditures in scientific research are having a tremendous impact upon our institutions of higher learning. The fact that the Federal Government refuses to pay the entire cost of the program but requires the universities to find substantial amounts of funds elsewhere either from their State legislatures, their nonearmarked charitable contributions or students' tuition fees to assist in financing research activities for the benefit of the Federal Government is an extremely serious problem when both State supported and private institutions of higher learning are having difficulty in obtaining sufficient funds to operate their educational and research programs in which the Federal Government does not have a direct interest.

This financial problem of institutions of higher learning has clearly been recognized by the Federal Government and by the Congress. Indeed, there is now pending in the Rules Committee of the House a bill to provide substantial assistance to institutions of higher learning for the construction of facilities. Another bill is shortly to be before us which will provide assistance for the construction of facilities for medical schools.

Is it not strange that at a time when the Federal Government is seeking to assist institutions of higher learning by such measures on the one hand we here in the House adopt a harsh limitation on research costs, making the financial plight of institutions of higher learning even more difficult than it is today?

Mr. Chairman, in addition to the matter of costs I think many people in scientific circles are beginning to become concerned about the impact of Federal expenditures on the educational and scientific programs of institutions of higher learning—to what extent are they being distorted or shaped by the large sums of Federal money they receive. The scientists may well believe that an area of research holds great promise for new discoveries but is an area of research of no direct or immediate interest to the Federal Government. Scientific manpower and talent is limited. It tends to be devoted to the areas where the large sums of Federal money are directed and diverted away from other areas of research which in the opinion of the scientific investigator might well have far greater priority.

The philosophy of the limitation on indirect costs also means greater Federal bureaucratic interference with the management of institutions of higher learning. The percentage limitation on indirect costs is meaningful only when all institutions of higher learning use the same accounting system at least insofar as they segregate costs as between direct and indirect. The lack of uniformity of such accounting systems may proceed from many factors outside the control of the management of the institutions of higher learning such as requirements of budget presentation to State legislatures or business methods requirements and accounting practices designed by their governing bodies to meet the particular characteristics of the institution.

The imposition of a uniform pattern of accounting leading to uniform business management directed and controlled by the Federal Government might well impose a stultifying influence of Federal bureaucratic procedures in an area where results can be expected only from the unfettered freedom of an inquiring mind and a willingness to pursue unmarked paths of exploration into the unknown outer reaches of scientific knowledge.

Mr. Chairman, for this reason I have believed that a comprehensive and penetrating inquiry needs to be made into the whole subject of research and development financed in whole or in part with Federal funds. I believe this problem is of such magnitude and difficulty that it is beyond the capacity of any congressional committee or its staff. I believe it is also beyond the capacities of committees of the executive branch, partially because any study conducted by the executive branch would inherently be bound to existing practices and philosophies which have grown up much like Topsy without any plan. The detachment and capacity to attack this problem successfully would be expected only in a statutory commission on the order of the Hoover Commission. In the past such study commissions have been generously supported by congressional appropriations and have been able to acquiring an able and sizable staff permitting thorough examination and analysis of the problem.

For that reason, Mr. Chairman, I have today introduced a bill to establish a Commission on Government Operations in Research and Development, a copy of which I incorporate at this point in my remarks:

A bill to establish a Commission on Government Operations in Research and Development

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

FINDINGS AND DECLARATION OF PURPOSE

SECTION 1. The Congress finds that research and development activities conducted by or under the sponsorship of the various agencies of the Federal Government, including the Department of Health, Education, and Welfare, the National Science Foundation, the Department of Defense, the Department of Agriculture, the Department of the Interior, the Veterans' Administration, the National Aeronautics and Space Administration, the Atomic Energy Commission, and other Federal agencies have a major impact upon the conduct of scientific research in the United States, and vitally affect the overall pattern and direction of future Federal programs and private activities. It is the purpose of this Act to provide for a thorough study of the operations and activities of such programs, for the purpose of assisting in the elimination of overlapping and duplication of effort, evaluating the effectiveness of such programs and their efficiency and economy, with particular reference to indirect costs involved therein, and determining the extent to which such programs and activities require administrative or organizational reforms. It is further the purpose of this Act to provide for the making of recommendations to the President and to the Congress of proposals for necessary improvements in the operation of programs and activities in the field of research and development.

ESTABLISHMENT OF COMMISSION; DUTIES

SEC. 2. (a) COMMISSION ESTABLISHED.—There is hereby established a bipartisan commission to be known as the "Commission on Government Operations in Research and Development" (in this Act referred to as the "Commission").

(b) DUTIES OF COMMISSION.—In conformity with the findings and furtherance of the

purpose declared in section 1, the Commission shall conduct a full and complete investigation and study of all operations of the Federal Government in the field of research and development, whether conducted by Federal agencies directly or through contract, grants-in-aid, or otherwise. The Commission shall report the results of its investigation and study to the President and to the Congress, and shall make such recommendations with respect to the operations of the Federal Government in the field of research and development as it may deem desirable.

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of fourteen members as follows:

(1) Ten appointed by the President of the United States, four from the executive branch of the Government and six from private life;

(2) Two Members of the Senate appointed by the Vice President; and

(3) Two Members of the House of Representatives appointed by the Speaker.

(b) POLITICAL AFFILIATION.—Of each class of members, not more than one-half shall be from each of the two major political parties.

(c) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Eight members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) MEMBERS FROM THE EXECUTIVE BRANCH.—The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary $20,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive $50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

CERTAIN LAWS INAPPLICABLE TO COMMISSION AND ITS STAFF

SEC. 8. The service of any person as a member of the Commission, the service of any other person with the Commission, and the employment of any person by the Commission, shall not be considered as service or employment bringing such person within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

EXPENSES OF THE COMMISSION

SEC. 9. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this Act.

POWERS OF THE COMMISSION

SEC. 10. (a) COMMITTEES.—The Commission may create such committees of its members with such powers and duties as may be delegated thereto.

(b) HEARINGS AND SESSIONS.—The Commission, or any committee thereof, may for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such committee may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any committee thereof.

(c) OBTAINING OFFICIAL DATA.—The Commission, or any committee thereof, is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this Act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, or any committee thereof, upon request made by the Chairman or Vice Chairman of the Commission or of the committee concerned.

(d) SUBPENA POWER.—The Commission, or any committee thereof, shall have power to require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the Chairman or Vice Chairman of the Commission or committee and shall be served by any person designated by them. The provisions of section 102 to 104, inclusive, of the Revised Statutes (2 U.S.C. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

EXPIRATION OF COMMISSION

SEC. 11. The Commission shall cease to exist on June 30, 1964.

Mr. FLOOD. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. O'HARA].

Mr. O'HARA of Michigan. Mr. Chairman, I wish to express the joy that I share, along with the gentleman from Pennsylvania [Mr. FLOOD], over the tremendous improvement that has been made in the level of appropriations and in the planning for our general purpose forces in the last couple of years. I do, however, wish to take one exception to the remarks of the gentleman from Pennsylvania. It could have been inferred from them that, in his efforts to increase appropriations for "general purpose forces" in past years, he stood nearly alone. I wish to say to the gentleman that I strongly supported him, although I am not so sure it did not amount to almost the same thing.

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

Mr. O'HARA of Michigan. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Not only on that did the gentleman support the gentleman from Pennsylvania, he did so on the Army amendment and the Air Force amendments as well. The gentleman from Michigan was one of the corporal's guard which supported me every year.

Mr. O'HARA of Michigan. I thank the gentleman for mentioning that fact and for his able leadership in this field because I could not be more pleased with the new direction of our defense policy than I am. I have felt over the past half dozen years, both before and after becoming a Member of the House of Representatives, that our greatest danger lay in the growing weakness of our conventional war forces in comparison to those of the Sino-Soviet bloc. I felt that this weakness could lead to all too many situations in which we would be faced with a decision between resort to all-out nuclear war, which all of us want to avoid, and the surrender on some objective vital to us and to the free world.

Mr. Chairman, I wish to commend the chairman of the subcommittee and its members, as well as members of the full Appropriations Committee, for the attention they have given to this problem They, the President and Secretary of Defense McNamara have taken important and long-needed steps to strengthen our military forces that will enable us to face the difficult days ahead with determination and strength.

Mr. Chairman, I yield back the balance of my time.

Mr. MAHON. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I support H.R. 11289 making appropriations for the Department of Defense for the fiscal year ending June 30, 1963. However, I wish to bring to the attention an appropriation in this defense appropriations bill which is not only unfair but unwise. I refer to the limitation of 15 percent for indirect costs incurred by universities under Defense Department research grants.

Academic spokesmen have indicated to me that indirect costs usually far exceed 15 percent. Mr. Grayson Kirk has indicated in a telegram to me that its indirect costs approximate 23 percent. To place a limitation of 15 percent would mean that educational institutions are giving aid to the Federal Government to the extent of 8 percent. Other institutions claim that their indirect costs approximate 30 percent. Their position is even worse.

Indirect costs include laboratory space, telephones, library use, utilities and similar items.

The contributions by universities are indispensable to the Government and the security of the Nation. We should not hamstring their efforts.

I include several telegrams which I have received and I include them herein.

I also include an editorial from the New York Times which clearly explains the issues and reveals why institutions should not be burdened with indirect costs which they incur by reason of these programs to help America's defense.

NEW YORK, N.Y., *April 15, 1962.*
Representative ALFRED E. SANTANGELO,
*House Office Building,*
*Washington, D.C.:*

I understand that Defense appropriation bill reported by House Appropriation Committee puts 15-percent limit on indirect cost of research grants. Actual indirect cost is about 23 percent at Columbia. The difference would represent a subsidy from educational funds of the university. While this research is valuable to the Defense Department and to education, continued subsidy unfairly consumes university funds which should also be used for education in English, architecture, business, law and many other areas which do not receive Government grants but which are important in that educational effort.

Amount of Government grants in special subjects increases each year because universities have best resources for research but failure to provide full audited indirect cost must lead to refusal to accept some grants from Government or to sharp limitation of all other university work.

Please urge change of 15 percent to payment in full audited indirect costs on all grants to universities. Such action will preserve effective educational programs.

GRAYSON KIRK,
*President, Columbia University.*

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ITHACA, N.Y., *April 13, 1962.*
Hon. ALFRED E. SANTANGELO,
*Washington, D.C.:*

If the 15-percent limitation on overhead on Defense contracts, which I understand is in the Defense Department appropriation bill to be debated on the House floor, is allowed to prevail, it would place such a financial burden upon this university as to force us to reconsider our whole participation in the Defense contract program. I will appreciate very much your careful consideration of this matter.

DEANE W. MALLOTT,
*President of Cornell University.*

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NEW YORK, N.Y., *April 16, 1962.*
Hon. ALFRED E. SANTANGELO,
*House of Representatives,*
*Washington, D.C.:*

I understand that the appropriations for the Department of Defense for the fiscal year 1963 will be presented to the House of Representatives on Tuesday, April 17, and that it contains a limitation of 15 percent on the recoverable indirect costs of research grants.

If extension of the 15-percent limitation on indirect costs contained in the Health, Education, and Welfare appropriation bill for 1963 works a hardship on all institutions which participate in the Federal research and development program and places a significant burden on the financial resources of New York University.

I strenuously urge your assistance in having this limitation removed and I would welcome the opportunity to support your efforts.

JAMES M. HESTER,
*President, New York University.*

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[From the New York Times, Apr. 17, 1962]

RESEARCH FOR DEFENSE

A clause in the Defense appropriations bill, which comes to the floor of the House today, would set an arbitrarily low limit on payments for indirect costs incurred by universities under Defense Department research grants. Indirect costs include laboratory space, telephones, other utilities, library use and similar items.

The limit proposed is 15 percent of the total grant. Academic spokesmen point out, however, that such costs usually far exceed that figure. Columbia University estimates its average to run to 23 percent, and other institutions put it as high as 30 percent.

The universities do, of course, reap important benefits from such grants. The scope of their operations, especially in science would be greatly reduced without them. But the universities' contributions are also indispensable to the Government and to the security of the Nation. Even if such work could be carried out by industry, which is not feasible, the cost would be far greater.

Higher education is already in serious financial straits, faced with the simultaneous challenges of vastly expanding its facilities, competing for scarce faculty talent and maintaining or even improving the quality of instruction. For the Federal Government to ask, in effect, that the universities partially finance Defense Department research with their own funds would be most unfair. To do so would threaten to interfere with the basic purposes of education, as the Defense Department grants would thus siphon off badly needed general education money. The fact that such Defense Department grants have grown from about $8 million last year to $28.8 million this year merely underlines the danger.

In simplest terms, what must be avoided is a kind of Federal aid in reverse, aid by education to the Federal Government, when education is so desperately in need for assistance. The minimum repayment by the Government should cover the full cost, responsibly audited, shouldered by the universities.

Mr. FORD. Mr. Chairman, I yield 20 minutes to the gentleman from Nebraska [Mr. WEAVER].

Mr. WEAVER. Mr. Chairman, I would like to preface these remarks by paying tribute to the able chairman of the House Subcommittee on Defense Appropriations, the distinguished gentleman from Texas [Mr. MAHON]. He guided the subcommittee through weeks and months of hearings, was completely fair at all times, and in every way tried to bring out all points of view on complicated and sometimes controversial issues.

I would also like to commend most highly the ranking minority member of the subcommittee, the able and distinguished gentleman from Michigan [Mr. FORD]. He provided, for us in the minority, the kind of skilled, competent, and calm leadership which is so necessary in dealing with problems of vital importance to the future safety of our Nation.

He avoided studiously the pitfall of carping criticism, but instead attempted always to find facts and the truth upon which to base a sound judgment.

This bill is not without controversy. I do not think any legislation written by the Congress can be completely without some overtones of controversy. Thanks to the untiring efforts of the chairman and some long, hard hours of work, this bill does contain a minimum of the extremely controversial.

We have tried to reach a compromise on some points. We have, on others, stood firm for what we believe to be the overwhelming will of the Congress—often repeated.

In one area of controversy—that surrounding the mach 3 RS–70—we have reached in this measure what I consider to be a compromise. As you will note from the report accompanying this bill, the Secretary of Defense has two teams of experts to reexamine the whole field of this new bomber and reconnaissance plane. The experts are to examine not only the technical feasibility of developing the plane, but its possible use in future missions as a sound weapons system.

Personally I feel strongly that this country should have undertaken the proper and orderly development of this plane on a production-line basis a long time ago. There are those who maintain that the concept of strategic warfare has so completely changed since 1955—when the B–70 was first proposed—that the plane will be obsolete before it is airborne. They say that warfare has changed to missiles, guided and ballistic, and that the role of the manned bomber is past.

Every expert Air Force witness before the committee countered these assertions and allegations.

Witness after witness told us firmly and vigorously that there is a definite role for the manned bomber in the future and that we dare not depend completely on our intercontinental ballistics missile system for our retaliatory force. We must have men at the controls of these planes, men who are capable of thinking for themselves and not just storing within electronic brains certain predetermined data.

However, over the years there has been a stubborn resistance to this idea on the part of the civilian Secretaries of the Pentagon. There has been an insistence on keeping the expenditures for this new bomber—new concept of aircraft—at an absolute minimum.

However, as I said, we are here working on a compromise solution. The President in his budget asked for $171 million for the continued development of the RS–70, plus nearly $52 million for radar components and other navigational equipment. The committee has added another $52.9 million for these specialized components, and $300 million has been made available to the Secretary, through the emergency fund—should his team of experts agree that the plane is essential and can perform a beneficial and vital function in protecting our Nation in the future. If need be, he can use all or any part of the emergency fund for this plane.

In another area of controversy the committee has accepted no compromise because it is our feeling that, in this, we are simply expressing the will of Congress. I refer to the decision, taken recently by the Secretary of Defense, to cut back sharply the strength of the Army National Guard and the Army Reserves.

Congress has repeatedly insisted that the guard be maintained at a strength of at least 400,000 men. We have repeatedly insisted that the Army Reserve components be maintained at a strength of 300,000 men. And yet, only a few weeks ago the Secretary issued orders cutting the guard back to 367,000 and the Reserves to 275,000.

The Pentagon in its public statement on this issue said that it was reorganizing the Guard and Reserves to make them more modern—to make them more efficient and to make them more effective in future emergencies.

This was, I feel, a smokescreen. The actual fact is, I believe, that on this matter the Department has taken an arbitrary position.

During the past few years efforts have been made again and again by the Department to lower the strength of either the Guard or the Reserves—or both. And every time that this has happened, the Subcommittee on Defense has refused to go along with the plan.

We have consistently provided the Defense Department with adequate funds to maintain the Guard and the Reserves at the 400,000 and 300,000 figures as an effective backup force for our Regular Army. Every time we have done so, the Congress has backed us to the very limit. As Members of Congress we are well aware of the role that the National Guard and the Reserves have played in the past. Those of us who live in States where floods are a frequent and common menace during the spring of the year, are eternally grateful for the effective and tremendous role played by the National Guard in defending our communities against the ravages of nature.

I have been in communities which have been fighting for their very existence against the rampant waters of a stream out of control. The whole situation has always calmed down considerably when the guard troops arrive on the scene. The citizens know that—although they may not be out of danger—they at least have a strong right arm giving them a helping hand.

This ability to lend a helping hand is not confined to flood victims by any means. In visiting with our National Guard people in Nebraska some time ago, I was told an interesting story which I would like to pass along for the benefit of my colleagues in the House.

It happened in September of 1958—some 4 years ago—but the moral of this story is as true today as it was then.

It seems that one of our strategic Army Corps units—a Strac signal battalion—was en route from Fort Meade, Md., to the west coast to take part in maneuvers. It was traveling overland and was supposed to have built-in maintenance.

By the time the convoy reached Fort Benjamin Harrison, Ind., things had begun to go wrong. Vehicles were going out of commission—losing transmissions—motors and some minor parts were breaking down.

The trail maintenance unit was stuck at Fort Harrison trying to repair the vehicles while the convoy went on across country. From Indiana through Illinois and Iowa the convoy left a string of broken-down vehicles—many of them needing only minor repairs—but without the trailer maintenance unit these repairs were impossible. The convoy was supposed to stop overnight at Camp Ashland, Nebr., an Army National Guard camp which is maintained by the State of Nebraska and is frequently used by such overland convoys.

The unit was, by this time, a sorry sight. Nearly every vehicle needed some overhauling. Some of them needed major repairs. In all, some 143 vehicles were either out of commission or on the verge of it.

The unit's commanding officer had contacted XVI Corps headquarters in Omaha and also Offutt Air Force Base. Neither could provide him with the required spare parts or the required maintenance help.

He then contacted Col. D. G. Penterman, the Nebraska National Guard State maintenance officer. Colonel Penterman took a crew out to Camp Ashland from Lincoln and they took a look at the situation.

First of all they called the Indiana National Guard maintenance officer and told him the story. His crew—which happened to be located at Fort Benjamin Harrison—went to work at once. They repaired the vehicles—replacing transmissions and motors and getting them into shape to travel again. This released the trail maintenance unit which was able to sweep the countryside from Indiana to Nebraska, repairing the stranded vehicles.

Meanwhile it was determined just what parts were needed and the Nebraska guard dispatched its plane to Pueblo, Colo., to pick up the equipment. The Strac unit was behind schedule and had ordered groceries from Lexington, Nebr. A quick call was made to the guard armory and the grocer at Lexington was advised to put the order back on the shelf for a day or so.

Within 48 hours the unit was rolling again. And the Nebraska guard had contacted Wyoming guard officers to pick it up and escort it through their State.

The Strac outfit was to have had a day off in Wyoming to rest up, but because of the break in Camp Ashland, was able to pass that up, and by the time they reached the west coast they were on schedule again.

The service rendered to this one outfit was made possible because the National Guard—throughout the country—is geared to provide emergency service of all kinds. It is alert and ready.

The guard, in my estimation, is essential to the welfare and protection of our Nation.

It must be maintained at full strength and on the alert.

To provide an adequate Reserve force this bill contains $1.8 billion. It had been my hope that the committee could insert mandatory language in this bill as to the strength figures for our Guard and Reserve which we feel must be preserved, but I am afraid that my friends who are parliamentarians and sticklers for technicalities would have knocked it out on a point of order. Despite this, I am most hopeful that the Secretary of Defense will heed the wishes of the Congress and spend this money as it is intended to be spent—for the maintenance of a sound and strong Reserve force of citizen soldiers.

To do otherwise would be an even worse blunder than the Pentagon decision to cut back the Reserve force in the first place.

Mr. Chairman, in the matter of Regular Army troops, the budget this year shows a vast improvement over the first couple of military budgets submitted last year—a matter which I had occasion to discuss at some length in last year's debate on the Defense appropriations bill. There were those of us who considered it extremely dangerous to maintain the Army's regular force strength at below 900,000 men, and our position was amply supported by the military witnesses from the Army who called for a regular force of at least 925,000 men.

In his last revision of the military budget in 1961, President Kennedy came around to this point of view. Spurred by the Berlin crisis, the President called for a minimum force of 1 million men, including the Reserves to be called to active duty.

On June 30, 1961, actual Army strength was only 857,000 men. By December 31, strength had been built back up to over a million men.

With the planned return to civilian life of the Reserves this August, the Army's actual strength will be reduced once more to below the million-man mark. However, it is good to see that the budget requested 960,000 for the Regular Army. Our committee has concurred in this request.

It is, in my estimation, the very minimum strength we can have with safety.

During the second Eisenhower administration, the needed scientific breakthrough occurred and we were able to start developing the arsenal of balanced deadly missiles which are today one of the bulwarks of our deterrent force. This was a very costly process and in developing this program, of necessity, other phases of our defense were deemphasized.

It has, in the past few years, become increasingly obvious that we cannot depend alone on missile strength to prevent aggression. We must have skilled, highly trained, and well-armed foot soldiers. They still bear the heaviest load of responsibility for our defense.

Upon their skill and dedication rests our hope for victory or the danger of defeat.

The Army modernization program is progressing well and this bill carries it even further.

I would like to mention just one more point, Mr. Chairman, and that involves the reunion of soldiers overseas with their families.

During the height of the Berlin crisis, the order went out barring general oversea travel by dependents. It was then a matter of logistics and of present danger should the East Germans and Soviets undertake a rash military adventure.

Although the crisis is not past, the tensions have eased considerably.

I discussed with Secretary McNamara during our hearings the possibility of

lifting this ban. He assured the committee that it is under active consideration.

I feel strongly that the travel ban must be lifted as soon as possible. The morale of our fighting forces is being impaired seriously by the separation of families. It is my hope that nothing will intervene during the next few months and that this travel ban can be lifted and our soldiers and their families can once again resume as close to a normal life as possible.

In summing up, Mr. Chairman, I think that on the whole this is a sound bill and will provide the United States with a firm military posture.

I perhaps could have wished for more strength in the matter of Reserves and the National Guard but our committee did include in this bill what I consider to be ample funds for maintaining a solid Reserve force.

We are developing a good mixture of fighting forces—a good balance between the strategic deterrent force which will prevent the Kremlin from undertaking the rash action of launching a nuclear attack and the kind of strong, flexible, and versatile ground forces which will be capable of stopping short any limited aggression the Communist world might undertake.

I strongly recommend the bill to the House.

Mr. MAHON. Mr. Chairman, in further reference to a point made previously by the gentleman from Florida [Mr. SIKES], I have discussed the matter with officials of the Defense Department and am advised that this action was in the public interest. The following statement was provided me:

Admiral Smith, of the Navy, determined last Friday morning that it was necessary to purchase additional quantities of a special type of steel for the Polaris program. This steel is processed by only United States Steel and Lukens. During the past, for well over a year, the Navy has been buying this steel from those two companies, generally splitting orders between them. United States Steel publicly stated it was raising its prices 3½ percent and Lukens stated they were not raising but were still selling at the old price. Admiral Smith quite properly proposed in the public interest to obtain the lower price on the entire order.

Mr. COHELAN. Mr. Chairman, I rise in opposition to the provision in this Defense appropriations bill which would place a limitation of 15 percent on payments for indirect costs incurred by universities conducting research under Defense Department grants, and in support of the amendment which will be offered at the appropriate time.

I am particularly familiar, and as a result concerned, with the problem that such a limitation would create since I have been closely associated with the University of California at Berkeley, which is in the Seventh California District I have the privilege to represent.

Mr. Chairman, the financial problems confronting our institutions of higher education today are enormous—problems of such significance as constructing urgently needed academic facilities, securing adequate supplies of qualified teachers, and improving the quality of our education to meet the increasingly complex challenges of our ever-changing world.

We in the Congress certainly should not add to these already serious problems. We would do exactly this, however, if we were to accept this 15-percent limitation. We would do this for the overhead costs in conducting these research studies are, on the average, substantially in excess of 15 percent, ranging to as high as 30 percent.

To be sure, Mr. Chairman, universities conducting research under Defense Department grants receive direct and local benefits. Of vastly greater importance, however, is the contribution which this research makes to the security of our Nation and to that of the free world. In brief, this research is indispensable to that security.

Recognizing these factors, I urge the House to reject the 15-percent limitation—to reject it as being unjustified and not in our best national interests. I also urge the House to approve this amendment we are now considering for the reasons I have already mentioned.

Mr. Chairman, this morning's New York Times, in a clear and incisive statement expressed vigorous endorsement for this position, and I commend this thoughtful and penetrating analysis to our colleagues' attention:

RESEARCH FOR DEFENSE

A clause in the Defense appropriations bill, which comes to the floor of the House today, would set an arbitrarily low limit on payments for indirect costs incurred by universities under Defense Department research grants. Indirect costs include laboratory space, telephones, other utilities, library use and similar items.

The limit proposed is 15 percent of the total grant. Academic spokesmen point out, however, that such costs usually far exceed that figure. Columbia University estimates its average to run to 23 percent, and other institutions put it as high as 30 percent.

The universities do, of course, reap important benefits from such grants. The scope of their operations, especially in science, would be greatly reduced without them. But the universities' contributions are also indispensable to the government and to the security of the Nation. Even if such work could be carried out by industry, which is not feasible, the cost would be far greater.

Higher education is already in serious financial straits, faced with the simultaneous challenges of vastly expanding its facilities, competing for scarce faculty talent and maintaining or even improving the quality of instruction. For the Federal Government to ask, in effect, that the universities partially finance Defense Department research with their own funds would be most unfair. To do so would threaten to interfere with the basic purposes of education, as the Defense Department grants would thus siphon off badly needed general education money. The fact that such Defense Department grants have grown from about $8 million last year to $28.8 million this year merely underlines the danger.

In simplest terms, what must be avoided is a kind of Federal aid in reverse, aid by education to the Federal Government, when education is so desperately in need for assistance. The minimum repayment by the Government should cover the full cost, responsibly audited, shouldered by the universities.

BERKELEY, CALIF., *April 16, 1962.*

Hon JEFFERY COHELAN,
*Member of Congress,*
*New House Office Building,*
*Washington, D.C.:*

California Institute of Technology, Stanford University, University of Southern California, and all campuses University California all request that you inform entire California delegation of their very strong objection to House appropriation bill for Department of Defense which contains limitation of 15 percent on indirect costs reimbursement to universities conducting research under Department of Defense grants. Understand bill comes to House floor Tuesday or Wednesday this week. Also understand Congressman MEADER may introduce amendment on floor deleting objectionable portion. This limitation has dramatic impact on all privately and publicly supported higher education in California. Respectfully suggest that no California Congressman should vote for or against this provision without full facts which are too involved to present by wire.

CLARK KERR,
*President, University of California.*

Mr. FRELINGHUYSEN. Mr. Chairman, when the distinguished gentleman from Texas [Mr. MAHON], took the floor earlier in the debate, he devoted some time to the provisions of section 540. This section would limit to 15-percent the amount of indirect costs which could be paid to a recipient of a Federal grant. As the gentleman from Texas explained it, one reason for this limitation is to prevent the grant program from getting out of hand.

I fail to understand, Mr. Speaker, why the grant program should be any less manageable than the contract program. As I understand it, the indirect costs must be carefully justified before any claim for reimbursement will be honored. Of course the Federal grants for defense projects have been increasing, but must we assume that these grants are more costly to the taxpayers of the Nation than other approaches? If they are needlessly expensive, why not study the reasons therefor, then come up with specific recommendations? The committee report indicates—on page 48—that such a study is currently underway. Why not wait until this study is completed? Why is there being advocated now such a sweeping restriction, which unquestionably will work real hardship on the recipients of these grants?

As I indicated previously, Mr. Speaker, the Defense Department has already certified unequivocally, on pages 80–85, against this ceiling which section 540 seeks to impose. Indeed, the Defense Department, on page 83, expressed the fear that a 15 percent limitation might drastically reduce present university research activity and this curtailment would constitute "a serious impediment to the research and development programs vital to the Nation's defense effort." On page 85 the statement is made that "many critical areas of research would be seriously jeopardized if an arbitrary reduction in overhead rates to 15 percent" were to be approved.

In conclusion, Mr. Speaker, I must say that I personally feel this kind of ceiling is most unwise. At the very least it will necessitate major changes in the

present bookkeeping activities of our universities. It may well affect drastically, and disadvantageously, present and future research programs. Furthermore, I doubt whether it will save the Government any substantial sums of money, unless perhaps some universities refuse to undertake future research activity.

Certainly we cannot expect our universities to divert desperately needed revenues of their own to the subsidization of Federal research projects. Indeed, this may be too often the case now, in cases where the 15 percent limitation on reimbursement for indirect costs presently applies. Before extending this principle, we should examine the whole question most carefully. I see no reason why anyone's feet should be held to the fire while a sensible program is being worked out.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and Mr. PRICE having assumed the chair as Speaker pro tempore, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, had come to no resolution thereon.

## EXTENSION OF REMARKS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members speaking today on the defense bill H.R. 11289 may have permission to revise and extend their remarks and include tabulations and extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

## COMMITTEE ON RULES

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

## HOUR OF MEETING 10 O'CLOCK ON APRIL 18

Mr. MAHON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

## INDIANA'S DEEPWATER PUBLIC PORT

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUSH. Mr. Speaker, I join today with the distinguished minority leader in introducing a bill to authorize Federal participation in the construction of Indiana's deepwater public port. Identical legislation is also being introduced by the Senators from Indiana.

Indiana has the dubious distinction of being the only one of the several States which border on the Great Lakes which does not have a public deepwater harbor with Federal navigation improvements. There is strong bipartisan support for the construction by the State of Indiana of such a facility. The Indiana State Legislature authorized and funded a port commission and delegated to that group the task of creating a public harbor for our State during its 1961 session by near unanimous votes in each house. Our Governor has taken the lead in driving the project forward to reality. Within a month the actual construction work on the State facilities will begin when sand will be taken from the area of the terminal facilities under terms of a sale agreement.

The Burns Waterway Harbor project is one of the most studied civil works projects in the history of our Corps of Engineers. After a most favorable interim report on the harbor was given in 1960, it was recalled and additional study was made.

Now the Chief of the Corps of Engineers has signed the report of the Board of Engineers of Rivers and Harbors which is even more favorable. In this report, the Corps of Engineers indicates, and I quote from their report:

> The district engineer reports that there is a need for a harbor on the Indiana shore of Lake Michigan at the Burns Waterway site.

The views of the Board of Engineers for Rivers and Harbors as expressed in that report are these:

> The Board of Engineers for Rivers and Harbors concurs in general in the views and recommendations of the reporting officers. It notes the conflict of interest in use of the area and has carefully considered all points of view. The Board also notes that the State of Indiana fully supports establishment of a public harbor in the Burns Waterway area to meet the requirements of increasing commerce and new industry in the State. The improvements proposed by the district engineer are in accord with the desires of the State of Indiana and are considered to be in the general public interest. The benefits from the proposed navigation improvement are considered to be in the general public interest. The benefits from the proposed navigation improvement are considered general and of the nature warranting the expenditure of Federal funds. The proposed improvements are suitable for the prospective vessel traffic and are economically justified.

This report has been forwarded to the appropriate agencies for consideration.

Preliminary reports have been received from the agencies by the district and division engineers in the course of their study and I trust that the Department of the Interior and the Public Health Service will comment immediately on the report so that this project might be expedited.

Both agencies have given the project a good deal of scrutiny and I am certain that they have all the facts at hand. There should be no reason for any delay in their resubmitting statements to the corps. To this end, I have asked the Secretary of the Interior and the Surgeon General to expedite their respective reports.

Indiana badly needs the facilities of a public deepwater harbor on Lake Michigan if it is to realize the potential it has for further industrial development. The jobs and tax base which will develop as a result of expansion around the harbor will benefit the citizens of our entire State. My district lies some 100 miles to the east of the port facility. I know, however, that the benefits which will accrue to the State will richly benefit my constituents.

The State of Indiana is also mindful of the recreational needs of her citizens and her neighbors from Chicago. It fully realizes the need for conservation of natural treasures like the Indiana dunes. It has developed and maintained a park in the area of the dunes for this purpose. Further conservation of land in this area is considered desirable by the State of Indiana and it has so testified before a Senate committee studying a proposal to create an Indiana national seashore. These two projects are not contradictory or competitive. They can and should proceed together complementing one another. The area east of the Northern Indiana Public Service property is of significant value for preservation and the State of Indiana has recommended to the Congress that additional lands be acquired in this area for conservation purposes. But the land to the west of this industrialized Northern Indiana Public Service Co. property has been used for decades for industrial or commercial purposes and should be developed as a port and industrial area. I strongly urge that the Committee on Public Works schedule hearings on this subject so that early consideration can be given to this important project.

## ARE WE HARBORING A NAZI CRIMINAL IN THE UNITED STATES?

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

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

There was no objection.

Mr. ANFUSO. Mr. Speaker, we have always taken great pride in the fact that the United States has offered asylum to people escaping from religious or political oppression. But I think we are not serving the cause of freedom and democracy when we give asylum to those who have in the past been affiliated with Nazis or Communists and who were linked with the murder of innocent men, women, and children.

Such a person now enjoys asylum in this country and freely walks the streets of New York—a privilege which he re-

fused to others when he had power. His name is Nicolae Malaxa, a Rumanian alien, who now resides in New York. He came to this country in 1946 on a temporary visit and has remained here ever since.

In Rumania during the 1940's he was associated with the Fascist Iron Guard as one of their financial backers. During the years 1940–41 the Iron Guard reputedly slaughtered 7,000 Rumanian Jews. In the years during World War II, Malaxa was connected with the German Nazis. After the war, when Rumania came under Communist control, the same Malaxa switched allegiance to the Communists and carried on shady dealings with them. In fact, it is reported that he was paid some $2,500,000 in compensation by the Russians for factories taken from him, and the Communists even allowed him to transfer those funds to this country.

Mr. Speaker, I think this man's background, his stay in this country, his possible connections with the Nazis in Argentina where he stayed in the year 1955, his sham operations in setting up a nonexistent industrial plant in California in order to gain permanent residence in the United States, his questionable relations with the Communists—all that is cause for a full-scale investigation of this man.

What disturbs me most of all is that Malaxa's stay in this country was made possible through a bill introduced by former Vice President Nixon, who was then a U.S. Senator from California. I want to quote from a statement in 1952 by our distinguished colleague, the Honorable EMANUEL CELLER, chairman of the House Judiciary Committee, who made the following observations when the Nixon bill was before his committee:

> I saw something rather suspicious about the bill and I made inquiry about Nicola Malaxa. The bill provided that, despite his violation of the immigration laws and the orders that he received to depart from this country, he might remain here as a legal resident. I discovered that this man Malaxa had had very questionable relations with Communists. I think Senator Nixon is now on the defensive to tell the Nation what he knows about Nicola Malaxa and why he sponsored that bill of one who apparently is a Communist to remain in this country.

Mr. Speaker, I do not know why Mr. Nixon introduced a bill to allow one who was associated with Nazis and Communists to remain in the United States; but, be that as it may, I think it is time to take action against this man. By providing asylum to persons of the type of Malaxa, we lose the good will of freedom-loving people everywhere and we encourage criticism and suspicion as to our true aims. The Justice Department and the Department of State would be wise to look into this situation. We cannot afford to harbor such individuals.

## AIR TRANSPORTATION SYSTEM

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

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

There was no objection.

Mr. BONNER. Mr. Speaker, within the last year or so it has become perfectly apparent that if our air transportation system is to serve all of the people as well and as economically as it is possible to expect, there must be a greater emphasis upon the use of regional airports which will serve several smaller communities instead of one. We must move away from the use of individual airports at each small community. The Administrator of Federal Aviation and the Chairman of the Civil Aeronautics Board, as well as individual members of the Civil Aeronautics Board, have issued statements in which they espouse the cause of the regional airport. They point out that a single community may not be able to support more than a bare minimum of one or two round trips a day if it is the only community served at a particular airport. To be contrasted with this is the situation where a number of smaller communities are served through a single airport conveniently located to all. Under these circumstances, the economic ability of the combined communities to produce passengers for air transportation is such that a much wider and more complete spectrum of service may be economically provided with little expense to the Government in the form of subsidy or in the form of matching airport construction funds.

As the Members of this House know, the Federal Government spends a great deal of money each year in assisting individual communities with the construction of airports and airport facilities and in subsidizing the local service air carriers for the primary purpose of providing service to the smaller communities.

The Members of Congress are understandably concerned lest the amount of money spent for airport construction or the amount spent for subsidy should get out of hand or increase out of proportion to the service being provided.

I hasten to add that I am a user of air transportation myself and that, in my judgment, the provision of air transport services to more rather than fewer people of the United States is highly desirable. I further am not reluctant to vote for appropriations to provide that service where substantial segments of the public will benefit.

I am, however, firmly of the opinion that the moneys of the Federal Government for both airport construction and subsidization of airline service should be spent in such fashion as to secure the most and best airline service for our people at a minimum cost to the Federal Treasury. I believe the area airport concept as developed in speeches and pronouncements of the FAA and the CAB would go a long way toward meeting this objective if it is judiciously and firmly exercised.

I notice that the President of the United States in his message to Congress of April 5 on the subject of transportation also commended the area airport concept. The President in his statement said:

> The development of single airports to serve adjacent cities, or regional airports, is also clearly necessary if these subsidies are to be eliminated and if the Federal Government and local communities are to meet the Nation's needs for adequate airports and air navigation facilities without excessive and unjustifiable costs.

However, there is a situation in eastern North Carolina where several communities are certificated or are proposed by the CAB to be certificated for service within a 25-mile radius. Each of these communities either has or proposes an airport adjacent to itself. I speak of the communities of Kinston, Goldsboro, and Rocky Mount, N.C. Right now there is pending before the FAA an application on the part of one of these cities for matching funds to construct a completely new airport which the city of course desires to be as close as possible to its own boundaries, and which is necessary or desirable in order to accommodate more modern aircraft. Other communities in the area which have not been certificated for service by the CAB, despite the earnest urging by the cities, include Greenville, Wilson and a number of other smaller communities. These cities, having failed to be designated for service by the CAB, have no way to influence location of a central airport which will offer the kind of service the area needs.

And yet all of these communities are so located that the Federal Government could, if it would, establish an airport centrally located to all of the communities which would make possible a much greater facility of service than is possible at any individual community. In addition, instead of having to maintain four or five separate airports, the communities and government would have to maintain only a single airport. When these facts are added to the fact that any airline or airlines serving such a centrally located airport would be able to eliminate duplicate facilities as well as certain operating expenses, the economic soundness of the area airport concept becomes clear.

So far, neither the Administrator nor the Civil Aeronautics Board, to my knowledge, has given any active consideration to ordering a regional airport for the area.

I am hopeful that in the situation I have described in eastern North Carolina, as well as in similar situations, where a number of adjacent communities can sensibly be served through a central facility, the offices of government will use their very best efforts to see such a central facility is provided and that the transportation and financial resources of this country will not be squandered through the provision and operation of separate facilities as small communities where, by such division of effort, the only result must be inferior airline service. I sincerely hope that this government will not spend its money unwisely in building an airport for one city to the exclusion of usefulness to others, particularly where under our

Government's announced policy the airport could be constructed as a model area airport.

## THE REPUBLICANS AND "THE LIBERAL PAPERS"

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

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

There was no objection.

Mr. REUSS. Mr. Speaker, on March 15, 1962 on the "Ev and Charlie Show," we first heard of a book called "The Liberal Papers." Ev and CHARLIE—the distinguished Senator from Illinois [Mr. DIRKSEN], and the distinguished minority leader, the gentleman from Indiana [Mr. HALLECK]—sort of "associated" my name with this book. Immediately, that very day, I wrote the gentleman from Indiana [Mr. HALLECK] the following letter:

MARCH 15, 1962.

DEAR CHARLIE: My name is mentioned in a press release issued by the Joint Senate-House Republican leadership following a leadership meeting this morning, March 15, 1962.

The facts of the matter are set forth in the statement which I issued today:

"My attention has been called to a statement by the Republican National Committee that I am supposed to be a member of a liberal project which is about to publish a book on foreign policy.

"I have never been a member of any liberal project, and have no connection with any book sponsored by it or with any papers that went into the book."

Sincerely,

HENRY S. REUSS.

Evidently the lines and communication between the distinguished minority leader [Mr. HALLECK] and his Republican cohorts are not entirely effective. Yesterday morning, Monday, April 16, 1962, I received the following letter from the gentleman from Vermont [Mr. STAFFORD] advising me of the intention of himself and nine of his colleagues that my name would be "associated" with "The Liberal Papers," and that something would be said on the floor about it yesterday afternoon.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D.C., April 13, 1962.*

Hon. HENRY REUSS,
*House Office Building,*
*Washington, D.C.*

DEAR COLLEAGUE: On Monday next, April 16, I have secured time to address the House with nine of my colleagues in connection with the recent Doubleday edition of the "Liberal Papers."

I mention this to you since your name has been associated with these papers, so that you will be aware of our intention in the event you wish to be present in the House at the time.

Sincerely yours,

ROBERT T. STAFFORD,
*Member of Congress.*

Since I do not particularly enjoy suggestions that I am any less patriotic or loyal than any other Member, I forthwith replied to the gentleman from Vermont, making sure that my reply was hand delivered to him at 11:15 o'clock, Monday morning, April 16, 1962, as follows:

APRIL 16, 1962.

DEAR MR. STAFFORD: Thank you for your letter dated April 13 which I just received at 10:15 today (Monday morning, April 16), in which you say that you and nine of your colleagues intend to address the House today and that my name has been "associated" with "the recent Doubleday edition of the 'Liberal Papers'."

I shall not be able to be present in the House when you and your nine colleagues conduct your symposium. However, if you or any of your colleagues propose to mention my name, you should be aware of the facts. I have never been a member of the liberal group or the liberal project, and I have no connection with the "Liberal Papers." When my name was mentioned in connection with the liberal project 2 years ago, I issued a public statement to the effect that I was not a member of the liberal project or the liberal group. I have not seen the "Liberal Papers," and have nothing whatever to do with them.

If you or any of your nine colleagues intends to mention my name so as to suggest in any way that I had any connection with the "Liberal Papers," I request that you include the contents of this letter in your remarks.

I would hope, too, that you or any other of your nine colleagues would, before mentioning my name, show your confidence in what you are saying on the floor by waiving your congressional immunity for what you say on the floor.

Sincerely,

HENRY S. REUSS,
*Member of Congress.*

I am glad that the gentleman from Vermont [Mr. STAFFORD] and his nine Republican colleagues received my letter. In the 11 pages of this morning's CONGRESSIONAL RECORD—CONGRESSIONAL RECORD, April 16, 1962, pages 6707–6718—my name is not mentioned.

But in the course of reading these 11 pages, I am disturbed by the attitude of the 10 participating Republicans. They seem not merely to disagree with the ideas which they say are expressed in "The Liberal Papers." By denouncing these views as "most naive and dangerous to our security," "wild extremism shown by the apostles of appeasement and the disciples of defeat," tending toward "a weakening of the United States and of the free world"—they apparently deny the right under our American system of the authors of these papers to express their views.

I have no way of telling, Mr. Speaker, what kind of a view the 10 Republican Members gave us yesterday of "The Liberal Papers." From what they say, some of the papers appear to have been written by well known and respected scholars, others by persons unknown to me. Some of the ideas suggested seem good, some distinctly mediocre, many quite zany.

The point, Mr. Speaker, is not whether some of the ideas presented are crackpot, but whether the authors of the Liberal Papers have a right to present their ideas and be heard. I defend the right of the authors of these papers to make public their ideas. As Thomas Jefferson said in his first inaugural:

Error of opinion may be tolerated where reason is left free to combat it.

I do not find that the Goddess of Reason was hovering over much that was said here yesterday. For example, one of the participants in the symposium denounced the following suggestion by Prof. Quincy Wright: "Breaking down nationalistic and ideological barriers to trade, and facilitating the development of the world through the pacifying influence of international commerce."

At the risk of being called a Red, I would like to align myself with Professor Wright on this. I am all for world trade and I think it is a good thing.

In fact, I do not find that the remarks of the 10 Republican Members particularly strengthen the cause of the free world in its struggle against communism. The gentleman from Minnesota [Mr. MACGREGOR] says—CONGRESSIONAL RECORD, page 6717—speaking of our relations with Chancellor Adenauer's Germany:

Adenauer has long been toying with the idea of announcing himself neutral and making a deal with the Russians.

I would defend to the end the right of the gentleman from Minnesota [Mr. MACGREGOR] to slander Chancellor Adenauer on the floor of the House, but I think he is dead wrong, and I am confident that his views are not shared by any other Member.

The Republican Members attempt to involve the White House in "The Liberal Papers" in a most ingenious way. August Heckscher, who is currently helping out in the White House on cultural matters, wrote a book review of "The Liberal Papers" in the New York Times book review section for April 8, 1962, in which he made the general point that it is a good thing for new ideas to be expressed. For this, Mr. Heckscher was criticized on the floor by the gentleman from Vermont [Mr. STAFFORD].

It is interesting to note, Mr. Speaker, that later on in the debate another Republican Member, the gentleman from Iowa [Mr. SCHWENGEL] made the same point that Mr. Heckscher did. Said the gentleman from Iowa [Mr. SCHWENGEL]—CONGRESSIONAL RECORD, page 6718:

I have read those Liberal Papers with a great deal of interest. The Liberal Papers have provoked an interesting discussion in that they have made their greatest contribution. Even though I cannot agree with all that has been written by them, they have given us an opportunity to further discuss all of these matters that relate to the preservation of ideals and the promotion of ideals that must be established in all parts of the world if we are giong to have a peaceful world and if we are going to realize the kind of a situation we all want so that all of us can have a more abundant life.

It would be silly, Mr. Speaker, to say on the basis of this that the Republicans have endorsed and sponsored "The Liberal Papers." But I think it is equally silly to try to pin it on the White House because of Mr. Heckscher's book review.

I do not believe, Mr. Speaker, that the American people are so forlorn that we cannot stand hearing new ideas—good, bad, or indifferent—and accept them or reject them on their merits. The Republicans who think that they have a shillelagh may end up with a political boomerang.

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

Mr. REUSS. I shall be glad to yield to the distinguished minority leader, the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. The gentleman has explained his position to me and, if he disassociates himself, as far as I am concerned, that is it.

Mr. REUSS. I thank the gentleman, although unfortunately that apparently was not it for his young Republican colleagues, and I ask the gentleman what kind of communication exists between the minority leader and these 10 freshman Republicans?

Mr. HALLECK. I have here a photostatic copy of a statement given at a liberal project press conference on April 19, 1960 in room 346 of the House Office Building, printed on the stationery of the gentleman from Wisconsin [Mr. KASTENMEIER].

Mr. REUSS. Yes, I know all about that 2-year-old press release, and I wrote the gentleman on March 15, 1962, to inform him that the release was in error. Two years ago I got out a statement showing that the press release was inaccurate, and that I was not a member of "liberal group," yet the gentleman on March 15, 1962, took the television microphone and mentioned my name.

Mr. HALLECK. But the gentleman does recognize that he was listed as one of the participants.

## CREATION OF YOUTH CONSERVATION CORPS

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, infrequently does major legislation receive such overwhelming support from all areas of the country as has been evidenced in the case of legislation to create a Youth Conservation Corps.

At this time I would direct my colleagues' attention to an article appearing in the New York Herald Tribune, April 13, which shows that over 70 percent of the people in all regions of the Nation—East, Midwest, South, and Far West—regardless of political party or affiliation, favor the establishment of a Youth Conservation Corps along the lines of the Civilian Conservation Corps of the 1930's as a means of accomplishing many worthwhile conservation projects and, at the same time, effectively attacking the youth unemployment problem.

I am pleased to say that the House Education and Labor Committee has reported on March 29, 1962, H.R. 10682, the Youth Employment Opportunities Act of 1962, title I of which makes provision for a Youth Conseravtion Corps. I sincerely hope that Rules Committee clearance at an early late can be obtained for this important legislation so that the full membership will have an opportunity to take prompt action on this popular demand. I include the full article to which I have referred following remarks at this point in the RECORD:

EIGHT IN TEN FAVOR REVIVAL OF CCC YOUTH CAMPS

(By George Gallup)

PRINCETON, N.J.—As a way of dealing with the growing problem of out-of-school, out-of-work young men, the American public is highly in favor of reviving the concept of the CCC camps of the 1930's.

Supported by 8 out of 10 persons, such a proposal would set up youth conservation camps for men between the ages of 16 and 22 who want to learn a trade and earn a little money by working outdoors.

Such a concept is embodied in the youth training bills now before Congress, with differing Senate and House versions. The Senate bill calls for a maximum of 150,000 youths in the program by the year 1965; the House version would limit the number to 12,000 at any time over a 3-year period.

To see how the public feels about the general principle of modern-day CCC camps, Gallup poll reporters put this question to a cross section of adults:

"It is proposed that the Federal Government set up youth camps—such as the CCC camps of the 1930's—for young men 16 to 22 years who want to learn a trade and earn a little money by outdoor work. Do you think this is a good idea or a poor idea?"

The vote nationwide:

| | Percent |
|---|---|
| Good idea | 79 |
| Poor idea | 16 |
| No opinion | 5 |

Analysis shows that the youth camps win overwhelming support in all regions of the Nation—East, Midwest, South and Far West.

Big majorities of older voters—who recall the CCC camps of the 1930's—as well as younger voters endorse the idea of youth camps.

Although the proposal has bipartisan support at the grassroots level, a modern-day CCC has more appeal to Democrats and Independents (83- and 80-percent approval respectively) than it does to rank-and-file Republicans (70-percent approval).

Although the public supports the basic principle of youth conservation camps, the question of whether youths who are out of school and out of work should be required to go to these camps provokes some controversy.

Authorities estimate that as many as 1 million young men each year find themselves out of school, out of work, and not accepted by the military service. Many youth experts contend that this situation, in addition to providing a breeding ground for juvenile delinquency, constitutes a great waste of the Nation's manpower.

Overall, when asked about requiring such young men to go to youth camps, more persons approve of the mandatory approach than disapprove of it.

Among Republicans interviewed, however, the prevailing sentiment is against requiring young men to go to the camps. Democrats and Independents support such an approach.

Younger voters tend to vote against such a method of handling the youth camps; a majority of older voters are in favor of it.

During the 1930s, upwards of 2 million men were at one time members of the Civilian Conservation Corps or its predecessor, the Emergency Conservation Work Agency.

Gallup poll files show that no New Deal measure was so consistently popular with the public as the CCC camps.

In July 1936, after the camps had been in operation for 3 years, 83 percent of persons in a national survey were in favor of continuing the CCC.

In April 1938, another Gallup poll recorded nearly 8 out of 10 in favor of establishing the camps on a permanent basis.

## AN INCREDIBLE WEEK

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HARVEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, it is interesting to compare two editorials from two of the leading dailies of the United States on the question of the "hassle" between the President and management of some of the large steel companies.

The subject of the controversy is not new; Presidents in the past have tried to use their office to deal with wage negotiations within the steel industry.

The impact of this effort will be felt for years to come.

The editorials to which I have referred are as follows:

[From the Wall Street Journal, Apr. 16, 1962]

AN INCREDIBLE WEEK

In a long life not without its share of amazements, we never saw anything like it.

On Tuesday one of the country's steel companies announced it was going to try to get more money for its product. And promptly all hell busted loose.

We wouldn't have been surprised ourselves if some people had shaken their heads in puzzlement at the new price list. Although after 20 years of inflation a price rise in anything is hardly unusual, there was some reason for wondering if the company officials had made the right decision in today's market.

But what happened was no mere head-shaking. The President of the United States went into what can only be described as a tirade. Not only had the company changed its price list without consulting him but it had also set a price which, in his opinion, was "wholly unjustified." With a long preamble in which he rang in the Berlin crisis, the soldiers killed the other day in Vietnam, the wives and mothers separated from their husbands by the Reserve callup—all of which he cast at the feet of these irresponsible steel officials—he wound up by crying that these men had shown their "utter contempt" for the welfare of the country.

The response in Washington was instantaneous. The Justice Department, the Federal Trade Commission, the congressional inquisitors all leaped to arms.

Then came the night riders. At 3 a.m. Thursday morning a reporter for the Associated Press was awakened by Government agents unable to wait even for regular office hours in their driven haste to find out what testimony he could give about the criminal conduct of these steel officials. At 5 a.m. it was the turn of our own reporter in Philadelphia. At 6:30 a.m. the scene was repeated in Wilmington, Del., for a reporter on the Evening Journal. All this without any warrants, only orders from the Attorney General of the United States.

By mid-Thursday morning the United States Steel Corp. had been subpenaed for all documents bearing on the crime and had learned that a Federal grand jury would move swiftly to see what laws had been violated by asking three-tenths of a cent a pound more for a piece of steel.

This brought us to Thursday afternoon. Then Mr. Roger Blough, the chairman of this company, felt forced to stand up to an assembly of microphones and television cameras and defend himself before the country for the wickedness of his deeds. And to be treated by the reporters at that gathering as if they were a part of the prosecution and he was, indeed, a malefactor in the dock.

And that leads to what is probably the most amazing thing of all about last week. Across the country—on the radio, in newspapers, and at street corners—the necessity of the defenders to justify themselves before the righteous accusers was simply accepted as a premise from which the trial should begin. There were few to say otherwise.

In such a climate it was not at all surprising what the mailed fist could do. All day Friday steel company offices were awash with Government agents, while the threats of punishment were mingled with promises of reward for doing the rulers' bidding. It is a technique of Government not unknown elsewhere in the world, and it is a combination almost irresistible. So by Friday night Mr. Kennedy had his victory.

Finally the jubilation. The President himself said all the people of the United States should be gratified. Around him there was joy unrestrained at this proof positive of how naked political power, ruthlessly used, could smash any private citizen who got in its way. So far as we could tell, the people did seem relieved that it was all over and that the malefactors had been brought to heel.

Yet what, in all truth, is this crime with which these men stood charged by a wrathful President?

It had nothing to do with arguments about whether this particular asking price was economically justified, or fair to the steel stockholders, or somehow responsible for dead soldiers in Vietnam. This last is sheer demagoguery, and the others are questions no man can answer—neither Mr. Blough nor Mr. Kennedy.

What was really at issue here, and still is, is whether the price of steel is to be determined by the constant bargaining in the marketplace between the makers and buyers of steel; you may be sure that if the makers guessed wrong the market would promptly change their decision. Or whether the price of steel is to be decided and then enforced by the Government. In short, the issue is whether we have a free market system or whether we do not. That, and nothing more.

Thus the true crime of this company was that it did not get permission from the Government and that its attempted asking price did not suit the ideas of a tiny handful of men around the White House.

It was for this that last week we saw the President of the United States in a fury, a public pillorying of an industry, threatened reprisals against all business, the spectacle of a private citizen helplessly trying to defend himself against unnamed accusations, the knock of policemen on the midnight door. And there was hardly a voice rising above the clamor to ask what it was all about.

If we had not seen it with our eyes and heard it with our own ears, we would not have been able to believe that in America it actually happened.

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[From the Christian Science Monitor, Apr. 14, 1962]

ECONOMICS WINS IN STEEL

The collapse of the price rise movement in the American steel industry, including its abandonment even by those who initiated it, is a triumph for commonsense.

There have been efforts to interpret it in political terms; but the much more cogent factors in the outcome were economic.

The forces of public opinion were effectively invoked by President Kennedy, but public sentiment has been invoked before, either against business or organized labor, with much less effect.

For decades the United States Steel Corp., by far the largest producer, has been the acknowledged policy leader in American steel. This time the crucial factor probably was that a significant number of other steel managements just could not believe that an increase in charges to customers was the way to sell more steel.

And to sell more steel is the big need of American companies both at home and overseas. The great difference between this occasion and the many wage and price rises of earlier times is that now the American steel industry is part of a world market.

No longer can it either sit behind a tariff wall that insures supremacy in its domestic market nor be unconcerned about sales abroad. In both areas it has always operated against heavy wage differentials, making up its disadvantage by efficiency, but now European and Japanese steelmakers also have highly modern equipment.

Moreover—not unlike the railroads, facing competition by highway, waterway, and air—American steel manufacturers have seen need to look to their defenses against displacement by substitute materials, either nonferrous metals or plastics, as well as against inroads of foreign steel.

The manner of the reversal of the intended price rise has several lessons in it. Spokesmen both of business and government have backed away from the implication that this was a premeditated challenge to the Kennedy administration. Or that such a conflict could possibly be desirable.

The break came when it was apparent that two relatively small, but by no means inconsequential, producers—Inland and Kaiser—would not join in making steel more expensive. This gave Defense Secretary McNamara an opportunity to state that suppliers who kept the old prices would be favored in Government contracts. The move not only was logical in taxpayers' interests but hinted what might be the reaction of less massive buyers down to the purchaser of an electric toaster.

The denouement offers a surprising but conclusive answer to the crux of the Attorney General's antitrust theory in the case. Obviously the United States Steel Corp. did not hold so dominant a position as to control the action of the rest of the companies.

Further, the episode leaves intact points made by Roger Blough, chairman of that firm: (1) That the steel industry of America has absorbed several wage-cost increases since its last price increase. (2) That depreciation allowances under Federal income taxes are far from sufficient to permit it the means of financing necessary plant expansion.

On the matter of tax relief, even tax inducements to facilitate modernization, the American steel industry now has a far stronger case than appeared for a few days.

And the entire Nation can move into an era of heightened production with a unity and vigor that were briefly very much in danger.

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## SHALL WE TURN OUR BACKS ON THOSE WHOSE ONLY DESIRE IS TO SERVE?

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. SEELEY-BROWN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, the Armed Services Committee is conducting hearings on the proposal by the Department of Defense to reorganize the Reserve components of the Army.

This proposed reorganization would include what the Department chooses to call the realinement of the 43d Infantry Division, the famous Winged Victory Division of World War II. I am particularly opposed to the plan to reduce the 43d from a division to a brigade, and I have requested the committee to permit me to testify at the hearings, as have some 20 or more Members of this House.

The greater part of the Connecticut National Guard is in the 43d Division, which has its headquarters in Connecticut, with Maj. Gen. Edmund Walker as commanding officer. National Guard units of the Rhode Island and Vermont National Guard also are part of the 43d.

It is the patriotic interest of a large number of young men of New England whose only desire is to continue to serve their country, which impels me to speak out against a reorganization which forecloses that kind of service.

I, for one, and I am sure that I am joined in this by every Member of the Congress, am as eager as the Department of the Army can possibly be to "improve the overall combat readiness of the Reserve components of the Army," as the Department of Defense has announced.

It is a wise provision of the law, it seems to me, which requires the Department of Defense to submit its plans for proposed changes in our military posture to the appropriate committees of the House and of the Senate. In this way, Congress very properly exercises a veto power over the significant acts of the Defense Establishment. In this way, too, not only is the solemn tradition, which is as old as our country, observed, of ultimate civilian control of the military; but also the elected representatives of the people are assured of full knowledge of military programs before they are undertaken.

As the Armed Services Committee inquires further into this plan for reorganization, perhaps its members, too, as I do, will find it difficult to see how the "overall combat readiness of the Reserve components" of the Army can be improved by reducing the 43d Infantry Division, composed of units of the National Guard of Connecticut, Rhode Island, and Vermont, to a brigade.

I believe that this situation which represents my particular interest is an example of Pentagon thinking which has far deeper significance.

The present Reserve structure consists of 27 National Guard divisions and 10 Army Reserve divisions. The Secretary of the Army, in a memorandum to the Governors of the various States, said:

> It has been determined that eight infantry divisions in this structure are excess to our mobilization requirements, the eight consisting of four National Guard and four Army Reserve divisions.

So, they are realining these surplus divisions by reducing them to brigades. Heaven forbid that, in battle, it should

ever be necessary to realine our forces that way.

I expect that the committee will weigh carefully the proposed reorganization of the Reserve components, to determine in what way overall combat readiness of our entire Defense Establishment can be improved by reducing Reserve Forces in being to a status which is little more than existence on paper.

As contemporary intelligence to accompany the Army's news about its plan to increase its overall combat readiness by reducing eight divisions to brigades, I offer the substance of two news items from the press of last week.

One carries a headline, "Defense Officials See a Low Draft Rate in the Next Few Years." The other says "an Army spokesman hinted" that "tens of thousands of reservists who have not participated in organized units since leaving active duty may face compulsory summer training." The news item goes on to say that as part of a planned reorganization of the Reserves, "the first to be tapped would be young reservists who had 6 months' active duty with the Army, followed by former draftees, reservists with 2 years' active duty, and other categories."

On the one hand, the Selective Service is going to call up fewer and fewer young men when they arrive at the age for required service; and on the other hand, men who have had 6 months of active duty are to be called back.

These two items do not make very much sense by themselves; but the whole picture makes even less sense when we add to it the Army's proposal to improve combat readiness by wiping out four National Guard divisions, one of which, the 43d, has a heritage of glory that can match that of some of the proudest divisions of the Regular Army.

It has been claimed, by spokesmen for the brass hats who throughout our history have managed only to tolerate the National Guard as a part of our Military Establishment, that Regular Army outfits yield "more bang per buck" for our country than the joint Federal-State forces of the National Guard.

Since it has been the established policy of our country for some time now that military preparedness and the security of the Nation demand the potential service of men of all ages and of all occupations, in various ways, it is difficult to see how this argument has any bearing upon the demobilization of the National Guard now proposed.

The Defense Department proposed for the 1963 fiscal year a total strength of 670,000 for the Army National Guard and the Army Reserve, a reduction from the 700,000 for which Congress provided funds in the current fiscal year. Later, the Pentagon proposed cutting this authorized strength to 642,000, or 58,000 less than the strength for which Congress provided funds this year.

However, the Appropriations Committee, after due study, says it "is not in sympathy with the drill strength estimates" submitted by the Army, and "recommends the appropriation of funds for the continuation of a program of 700,000 paid drill strength. It is expected that the paid drill strengths of these components of the Reserve Forces will be maintained at 400,000 for the Army National Guard and 300,000 for the Army Reserve."

So, benching the National Guard as an economy move is one that is not endorsed by the greatest economizers known to our Government, the members of the Committee on Appropriations of the House of Representatives. And if it is a move in the interest of efficiency, the Army will have to demonstrate to the Armed Services Committee, it seems to me, that it can achieve more overall combat readiness by recruiting and training 58,000 fewer troops.

There is more to combat readiness or military effectiveness than hardware. The best possible equipment is essential; but more essential is what is inside the man who is to do the fighting.

Men join up, in the Regular Army, in the National Guard, in the Reserves, for a variety of reasons, beyond the obligation for service which the present Selective Service Act imposes.

It is a well-known fact that the recruiting of men for the National Guard costs far less than the really impressive costs of recruiting a man for the Regular Army. In peace and in war, men who join like to serve with their own buddies, with fellows from their own hometown. Whatever differences of opinion there may be at times about the combat readiness, it will be admitted, I believe, that the morale of most National Guard divisions in all of our wars has been conspicuously high, and has been of great effect in difficult times.

The commanding general of the American Forces in Germany at the present time, Gen. Bruce C. Clarke, said recently:

> The National Guard made an outstanding contribution to victory in the First World War, but it was in World War II that the guard really proved its importance as one of the shaping forces in our national policy.

A history of U.S. military policy on Reserve Forces from 1775 through 1957, prepared by Eilene Galloway, national defense analyst of the Legislative Reference Service of the Library of Congress makes some concluding observations after reviewing the always-controversial part that the National Guard has played ever since the beginning of our country.

A particularly appropriate observation, it seems to me, is this one:

> Military manpower laws must be supported by what Mr. Justice Holmes called a preponderant public opinion. Such opinion has been in the process of being formulated and of making an adjustment to the continuing threat posed by aggressive communism, and is now much more firm in supporting an adequate and stabilized Military Establishment than it has been throughout the greater part of the Nation's history when the threat of war was intermittent. Even so, a very careful balance must be struck between compulsory and voluntary provisions by which the citizen may discourage his military obligation.
>
> Legislation alone is not the answer to all the problems. Success depends also upon a combination of leadership and morale, good programs and adequate appropriations, wise departmental regulations and administration, facilities and equipment, and public understanding.

When the 43d Infantry Division came home from the Japanese mainland after World War II was over, with its record of 7,610 casualties and 11,806 decorations, the commanding general of the Army Ground Forces had this to say:

> Ranking as it does, with the finest military units of the United States, the 43d Infantry Division can look back with justifiable pride upon its splendid accomplishments in the Asiatic-Pacific theater of operations. The division contributed to our glorious victory over a fanatical foe and won the undying esteem of a grateful Nation.
>
> You officers and men of the 43d, possessing sterling qualities of courage, sacrifice, and deep devotion to duty, must as individuals feel proud of the battles won in four major campaigns—Guadalcanal, the Northern Solomons, New Guinea, and Luzon. Now that the advance of peace permits the inactivation of the 43d Division, may I commend you and your organization and add my sincere appreciation for a job well done.

Today, the officers and men of the 43d Division are of a later generation, all but a few of the senior officers, perhaps. But the division is the same, and its soldiers are of the same stock as those who earned so valiantly the commendation quoted.

The way to improve combat readiness is to recruit to full strength the 43d Division, and others like it, to back up the Regular Army and our fighting forces all over the world.

These men of the 43d Division are eager to serve their country, as they have been doing. Shall we turn our backs on them?

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## U.S. FOREIGN TRADE POLICY—A DECLARATION OF PRINCIPLES BY A COMMITTEE OF ECONOMISTS

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCHNEEBELI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. SCHNEEBELI. Mr. Speaker, this House has been subjected to the most remarkable number of unfounded assertions about what the so-called trade expansion bill, H.R. 9900, would accomplish. It was refreshing, therefore, for us to receive testimony of a completely objective nature on the measure from a distinguished committee of economists. The statement was prepared and delivered by Prof. Patrick M. Boarman, of Bucknell. The chairman of the committee is the distinguished professor emeritus, O. Glenn Saxon, of Yale. The vice chairman is James Washington Bell, likewise a distinguished professor emeritus from Northwestern University:

A DECLARATION OF PRINCIPLES BY A COMMITTEE OF ECONOMISTS

(Presented to the House Committee on Ways and Means April 9, 1962, by Patrick M. Boarman, associate professor of economics, Bucknell University)

I

The committee of economists whom I have the privilege to represent (their names are appended to this statement) is not concerned with the special interest of any particular group or entity—firm, industry,

occupation, or geographical region. Our concern is rather with the interest of the Nation as a whole as we judge this interest to be affected by the proposed tariff reform legislation known as H.R. 9900.

It is our belief that unless there are substantial changes in the proposed legislation and unless it is accompanied simultaneously by thoroughgoing internal reforms (which we shall presently specify), its net effect will be to harm the Nation's domestic economy and worsen its already weak international posture.

Let it be said at the outset that all of us as economists support the ideal of universal free trade and all that it implies. All of us will agree with Adam Smith that "it is the maxim of every prudent master of a family never to attempt to make at home what it will cost him more to make than to buy" and that "what is prudence in the conduct of every private family can scarcely be folly in that of a great kingdom."

We favor free trade and the measures which will promote such trade for reasons which are derived directly from the first principles of economics. Free trade increases economic welfare for all the participating countries. It expands consumers' choices, giving them the possibility of acquiring goods which cannot be had at home, or which can be had at home only at higher prices. Free trade makes it possible for each country to specialize in those lines of economic endeavor in which it is most efficient, thus maximizing the gross gain to the world from the world's resources.

This much said, however, it behooves us to inquire into the conditions under which this gross gain to the world from free trade will be fairly shared by the participating countries. Free trade was never supposed to operate in a vacuum, but only within the context of certain conditions. These are, first, that there will be no quantitative restrictions of trade (quotas) imposed by the trading countries. Reductions of tariffs on specified items will be meaningless where there are limitations on the quantity of the commodity which may be imported.

Secondly, it is assumed that full and complete convertibility of currencies prevails, i.e., that the free trade area in question constitutes, in effect, one homogeneous payment community. Were this not to be the case, reductions in tariffs, whether undertaken unilaterally or multilaterally, could be deprived of any real significance. Of what use would it be to have the tariff reduced on a given import if one cannot freely acquire the foreign exchange needed to buy the import in the first place?

Thirdly, for free trade not to result in unfavorable advantage being taken by one country or another, it is assumed that no special advantages are reserved to one country in virtue of its tax structure, the subsidies it pays to domestic producers, or the domestic monopolies and cartels its laws may permit to exist.

Fourth, while it is not necessary for wages in a multilateral system to be the same in every country—indeed, the existence of trade is to a large extent predicated upon such differences—it is necessary that the ratio of money wage increases to productivity increases be approximately uniform in the free trade area. It is easy to see what the consequence would be if this condition were not met. If wages in Country A are increasing faster in relation to the increases in its productivity than wages are increasing relative to productivity elsewhere, A will find that its cost of production in respect to labor will place it at an increasing disadvantage in the world's markets, leading to a fall in its exports. Moreover, where the unfavorable wages-to-productivity ratio is maintained, a rise in imports will ensue as A's industries lose out to foreign producers even in their own home markets. These issues are of particular concern to the United States at the present time since the wage-productivity relationship has become increasingly unfavorable for us. The statistics cited by Emile Benoit in his study "Europe at Sixes and Sevens"[1] show that while wages in manufacturing rose 31 percent in the United States between 1953 and 1960, they rose 34 percent in France, 45 percent in Italy, 49 percent in Japan, 60 percent in Great Britain, and 69 percent in West Germany. However, the apparent modest increase in the level of U.S. wages was more than offset by the relative stagnation of U.S. productivity in the same period. Thus, U.S. productivity in manufacturing rose only 15 percent as compared with a rise of 53 percent in Germany, 54 percent in France, 58 percent in Italy, and 71 percent in Japan. Even Great Britain, where productivity growth has lagged, registered an increase of 29 percent, a rate almost twice that of the United States.

It may be argued that a country such as the United States will be forced ultimately to shift resources into activities where it is most productive and in which its high general level of wages is justified. This is correct but two vital considerations impose themselves in this case. The first is the extent and the duration of the transitional process involved in the reallocation of the factors of production. A sudden displacement of factors from present employments, where there are no immediate prospects of reemployment, is a situation attended always by the danger of cyclical upset. The larger the quantity of factors involved and the longer the time needed to reabsorb them into other lines of activity, the greater is the likelihood of a domestic collapse of confidence leading, via the multiplier effect, to the perverse dynamics of a recession. Moreover, the fewer are the alternative uses to which the factors can be put, the more likely it is that factor displacement due to imports will be chronic (for example, sheet glass factories can be used only to produce sheet glass; there is no other use to which they can be put should imports put an end to the sheet glass industry). Widespread and chronic underuse of labor and other factors, and the economic stagnation which accompanies unemployment of this kind, must be regarded as heavy price to pay for the gains of free trade. Indeed, the gains of free trade will in this case accrue only to one segment of the population, namely, those who are still employed and who have incomes available to expend on imports.

The second consideration is that it is at least theoretically conceivable that a wage-to-productivity ratio could become so unfavorable for a given country (in our case, the United States) that there would be continuous shrinkage of domestic employment to industries of the highest productivity. The more unfavorable the overall wage-productivity ratio becomes, the smaller will be the volume of domestic employment that it can support. In an extreme case, 50 percent of our labor force could conceivably be put out of work with the employed 50 percent earning the exceptionally high wages that it is possible to pay in the remaining most productive industries.

A fifth, and most important basic assumption of a free trade world in which there will not be chronic balance of payments disequilibria, is that the participating countries are all following roughly parallel fiscal and monetary policies. The postwar period has provided us with some egregious examples of the problems which result where this is not the case. If country A follows a persistently inflationary course whereas country B follows a strictly anti-inflationary course, the resulting relative excess demand in A will tend to consume exportable resources, thus slowing exports to B, and to suck in imports, often regardless of price. Conversely, the relatively restrained level of demand in B will free resources for export to A while simultaneously slowing B's consumption of imports. The combined effects of these movements will be to cause A to have a chronic deficit and B a chronic surplus in its balance of payments. To the extent that tariffs and other barriers to trade are lowered, these imbalances will tend to become even more pronounced.

Other characteristics of a free trade world would be the absence of barriers to the free flow of labor and capital across national borders and security for capital investments against nationalization without just compensation. These and all of the preceding conditions which have been mentioned are indispensable to the operation of a free trade system which is not to result in the exploitation of one country by another or in chronic international disequilibrium, or both. But it is patent that today not one of the conditions mentioned is fulfilled, at least as far as the trade between the United States and the rest of the world is concerned. In particular, there is a glaring lack of parallelism in the monetary and fiscal policies of the United States and other countries. It is this circumstance which will undoubtedly give us the most trouble as we embark upon any program of trade expansion.

II

Among the most dramatic recent examples of what happens where there is sharp divergence in internal monetary and fiscal policies amongst the members of a trading system is provided within the European complex itself. The notorious chronic export surpluses of West Germany in the fifties were due primarily to the fact that Germany, remembering her disastrous inflations, was pursuing a determinedly anti-inflationary policy whereas Great Britain, France, and the Scandinavian countries, remembering the great depression, were pursuing policies of monetary ease, tolerating inflation for the sake of promoting full employment and the objectives of the welfare state. Equally notorious and annoying, in consequence, were the chronic balance-of-payments deficits registered by these countries. Indeed, so acute did intra-European imbalance become in the middle fifties, so scarce the D-mark, that the painfully reerected system of partial multilateralism in Europe was on the point of collapse. It was only when the British in 1957, under the leadership of Macmillan, the "great deflationist," abandoned the long-dominant cheap money philosophy (the British Central Bank raised its rediscount rate in that year to an alltime high of 7 percent) that a semblance of equilibrium was restored.

More particularly, it was because France at the end of 1958 put a stop to inflation and devalued the franc, coupling these acts with certain drastic reforms of the domestic economy, that the Common Market became possible. In effect, the Common Market countries all adjusted their internal policies to those of the most disciplined member, West Germany. Had France not so adjusted its internal price and income levels, the opening of the Common Market on January 1, 1959, even with the relatively modest tariff reductions which then occurred, would have bankrupted that nation overnight.

Frenchmen with their inflated incomes and prices would have rushed to buy German goods, whereas Germans, with their relatively lower incomes and lower prices would have had no particular urge to purchase French commodities in spite of lower French

[1] Emile Benoit, "Europe at Sixes and Sevens" (New York: Columbia University Press, 1961).

tariffs. The point is that France in the pre-Common Market era did not suffer from progressively larger deficits because she was poor—she was and is potentially one of the richest nations of Europe. And Germany did not enjoy progressively larger export surpluses because she was rich. Two things—wrote Wilhelm Roepke[2] apropos of the French difficulties of 1957—must be kept distinct:

"On the one hand, the economic potential of a country or what may be called the foundations of its wealth and, on the other, its economic-monetary order upon which depends the degree to which this potential is activated. Attention must be directed to the undeniable fact that the economic potential of France is in spite of everything greater than that of Germany by a not inconsiderable margin. Against this, however, Germany was more fortunate in the activation of its economic potential than France * * * the former country succeeded by means of a clearly conceived and for the most part effectively executed economic policy in solving the economic problem No. 1 of every economic system; viz, the problem of economic order. This is the secret of everything which has occurred since the reform of summer 1948 under the rubric of the German economic miracle. The principle which requires that one not confuse economic potential with economic order, nor superiority of economic condition with economic equilibrium was especially pertinent in the case of German balance-of-payments surpluses and recent French balance-of-payments deficits.

"The differences in economic condition between France and Germany—differences which are in France's favor—remained in spite of the disturbance to the balance of payments * * * But it was precisely the perverse effect of the disturbance to balance of payments equilibrium between France and Germany and of the associated differences in inflationary pressure between them that the poorer country was forced to become the creditor of the richer country." [3]

It is perhaps unnecessary to add that Professor Roepke's analysis and his prophecy that the French economy needed only the right policies in order to come alive and realize its full potential were fully vindicated in the turnabout in the French balance of payments from deep deficit to substantial surplus. What is of significance here is that it was not the establishment of the Common Market or the lowering of tariffs as such which made the Common Market countries economically strong. On the contrary, it was the return to monetary and economic discipline of these countries and their individual efforts to adjust their internal policies to a common international standard which made possible the Common Market and the associated benefits of tariff cutting. Free trade, in short, and the tariff reductions which it implies, are but pleasant byproducts of prior monetary and fiscal integration and harmonization.

III

It is now the United States which has moved into the deficit position in the international economy once held by certain of our European neighbors. The dollar shortage which so mesmerized the attention of economists until a very short while ago, has been converted to a dollar glut. And if the chronic dollar shortages (and D-mark shortages) of the early postwar period were due chiefly to the refusal of some nondollar (and non-D-mark) countries to remove excess demand from their economies by appropriate monetary and fiscal policies, the dollar glut must be attributed in great part to the persistent failure of the United States to make the internal adjustments necessary to maintain balance with the changed world surroundings of the 50's and 60's.

The real issue confronting the United States today in its international economic relationships is not, therefore, whether we should have tariff reform or no tariff reform. It is whether we should have tariff reform with, or tariff reform without simultaneous (or better still prior) internal fiscal, monetary, and economic reforms. But concern for such reforms is conspicuously absent in H.R. 9900.

If the appropriate conditions under which free trade can work to our advantage in the present world situation seem to us to have been unduly neglected in the proposed legislation, it is nevertheless clear that what the proponents of this legislation have in mind is something far more than the simple economic gains to consumers here and abroad which more free trade will bring. The trade expansion program is supposed to achieve in one fell swoop nothing less than the following ambitious goals:

1. Increase in consumer welfare.
2. Increase in employment.
3. Accelerated growth of the U.S. economy.
4. Maintenance of U.S. economic leadership of the free world.
5. Aid to the developing nations.
6. Overcoming of U.S. balance-of-payments deficits and ending of the drain on U.S. gold reserves. (This has been implied by spokesmen for H.R. 9900; there is no specific mention of this objective in the bill itself.)

Free trade, in fact, is being urged as the answer to almost all our problems, domestic and international. It is important to note that there is a very large assumption on which these expectations are based. The assumption is that the proposed legislation will not only cause exports to increase to an extent equal to the expected increase in imports, but that it will yield a net increase in exports over imports. Obviously, if exports increase only at the same rate as imports, none of the stated objectives, except perhaps increased consumer welfare, can be attained. Only if exports increase faster than imports will it be possible to maintain our present rate of expenditure abroad for national defense and foreign aid without further aggravation of the existing and cumulative balance of payments deficits. And only if there is a net increase in exports can employment be increased and growth rates accelerated.

There is, however, no guarantee whatsoever that unilateral tariff reform by the United States, no matter how sweeping, will yield the expected net increase in exports. This is evident if we consider, first, the improbability of the proposed drastic tariff reductions being matched by our neighbors abroad, in particular, by the Common Market countries, and secondly, the effects on the trade balance of persistent inflation in the United States.

U.S. tariffs are already at exceptionally low levels as compared both with U.S. tariffs in earlier periods and with the tariffs of other industrial countries now. Using the (admittedly imprecise) gage found in the ratio of total duties collected to dutiable imports, it would appear that the present U.S. tariff level is only one-fifth of what it was in the unlamented days of Smoot-Hawley. And from the Joint Economic Committee of the Congress has come a set of figures which shows the average posted tariff rates imposed on industrial goods by various key countries, including the Common Market and the United States taken as a unit. The pertinent rates are shown in the accompanying table:

*Industrial tariffs*

(Weighted averages)

| | *Percent* |
|---|---|
| Japan | 19 |
| Austria | 19 |
| United Kingdom | 17 |
| New Zealand | 17 |
| Italy | 16 |
| Canada | 16 |
| France | 15 |
| EEC | 14 |
| Australia | 12 |
| United States | 11 |
| Norway | 11 |
| Benelux | 11 |
| West Germany | 9 |
| Sweden | 8 |
| Switzerland | 8 |
| Denmark | 6 |

Source: Joint Economic Committee.

The table indicates that only four countries, including one member of the Common Market (Germany), have a lower average tariff than the United States. This being the case, it may be asked why the many benefits (in particular, the expected tariff concession by other countries) which are alleged to follow a program to reduce tariffs have not as yet become apparent?

What is clear is that the existing low level of U.S. tariffs gives our negotiators relatively little leeway in making future concessions for the purpose of getting other countries' tariffs against the United States reduced. A representative example of the difficulty which confronts us here is the tariff on automobiles. Our import duties on foreign automobiles were reduced recently from 8.5 percent to 6.5 percent in exchange for a much-touted reduction by the EEC group of automobile duties from a proposed high of 29 percent to 22 percent. The actual duty paid by U.S. automobile exporters to Germany and to the Benelux countries, to which the bulk of our automobile exports go, has been 18 percent but will be increased to 22 percent under the new common external tariff of the EEC. Is it likely that reduction of our tariff from 6.5 percent to zero, for example, will bring a reduction of the EEC tariffs from 22 percent to zero?

It would be naive to expect such more-than-proportionate reciprocity from the Common Market group. This being so, the implications of lowered U.S. automobile tariffs are disturbing in the extreme. Demand by Americans for European vehicles is already relatively intense as compared with European demand for American vehicles which is slack. Further lowering of our tariffs on foreign automobiles will bring these close to zero and increase the already significant U.S. demand for such imports. A proportionate lowering of European duties would still leave exports of U.S. vehicles handicapped by a substantial tariff obstacle, not to mention the discriminatory use taxes and horsepower taxes imposed on American vehicles in European markets.[4]

But there is no guarantee that even proportionate reciprocity will be forthcoming from the Common Market. It is certainly no secret that the lowering of duties amongst the Common Market countries and the simultaneous raising of external tariffs against outsiders is aimed at creating a mass

[2] Wilhelm Roepke is the internationally respected German-Swiss authority on European trade problems.

[3] Wilhelm Roepke, "Zahlungsbilanz und Nationalreichtum," in Gegen die Brandung (Erlenbach-Zurich: Eugen Rentsch Verlag, 1960), pp. 306–312.

[4] Facts to keep in mind in connection with the American automobile industry are that in 1951 American automobile firms produced 72 percent of the world's total output of passenger vehicles. In 1959, this share was only 48 percent. (Source: George Romney, quoted in Wall Street Journal, Dec. 19, 1960.)

market in which the economies of scale of mass production—heretofore a U.S. monopoly—will become possible. Moreover, this economic unification and consolidation is viewed only as a way station on the road to the more substantial goal of political unification. It is thoroughly unrealistic and unreasonable to suppose that the Common Market countries, out of their sheer love for the United States and a desire to help us retain our economic primacy, will veer away from their stated economic and political objectives. It is not to be expected, in short, that our friends abroad will be willing to pull American balance of payments chestnuts out of the fire. George Washington's wise words are worth recalling in this connection: "There can be no greater error than to expect or calculate upon real favors from nation to nation. It is an illusion, which experience must cure, which a just pride ought to discard." (Farewell address.)

The truth is that the Common Market has a good thing going and will indubitably strive to keep it going. This is an uncomfortable prospect in some ways, so uncomfortable that many of us will wish we had not been so precipitate in encouraging and supporting the closed economic bloc (as contrasted with the original more broadly conceived free trade area) which is now emerging. But it is a prospect which realism requires us to entertain. One of the strangest and most paradoxical omissions in H.R. 9900, in the judgment of our committee, is its almost total failure to make provision for genuine trade reciprocity. This omission is naive and it is dangerous.

IV

Even if these guarantees of full reciprocity in tariff reductions by other countries are obtained; even, to use an extreme case, if other countries were to reduce their tariffs to zero, are there other factors involved which would hold back U.S. export growth? The truth of the matter is that it is not primarily foreign tariffs which are keeping our goods out of foreign markets. Large categories of American goods are noncompetitive in the world's markets, even where they have no tariffs or other trade barriers to hurdle. In the production of these commodities, other countries simply have lower unit costs than we do, primarily due to their substantially lower wage costs. And in those commodity areas where superior American capital endowment and productivity still gives us an edge, in spite of our wage scales, the trends indicate that the U.S. advantage is diminishing, that is, European capital endowments in these areas are increasing substantially. The resulting cost reductions which will be realized will be intensified to the degree that increasing economies of scale are achieved, as will certainly be the case in the European Common Market.

The hope that foreign wage levels will rise and thus make U.S. goods more competitive is at once unrealistic and cynical. It is unrealistic because wages in Germany, for example, are already at inflationary levels, causing great concern to the authorities there, and because the amount of increase in German wages (which are now about 27 percent of average earnings in U.S. industry) needed to bring about equality would be enormous and completely unacceptable to the Germans. Thus, last year, German labor costs increased about 10 percent while U.S. labor costs increased only 5 percent. But a 10-percent increase of a 75-cent wage is only 7½ cents an hour while a 5-percent increase of a $3 wage is 15 cents an hour. This gap may be closed over a period of years; it certainly will not be closed in the near future. The hope placed in foreign wage rate increases is cynical because the assumption is that other countries should have inflation merely because we have not had the fortitude or the determination to put an end to it.

It is worth remembering that the unusual political stability of West Germany and her resulting very substantial contribution to the stability and strength of the whole free world is due in no small measure to the single-minded and largely successful German fight against inflation in all its forms. Does our rescue from the consequences of our own homemade inflation require that one of the most dependable of our allies permit the erosion of the monetary foundations of its economic and social order?

But it is above all domestic inflation in the United States, and its continued toleration, which will tend to cancel out any increased price advantages our goods may enjoy in foreign markets due to reduced foreign tariffs (assuming our tariff reductions are fully matched abroad). Where U.S. inflationary pressures are greater than those abroad, and this is especially true today in respect to the Common Market group of countries, U.S. producers will tend to concentrate their selling efforts in the domestic rather than in the foreign market. They will do so because, given the relatively high level of domestic costs and the associated relatively high level of domestic incomes, sales in the home market yield more profit than sales abroad. Pep talks to American businessmen to interest themselves in the "vast opportunities" abroad cannot substitute for the fundamental economic motivations for enterprise, whether at home or in foreign markets. But domestic inflation dampens these incentives. Exports fall off in this situation because the interest in foreign markets diminishes and other countries are increasingly able to undersell and outsell us in third markets. In addition, otherwise exportable resources are diverted to American home consumption because of the inflationary expansion of domestic demand. Conversely, imports tend to rise in a context of inflation, both because they may be more competitive costwise than comparable domestic products and because, apart from price-level differences, they serve to fill "the inflationary gap" (which occurs when the total monetary claims on a nation's resources exceed what is available to satisfy them).

Occasionally, it is asserted that inflation can hardly be the cause of our present international economic difficulties since the U.S. cost of living (the most commonly used barometer of inflation) has not moved up significantly faster than this same index in the countries now drawing off our gold, e.g., West Germany. The answer is that the movement of the cost-of-living index (or of other similar indexes) only very imperfectly and partially reveals the extent of domestic inflation. Indeed, it is perfectly possible for severe inflation to coexist with price stability. For inflation need not, though it often does, take the form of rising prices. Inflationary pressures emerge in the first instance where the economy's liquidity, i.e., the total monetary claims on its resources, is increasing disproportionately to the rate of increase of real, i.e., physical product.

For such overliquidity (or latent excess demand) two principal escape valves, apart from increased saving, are available: (1) A rise in prices, which offsets or absorbs the increased liquidity, and/or (2) an increase of imports over exports, which has the same effect. It is precisely our foreign deficits—the excess of imports over exports[5]—which, together with whatever price rises have occurred, reveal the full measure of our homemade inflation. Domestic price stability is no proof by itself of domestic economic virtue.

V

H.R. 9900 is concerned to increase exports, but it makes no attempt to come to grips with a major and continuing cause of the U.S. balance-of-payments deficit, viz, the outflow of private capital. It is necessary, however, that the causes of this large and rapid outflow of funds from the United States be analyzed and acted upon if the deficit is to be brought under control. The outflow of private capital is, like the relative diminishment of our export surplus, not unrelated to the domestic inflation of costs, prices, and incomes. Entrepreneurs everywhere seek to invest their capital in projects which will yield the highest return. But returns will tend to be higher—other things being equal—where costs, especially wages, are lower. While there is in principle no reason to be concerned at the outflow of private capital from a country so plentifully endowed with it as the United States, the close dependence of employment upon capital—the instruments of production—cannot be overlooked.

Capital outflow, where it occurs in sufficiently large amounts and rapidly enough to depress opportunities for employment of domestic labor, is something about which one has a right to be alarmed, particularly where the outflow is occurring because inflation makes it uneconomic to invest in the home country. It is ironic that the same persons who lament the "slack" in the domestic economy tend to favor precisely that course of action—the toleration of inflation for the sake of alleged growth—which is creating the slack by forcing domestic capital into foreign enterprise.

This is not intended to imply that we should raise artificial barriers to the export of American capital or in any other way interfere with freedom of investors to place their money wherever they choose. In this light, it is our contention that to impose a discriminatory tax on undistributed earnings from foreign investments would be a mistake. It would not stop the outflow as such for the bulk of this capital is not going abroad for tax advantages. It is going abroad because costs of production abroad are substantially lower than in the United States. If American firms withdrew from foreign production operations, the repatriated capital would not necessarily be used to expand American production of the commodities in question. Rather, foreign firms would move in to fill the vacuum left by the departed American concerns. The competition of American subsidiaries abroad, that is to say, is not with U.S. producers of the same commodities. It is with other foreign producers. A punitive tax on U.S. earnings abroad would place U.S.-owned firms at a tax disadvantage with their real competitors abroad.

What is important is that conditions within the domestic American economy which are giving rise to what may be an unhealthy large capital outflow should be corrected. It is hard to see how our international accounts can be brought into better balance until these issues and the need for internal reforms which they imply are faced and effectively dealt with; it is, however, even more difficult to see how drastic reductions in tariffs will enable us to deal with them.

VI

In sum, U.S. inflationary pressures coupled with a probable lack of full reciprocity by other countries in tariff reductions make it likely that the Nation will experience an increase not of exports but of imports. Two important consequences may be expected from such a net increase in imports: (1) The disemployment of domestic labor and other factors; (2) the aggravation of the U.S. balance-of-payments deficit.

[5] Exports are defined here as all transactions which give rise to U.S. claims against other countries; imports are defined as all transactions which give rise to foreign claims against the United States.

There can be no question but that with a significant portion of the labor force already unemployed and with the existing substantial amounts of unused industrial capacity, a further deliberate disemployment of domestic factors would be a reckless course of action. For this would slow down our already low rate of economic growth, demoralize the labor force, and reduce the output of the economy precisely at a time when the fullest possible mobilization of our potential is required. The adjustment assistance portion of H.R. 9900, which is intended to deal with expected dislocations, represents, in our judgment, a vast and ill-considered scheme to substitute bureaucratic government administration of business for the private enterprise system. If the adventures of the U.S. Government in agricultural adjustment and assistance are any criterion of what may be expected in this field, the prospect of having such a system applied even more extensively throughout the economy must arouse deep misgivings. Our committee strongly urges the most serious consideration of the ultimate implications—in terms of cost, efficiency, and of survival of the free enterprise system—of a nationwide dole system, such as the proposed legislation envisages.

Even if exports were to increase pari passu with imports, the problems created by the need to transfer resources disemployed by imports to the export industries could be severe. Indeed, not all resources now employed in producing for home consumption are so transferable. Certain tools, certain machines, certain factories, certain workers are suited to do one thing only. No amount of adjustment assistance will avoid the losses, possibly substantial, that would be suffered here. It is in any case clear that too sudden disemployment of domestic factors of production, such as would ensue from large and extensive tariff reductions accomplished in a short period, would cause a catastrophic disruption of existing patterns of consumption, production, and employment. It is on this account that our committee strongly urges that the staging requirements of the present bill be strengthened; reduction in duties should be limited in amount to a reasonable figure, say 5 percent a year. This would allow at least some time for a cushioning of the impact on the economy of the inevitable structural dislocations of reduced tariffs.

VII

What is of deepest concern to our committee is not alone the longrun structural consequences of the radical change in our tariffs proposed in H.R. 9900, but the short-run balance-of-payments effects of the anticipated increases in imports. It is these effects, as we are all aware, which demand attention as never before. Clearly, increases in imports at this time, where not accompanied by rises in exports (and such rises, as we have seen, are based on pure hypothesis) can only enlarge our already alarming payments deficit and aggravate the outflow of gold. In the first 2 months of this year alone, the United States experienced net gold losses of $152 million, bringing the total gold stock of the Nation to an alltime low of $16.7 billion. For its part, continental Europe increased its monetary gold reserves (excluding dollar assets) to $18 billion, thereby clearly displacing the United States as No. 1 in monetary strength. Moreover, European gold stocks are mostly free of short-term liabilities; the U.S. stock, however, is doubly mortgaged, both by the statutory 25 percent gold cover requirement (over $11 billion) and by foreign short-term claims in excess of $21 billion.

The crucial question is: How much larger can the cumulative deficit become and how much more gold can flow out before international confidence in the dollar, already on very shaky foundations, collapses, and the pressures leading to a devaluation of the dollar become irresistible? The latter occurrence, it seems fair to assume, would be both a national and an international catastrophe. If our reasoning is correct, the proposed legislation, far from helping to cure the ills of the dollar, may have shortrun consequences—an inrush of imports—which could precipitate a flight from the dollar and thereby wreck the monetary foundations of the free world. The alleged gains from the proposed tariff reform legislation are too small and too uncertain by far to justify the assumption of risks of such magnitude.

VIII

To sound the trumpets of tariff reform as is now being done, appears courageous on the surface. And it is very popular. Who wants to be called a protectionist? In fact, it is taking the line of least resistance, politically and economically. For such action, and the spirit of righteousness with which it can be undertaken, becomes a substitute for facing up to the real issues: the need to undertake internal reforms, to end domestic inflation, to put a stop to wage increases which make our commodities increasingly noncompetitive in world markets, and to establish strict priorities in Federal spending to the end that deficits of the Federal budget shall be avoided.

Since there is no formally stated intention to accompany tariff reforms with these vital internal reforms, we believe the passage of H.R. 9900 to be fraught with danger to the Nation.

We object especially to the sweeping powers granted to the President to reduce or eliminate at his sole discretion any or all remaining tariffs on U.S. imports, without review or supervision by Congress. The effect of this would be to substitute arbitrary Executive discretion for rule of law in what is a critical area of national life. The President is also authorized in the proposed legislation "to proclaim such increases in or imposition of, any duty or other import restriction" as he wishes. This means that the incumbent President or some future President could raise tariffs as well as lower them, or impose new tariffs, or subject imports to any kind of other restriction or control he deemed necessary. As someone has remarked, this section of H.R. 9900 is the granddaddy of all escape clauses.

By granting such drastic powers to the President, which he could use either for protectionism or free trade, the Congress in effect would be abandoning its sovereignty in matters upon which in the present conjuncture, a very large part of the national welfare is dependent. In the area of tariff reduction, the consequences of any given action are not easy to predict and to estimate; if mistakes are made, the damage to the Nation could be considerable and irreparable. Hence, we strongly urge that any legislation which is enacted provide for adequate review by Congress of the President's actions in this field. We urge, finally, that the grant of powers be in any case limited to 2 rather than 5 years. This will provide each new Congress a chance to examine the record and to determine if changes in the program are indicated.

OUR RECOMMENDATIONS

1. The Federal budget should be balanced (by economies in nondefense spending) with the purpose of ending debt-monetization and inflation; for inflation raises prices, stimulates imports, reduces exports and employment, and reduces our gold reserves.

2. Our tax structure should be thoroughly overhauled to provide adequate incentives for the modernization of American plant and equipment. The tax burden should be shifted as far as possible from the producers of income and wealth to the consumption and trade sector of the economy. In West Germany's economy, to take that one outstanding example of rapid and steady growth and full employment, more than three-quarters of total tax revenues are derived from consumption taxes and business turnover taxes, less than one-quarter from direct taxes on income and wealth.

In the United States, the tax burden is distributed in an exactly opposite ratio, with three-quarters of the tax revenue derived from direct taxes on income and wealth and one-quarter from consumption and use taxes. We have enjoyed a high-consumption economy as a result, but by the same token we have seriously dampened the incentives that make for growth and prosperity in a free society. We must gain a new appreciation of the truth, long since learned by heart by our European competitors, that it is more important to increase the size of the national cake than to quarrel about the more equal distribution of any smaller cake.

3. Foreign aid funds should be expended in the United States to the maximum extent practical; they will naturally tend to be spent in the United States if domestic inflation is stopped and our goods and services are made otherwise competitive with those elsewhere.

4. Annual productivity gains of U.S. industries should be used primarily to reduce prices, thereby stimulating consumption and employment, encouraging exports, and increasing the real wages and incomes of all our people.

5. The President should have the authority, with congressional review made mandatory, to negotiate elimination of all trade barriers (not merely tariffs) in amounts and at a rate which will not jeopardize our own economic development and the maintenance of an adequate Defense Establishment.

We believe that the overriding obligation of the President and the Congress and of all citizens is to do what is necessary to activate the full and unquestionably enormous economic potential of the United States. In doing this, we must abandon the techniques and the catchwords which were designed especially for the depression phase of our economic history and which have dominated policymaking in the United States in the postwar era.

We must adopt a radically new approach, such as was adopted originally in West Germany, and is now being applied in the other Common Market countries and in Japan, and the results of which are visible to all. It is a "grand illusion" to believe that by knocking down a few already low tariffs we are going to solve all the problems of the U.S. economy at home and abroad. The benefits of H.R. 9900 have been extravagantly overadvertised, in our opinion. Free trade is fine but it cannot save the world. Free trade did not save Europe from the cataclysm of World War I, nor did it insure the economic dominance of Great Britain, the first free trade nation. Other more powerful and elemental forces are at work in the world than the law of comparative advantage, valuable though this be. It is the anti-inflationary and anticollectivist free enterprise systems now rising around the world which are challenging our long dominance of the international economy. If these forces are to be met successfully, then they must be met on their own terms, viz., by adjustments of our internal economic and monetary policies, not by the mere manipulation of our tariffs.

Tariff reductions coupled with the internal reforms we have specified and within the context of the new approach we have mentioned could go far toward restoring to the United States the economic primacy in the free world which it rightfully deserves. Tariff reductions of the sort envisaged in H.R. 9900 which are applied without the needed internal reforms could spell disaster both internally and internationally.

APPENDIX

(List of those subscribing to "a declaration of principles," submitted to the House Committee on Ways and Means on April 9, by Prof. Patrick M. Boarman, Bucknell University)

The "declaration of principles" on foreign trade policy has been subscribed to by the following economists without qualification:

1. James Washington Bell, professor emeritus, Northwestern University, Evanston, Ill., presently secretary, American Economic Association.
2. Herman H. Beneke, professor emeritus, Miami University, Oxford, Ohio.
3. Prof. Patrick M. Boarman, Bucknell University, Lewisburg, Pa.
4. Prof. Frederick A. Bradford, Lehigh University, Bethlehem, Pa.
5. Prof. Lewis E. Davids, University of Missouri, Columbia, Mo.
6. Prof. L. E. Dobriansky, Georgetown University, Washington, D.C.
7. Prof. Roy L. Garis, University of Southern California, Los Angeles, Calif.
8. Prof. Harold Hughes, West Virginia Wesleyan College, Buckhannon, W. Va.
9. J. H. Kelleghan, economic consultant, Chicago, Ill.
10. Prof. Donald M. Kemmerer, University of Illinois, Urbana, Ill.
11. Prof. Russell M. Nolen, University of Illinois, Urbana, Ill.
12. Prof. Clyde W. Phelps, University of Southern California, Los Angeles, Calif.
13. O. Glenn Saxon, professor emeritus, Yale University, New Haven, Conn.
14. Prof. Arthur Sharron, C. W. Post College, Long Island University, Brookville, N.Y.
15. Charles S. Tippetts, professor emeritus, University of Pittsburgh (now residing in Oxford, Md.).
16. Prof. J. B. Trant, Louisiana State University (now vice president Guaranty Life Insurance Co.), Baton Rouge, La.
17. Edward J. Webster, professor emeritus, American International College, Springfield, Mass. (now residing in Sarasota, Fla.).
18. Prof. G. Carl Wiegand, Southern Illinois University, Carbondale, Ill.
19. Prof. Ivan Wright, University of New York City, New York, N.Y.
20. Hudson B. Hastings, professor emeritus, Yale University.

## QUAKER CITY AIRWAYS

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROUSSELOT] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. ROUSSELOT. Mr. Speaker, on March 13, 1962, I placed an affidavit of three pilots, namely, Albert B. Cross, Donald Crose, and John A. Tyson, in the CONGRESSIONAL RECORD—see pages 4021–4022. I stated that affiants were former pilots of Quaker City Airways, doing business as Admiral Airways. It has has been brought to my attention that affiants were employed as pilots by Admiral Air Service. As far as I can determine, Admiral Air Service is not connected with Quaker City Airways. Affiants state in their affidavits that they were employed by Admiral Airlines. To my knowledge, Admiral Airlines and Admiral Airways are not one and the same.

In all fairness, I wish to correct what appears to be an error on my part.

## EQUAL EDUCATIONAL OPPORTUNITY FOR ALL CHILDREN

The SPEAKER pro tempore (Mr. PRICE). Under previous order of the House, the gentleman from New York [Mr. SANTANGELO] is recognized for 60 minutes.

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. SANTANGELO. Mr. Speaker, a measure of a nation's worth is the care and attention it devotes to the education of its young people. We cannot expect great traditions to last if they are not passed on to succeeding generations. We cannot expect technological advances and gigantic scientific strides to form the basis for ever-greater accomplishments if we do not provide our young people with the intellectual tools for progress. And we certainly cannot expect the philosophical foundation of freedom to stand if we do not assure that our youth can interpret and respect these basic tenets.

Education is the basis of progress. It is the beginning of hope. It is the end of discrimination. It is the creator of ideas and the destroyer of superstition. It is the father of wisdom and the son of experience. Appreciation for it is age-old. Aristotle, the Greek philosopher, was asked how much educated men were superior to those uneducated: "As much," he said, "as the living are to the dead." And as much, I would add, as the free to the enslaved.

I have a reverence for education instilled in me by a father, who, while possessing no formal education, had wisdom and practical experience. He taught his 10 children, all of whom went through public schools and colleges, that without education, our opportunities and horizons are limited. He taught us that learning was the key to understanding, advancement, and success.

Mr. Speaker, I know I need not acquaint my colleagues in this House with the basic reverence for education that has characterized our country's development. But I wish to acquaint them with a grave crisis that threatens to stultify and eventually destroy a significantly important segment of our educational system: the private parochial school.

In the current vicious battle being waged against Federal aid to parochial schools, the question of constitutionality has arisen as the pivotal argument. There are those who say that any aid to parochial schools is unconstitutional, that it violates the principle of separation of church and state.

Mr. Speaker, I wish to state unequivocally that it is my sincere belief that not only is aid to parochial schools constitutional—but to deny such aid is contrary to the basic principles of our country.

If this country is truly sincere about its intention to solve the educational crisis that confronts us, then it is time to make a rational appraisal of this problem.

Opponents to aid to private schools use as the basis for their arguments article 1 of the Bill of Rights, which reads:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble and to petition the Government for a redress of grievances.

I submit, Mr. Speaker, that the use of this article to justify discrimination against parochial schools is distortion, complete disregard of history, and an unwarrantedly narrow interpretation of language. To oppose Federal aid to private schools because of a notion that such aid violates constitutional provisions ignores history, misreads court decisions, and disregards existing church-related Federal programs.

Our Constitution is an uncommon document, for it was written by uncommon people who came to this country under uncommon circumstances. If they were overly fearful of government, it was because they came to America to escape tyranny—to search for the right to live as they please—to worship as they please—to raise their family in dignity. If they feared a state church, it was because they came from countries dominated by one church, intolerant of the tenets of any other belief. They came to America because they were a proud people, zealous of the right to enjoy human dignity, the right to exercise individual responsibility and the right to choose.

They who had been denied equality were determined to assure equality. They who had been forbidden to worship as they chose were determined to assure this right in perpetuity. They who had been discriminated against were determined to end forever any and all base for discrimination.

The Constitution is clear in saying that the Government shall pass no law respecting an establishment of religion or the free exercise thereof. This constitutes a clear prohibition against a state church and a clear assurance of religious freedom. But is it in line with this time-honored and dearly bought principle to so discriminate against a religion as to destroy one of its principal beliefs: parochial education?

If Federal aid to education is limited to public schools only, the principle of equality will be violated and the principle of religious freedom will be trammeled.

I support vigorously a Federal aid to education program that provides assistance to private and church-related schools as well as to public schools.

To listen to the outraged cries of those opposed to aid to parochial schools, one would think this is an entirely new problem—one that had never been even thought of before, let alone been implemented. This is a deliberate propaganda device. There are at present better than 50 educational programs which provide assistance to public and private education and church-related institu-

tions. I call the attention of my colleagues and the American public to the following list of major programs which are receiving funds:

NATIONAL DEFENSE EDUCATION ACT PROGRAMS

Student loans: Since 1958, the Federal Government has been financing loans to needy college students. The Federal loan funds are available to nonprofit colleges operated by churches, as well as to other types of institutions.

Graduate fellowships: The Government finances 1,500 fellowships each year for advanced study by college graduates, who may attend denominational colleges if they choose.

Private-school loans: Federal loans are made to private elementary and high schools for purchase of equipment to strengthen their teaching of science, mathematics, and foreign languages. Church affiliation is no bar.

Research and training: Several programs provide Federal financing for various types of research and special training for teachers in both private and public colleges.

VETERANS' ADMINISTRATION

Schooling for war veterans: For veterans of World War II and the Korean war, the Federal Government has provided payments to finance their education. At first, tuition payments were made directly to the school attended—and denominational schools were included. The present program makes payments directly to the veteran, who pays his own tuition at the school of his choice.

Vocational rehabilitation: Training is purchased by the Government from educational institutions of all types for rehabilitating disabled war veterans.

War orphans: Children of war veterans who died of service-connected causes are given payments by the Government to obtain college or vocational education.

AGRICULTURE DEPARTMENT

School lunches: Federal funds for school lunches are made available to elementary and high schools without regard to their religious affiliation.

Milk: Funds of the Commodity Credit Corporation provide low-cost milk to schoolchildren.

HOUSING AND HOME FINANCE AGENCY

College housing: The Housing and Home Finance Agency makes loans to both private and public colleges and hospitals for construction of student housing.

PUBLIC HEALTH SERVICE

Hospital grants: The Government contributes to the cost of constructing hospitals.

Health training and research: Federal funds go into grants and fellowships for research and training in the field of public health.

VOCATIONAL REHABILITATION

Grants and fellowships: Federal funds help finance projects for research in vocational rehabilitation at educational institutions. Federal fellowships finance special study in this field. There is no bar on church-supported schools.

SOCIAL SECURITY ADMINISTRATION

Cooperative research: In financing cooperative projects for social security research, no discrimination is made against institutions with religious affiliation.

Crippled children: Grants are made for projects in the field of services for crippled children and maternal and child health, with no discrimination against sectarian institutions.

ATOMIC ENERGY COMMISSION

Nuclear studies: Federal funds are given educational institutions to acquire reactors and other nuclear equipment. For students of nuclear physics, there are fellowships. No sectarian bars are raised.

NATIONAL SCIENCE FOUNDATION

Science education: To foster education and research in science, there are grants, fellowships, and institutes, without regard to religious factors.

STATE DEPARTMENT

Student exchanges: Schools with religious affiliation are used for student-exchange programs with other countries, with the cost financed by the Federal Government.

DEFENSE DEPARTMENT

Training and research: The Department of Defense has a number of training and research programs which finance activities at a variety of institutions of higher learning.

SPACE ADMINISTRATION

Grants for research: Federal funds for space research have gone to schools with religious affiliation.

It would seem completely obvious then that there are certain forms of assistance which are completely within the bonds of constitutionality. Why, then, do we seem unable to devise a program of aid to meet the crisis within our educational system? If we are concerned about constitutionality, we have only to turn to the opinion of a distinguished constitutional lawyer, Arthur E. Sutherland, written in response to a letter from our distinguished Speaker, the gentleman from Massachusetts, JOHN W. MCCORMACK, and printed in U.S. News & World Report of April 3, 1961. This opinion indicates that there is no constitutional objection to Federal aid to private schools.

DEAR CONGRESSMAN MCCORMACK: This letter I write in answer to the request from your office for my views on the constitutionality of Federal legislation providing long-term loans of public funds alike to public and nonprofit private schools, for school purposes generally, even where the private schools aided are in many instances connected with or controlled by a church.

What I say in this letter is related solely to the issue of constitutionality. Quite different considerations arise in debate on legislative policy, or in marshaling reasons which might underlie the Presidential veto of any legislative measure.

A Senator or a Representative has many responsibilities in the preparation of legislation in addition to those of compliance with the Constitution. Much legislation that could be within the constitutional power of the Congress may still be unwise and undesirable.

For the purposes of this letter, then, I assume, for example, a measure providing loans on terms similar to those provided by title 4 of the Housing Act of 1950, 12 U.S.C. section 1749 and following.

Suppose that the Congress should be convinced that better elementary and secondary education was necessary to the general welfare of the United States, to its capacity to produce necessary scientists and technicians to aid in our national defense, and to produce the necessary educated men and women to conduct our complex Government and private economic system.

The Congress might consider that our children and youths must look to the elementary and secondary schools in this country for a firm grounding in such basic building blocks of education as an accurate and understanding use of the English tongue; elementary mathematics; the history of the United States and its neighbor nations; some knowledge of the geographical fundamentals of the United States and of the rest of the world, and of our own resources and those for which we depend on other nations; a reasonable familiarity with the structure of our National and State governments, with our constitutional ideals and practices; some knowledge of the basic principles of the sciences on which we depend more and more for existence; and some acquaintance with some of the languages used by our friends of other countries. The Congress might also be impressed by the useful technical skills taught in many of our school systems.

Suppose, further, that the Congress should decide to promote the national welfare in aid of these educational objectives by making loans for, say, 50 years, at not more than 2¾ percent interest to such of our public and private nonprofit schools alike as attain reasonable standards. Would these loans violate the Constitution of the United States if a large number of the private schools to be aided should be church schools, including in their curriculums, not only such standard in their curriculums not only such standard instruction in the doctrines of a religious faith?

The principal constitutional clauses which bear on this question are article I, section 8, clause 1, which provides that—

"The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States," and clause 18 of the same section:

"To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

This general grant of power is to some extent limited by various other clauses. The one here relevant is in the first part of the first amendment:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

This portion of the first amendment contains two quite different provisions. The last six words eliminate from possible congressional power any law "prohibiting the free exercise" of any religion. Such a restriction is not relevant to this letter. I hear of no proposal for compulsory participation in religious exercises, nor for compulsory abstention from, or penalty for, religious exercises. Such a measure would raise considerations quite different from those discussed in this letter.

The only question you put to me, as I understand it, is whether the Congress is devoid of constitutional power to make such long-term loans as I have described because they would be provided in a statute which should be considered a "law respecting an establishment of religion."

A DIFFICULT INQUIRY

Relevant to this study are several possible sources of information. One of these concerns the frame of mind of the Senators and Congressmen who proposed the first amendment, and that of the State legislators who ratified it. This is a difficult inquiry; the men involved were very numerous; the records of their motivation are not complete; different men may well have been prompted by different ideas; and one who engages in this research may begin to doubt whether the Congress in 1961 should have its powers delimited by an uncertain guess at the frame of mind of men who lived 170 years ago.

Another source of guidance as to the meaning of the establishment clause is study of the decisions handed down by the Supreme Court of the United States. Under our system that Court has the last word in constitutional construction, but judgments on "establishment" are hard to find.

Justices of the Supreme Court, in the course of opinions, have on various occasions expressed ideas having a general connection with "establishment"; but American lawyers traditionally draw a rather sharp distinction between those things which a court actually decides, and those expressions made by the way, obiter dicta [incidental opinion], off the immediate issue, not directly involved in the adjudication.

Thus the Everson case, which arose under the 14th amendment, presented an issue described by Mr. Justice Black in the Court's opinion as follows—the case involves schoolbus fares:

"The only contention here is that the State statute and the resolution, insofar as they authorized reimbursement to parents of children attending parochial schools, violate the Federal Constitution in these two respects, which to some extent overlap:

"First. They authorize the State to take by taxation the private property of some and bestow it upon others, to be used for their own private purposes. This, it is alleged, violates the due-process clause of the 14th amendment.

"Second. The statute and the resolution forced inhabitants to pay taxes to help support and maintain schools which are dedicated to, and which regularly teach, the Catholic faith. This is alleged to be a use of State power to support church schools contrary to the prohibition of the 1st amendment which the 14th amendment made applicable to the States."

The majority of the Court found no constitutional obstacle preventing this reimbursement for bus transportation. But, in his opinion, Mr. Justice Black also wrote:

"The establishment-of-religion clause of the first amendment means at least this: Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, or prefer one religion over another. Neither can force nor influence a person to go to or to remain away from church against his will or force him to profess a belief or disbelief in any religion. No person can be punished for entertaining or professing religious beliefs or disbeliefs, for church attendance or nonattendance. No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion. Neither a State nor the Federal Government can, openly or secretly, participate in the affairs of any religious organizations or groups and vice versa. In the words of Jefferson, the clause against establishment of religion by law was intended to erect a wall of separation between church and state."

While all lawyers properly pay respect to such dicta, still, statements of this sort, not directly relevant to the decision of the Court, do not carry the weight, as precedent, of an actual adjudication.

FEW COURT RULINGS "DIRECTLY RELEVANT"

A third source of guidance can be found in the decisions of the Congress and the President of the United States appearing in the enactment and approval of legislation. Members of the Congress and the President are, of course, bound by oath to support the Constitution, and they conscientiously carry this out. Hence their judgment, expressed in the enactment or approval of legislation, properly has weight as precedent, particularly where, as in the field we are discussing, there is very little judicial decisional matter directly relevant.

I shall in this letter briefly discuss these three sources of constitutional material: the opinions of the sponsors of the first amendment; judicial opinions; and legislative enactment and Presidential approval as an indication of constitutionality.

The subjective intentions of the congressional draftsmen of the first amendment and of the State legislators who ratified it are not clear. In 1789, when the Congress proposed the Bill of Rights, favored religions were supported by taxation and other measures in a number of States. Massachusetts continued such tax support until 1833.

The members of Congress who proposed the first amendment had before them as an example of establishment the "established church" in England; they knew or could have known of controversies over tax support for churches in various States.

Part of the motivation for the first 10 amendments, which took effect in 1791, was a desire to protect "States rights," as appears from the terms of the 10th amendment.

Some who favored the first amendment may have thus desired to protect their existing State support for a favored church from Federal interference by a "law respecting an establishment of religion." Others may have felt an opposition to any and all governmental intervention in religion. But the earliest Congresses provided for chaplains in the U.S. Army; the earliest legislators must have recognized that no completely tight wall was possible between church and state.

The words of the first amendment are not explicit on federally supported schools. It would be difficult, and probably not useful, to guess at whether the people who 170 years ago proposed and ratified the establishment clause would have thought it forbade the suppositious school loan bill I have described.

Adjudications of the Supreme Court on Federal legislation challenged under the establishment clause are hard to find. I here do not refer to such obiter dicta as I mention earlier in this letter, but to adjudications on the merits. Perhaps the small number of such adjudications can in part be explained by the doctrine in the Federal courts that a Federal taxpayer, not otherwise affected by an act of Congress, has no standing in court to argue that the statute is unconstitutional.

There are a few cases which approach the problem of this letter, though none is precisely in point.

There are a few cases discussing the constitutionality of "establishment" by a State, after the enactment of the 14th amendment in 1868. I have already mentioned the Everson case, which upheld New Jersey payments for bus transportation of parochial pupils equally with others. In Mr. Justice Black's opinion in that case sustaining the constitutionality of the payment, the Court stressed its concern for the safety of schoolchildren on the highways.

The case could be thought of as upholding the New Jersey statute authorizing the payments, on the ground that the State legislature primarily considered the benefits to the children, not the benefit to the parochial school which was only incidental to the other primary objective.

Another case involved provision by the State of Louisiana of lay textbooks for children in parochial as well as public schools. This was *Cochran* v. *Louisiana Board of Education*. Citizens and taxpayers in Louisiana brought suit in the State courts in an effort to enjoin Louisiana officials from paying out State moneys for this purpose. The plaintiffs argued that this violated the 14th amendment in that private property was taken by the State and used for private purposes, that it was so taken "to aid private, religious, sectarian, and other schools not embraced in the public educational system of the State by furnishing textbooks free to the children attending such private schools." The Supreme Court upheld the State statute providing for the textbooks.

Pointing out that, among the books, none was adapted to religious instruction, the Court held that the taxing power of the State was exerted for a public purpose. "The legislation does not segregate private schools or their pupils as its beneficiaries or attempt to interfere with any matters of exclusively private concern. Its interest is education broadly; its method, comprehensive. Individual interests are aided only as the common interest is safeguarded."

WHEN RELIGION WAS TAUGHT IN ILLINOIS

Some mention should here be made of the opinions in *Illinois ex rel. McCollum* v. *Board of Education*. Here a parent of a child in the Champaign, Ill., public schools, the parent being also an Illinois taxpayer, succeeded in enjoining a program under which teachers of religion not paid by public funds of any Illinois municipality came into the public schools each week, for 30 or 45 minutes depending on the grade, to give religious instruction on the school premises to children of their respective faiths. Children not desiring to participate were allowed during that period to go to other places in the school building to pursue secular studies.

Mr. Justice Jackson, writing a special concurring opinion in the McCollum case, pointed out that here, unlike the Everson case, there was no showing of any resulting measurable burden upon the complaining taxpayer. He points out that perhaps the religious classes might be said to add some wear and tear on the public buildings and they should be charged with some expense for heat and light, but he adds that the cost was neither substantial nor measurable and "no one seriously can say that the complainant's tax bill has been proved to be increased because of this plan."

To sustain the jurisdiction of the Court in the McCollom case, recourse might be had to the personal embarrassment imposed upon the child for whom the parent spoke. The boy was obliged to dissent from his classmates, to claim exemption from religious instruction, in their presence, to embarrass himself by being different.

The McCollom case therefore can be thought of as presenting a case of individual hardship imposed on a schoolchild, on religious grounds, which is quite a different thing from a religious objection put forward when no one is individually harmed.

One ends with the conclusion that the Supreme Court of the United States has never held that a loan, such as that in the statute which I outline above, would be in excess of congressional powers because of the first amendment. Insofar as actual adjudication on State statutes is concerned, the Everson and Cochran cases indicate the contrary. It may be significant that in those cases the aim of the legislation was not religious indoctrination but the safety and the lay educational advancement of the schoolchild, the aim which I assume the Congress would have if it were to provide for such loans.

Congressional and executive action furnishes more precedents concerning Federal aid which includes religious schools than can be found in judicial determinations.

A number of Federal statutes make grants of Federal funds in aid of some educational end, and include among the proposed recipients of distribution nonprofit private institutions which may be under sectarian control. Instances are more numerous above the high school level than at or below it.

Grade-school children get the benefit of funds distributed under the National School Lunch Act. Under this legislation, if the State is barred by its laws from distributing funds to nonprofit private schools of any category, the United States may distribute funds directly to such nonprofit private schools.

The National Defense Education Act of 1958 provides for loans of Federal funds to elementary and secondary schools, including private schools of a nonprofit character, for the purpose of equipping these schools with scientific and modern-language instructional equipment. Congressional committee reports on this legislation show the purpose of the Congress to increase the excellence of education in subjects thought necessary in our defense and foreign relations efforts.

Title IV of the Housing Act of 1950 provides for loans of Federal money for a period up to 50 years, at a rate of interest of 2¾ percent or less, to provide "housing and other educational facilities for students and facilities" at any public or nonprofit private educational institutions, if it offers at least a 2-year program leading toward a baccalaureate degree. These loans, thus, by the terms of the statute, go to institutions above the high school level, but the distinction in principle between a junior college and a senior high school is not entirely clear.

The United States is authorized by legislation to make grants for reactors to "institutions or persons." The United States provides scholarship funds to various classes of deserving students; these funds in due time come to the institutions which the students attend. The GI bill of rights is a familiar example. Also familiar, so much so that it goes almost unnoticed, is the Federal provision of Reserve officer training programs leading to Army, to Air Force, and to Navy commissions. Many of these programs are in effect at colleges and universities under the control of religious orders.

WHAT AID PROGRAMS HAVE IN COMMON

Certain common characteristics are observable in all this legislation.

In the first place, it does not make grants or loans to churches, religious missions, etc. The benefits go either to students or to institutions training students; the benefits go to public and private institutions alike; they go to private institutions regardless of their religious or nonreligious affiliation. The religious affiliation of a school or college receiving a loan, or of a school or college to which students resort under scholarships, is therefore incidental and is not singled out by the Federal legislation.

In the second place, there is in each of these pieces of legislation an observable end other than the cultivation of religion. Federal funds go to strengthen the Armed Forces, to build up our national scientific or linguistic capabilities, or, as in the grants under the Housing Act of 1950, to build up our educational system generally.

The comment might be made that in none of these instances is there a Federal loan or grant of money to an institution to be spent however the institution sees fit, or to be spent as the institution sees fit except for religious instruction. This fact is notable; but perhaps the distinction between existing Federal provisions and an across-the-board benefit is more apparent than practical.

Suppose, for example, a junior college with limited funds, needing essential faculty housing and student dormitories. A 50-year Federal loan for such prescribed building under the Housing Act of 1950 would release the college's funds for other purposes. Some of the college's general funds which otherwise would necessarily be used for student housing might then be available for religious instruction. An elementary or secondary school needing science and language equipment, but with a limited budget, has funds released for general educational purposes when the United States provides funds for scientific and linguistic purposes.

It seems to me that a congressional loan such as that outlined earlier in this letter, to raise the standard of instruction in basic lay educational subjects, might well in its terms exclude the direct expenditure of its funds for religious or sectarian purposes. But the indirect effect on a sectarian school would, however, be to release for general purposes some funds perhaps otherwise used for lay instruction. This possibility has not in the past inhibited the Congresses which passed such legislation as I have mentioned, or the Presidents who approved it. No governing distinction is apparent to me between these legislative precedents and the hypothetical measure which I described at the beginning of this letter.

During the mid-1930's, many writers sharply criticized the American doctrine of judicial review of the constitutionality of social and economic legislation enacted by the Congress. None of that criticism was directed against unconstitutionality on "establishment" grounds. Indeed, I know of no case in which the Supreme Court ever has held any act of Congress invalid as a "law respecting an establishment of religion."

IT WOULD BE UPHELD

As the school-aid legislation I here discuss would not impair any person's free exercise of religion, it would have to be judged as a question of ultra vires [exceeding legal authority]. The absence of any ultra vires holding on Federal legislation by the Supreme Court since 1936 increases my feeling that, if in some way such a school-aid statute could be brought before that Court, it would be upheld.

The subject is long and complex. The effect of the relevant constitutional provisions is not clear and evident; it must be guessed at, as a matter of emphasis and degree. But, assuming that the existing Federal aid to education is constitutional—which seems to me a reasonable assumption—the distinction between these existing programs and the proposal which I discuss is not sufficiently evident to persuade me that a measure providing for long-term loans of the character which I have described, to aid education in basic lay subjects, would conflict with the provisions of the first amendment.

Respectfully yours,

ARTHUR E. SUTHERLAND.

The National Catholic Welfare Conference has completely dissected the legal aspects of this problem and in an extensive brief released in December of last year, proved that aid to Catholic education was not only constitutional but logical.

At this point, Mr. Speaker, may I submit to this House a synopsis of that brief.

SYNOPSIS OF NATIONAL CATHOLIC WELFARE CONFERENCE LEGAL DEPARTMENT STUDY—"THE CONSTITUTIONALITY OF THE INCLUSION OF CHURCH-RELATED SCHOOLS IN FEDERAL AID TO EDUCATION"

A careful examination of relevant decisions by the Supreme Court of the United States reveals that there is no constitutional bar to the inclusion of church-related schools in general programs of Federal aid to education. On the other hand, the exclusion of church-related and other private nonprofit schools from the secular educational benefits of any comprehensive programs of Federal aid would point the way to government monopoly of education and to a resultant uniformitarian society.

The precise question to which this study is addressed is: May the Federal Government, as part of a comprehensive program to promote educational excellence in the Nation, provide secular educational benefits to the public in private nonprofit schools, church-related as well as nondenominational? Three related questions are not treated: The basic constitutionality of Federal aid to education; the constitutionality of Federal aid to education exclusively in public schools; and the constitutionality of Federal aid to religious instruction.

While no conclusion is expressed respecting the desirability, in principle, of large-scale Federal aid to education, it is clear that it would be both needful from the viewpoint of national policy and lawful from the viewpoint of constitutionality to assist the secular aspects of education in church-related schools if such large-scale Federal aid should be undertaken.

The specific conclusions to which this study comes are as follows:

1. Education in church-related schools is a public function which, by its nature, is deserving of governmental support.

2. There exists no constitutional bar to aid to education in church-related schools in a degree proportionate to the value of the public function it performs. Such aid to the secular function may take the form of matching grants or long-term loans to institutions, or of scholarships, tuition payments, or tax benefits.

3. The parent and child have a constitutional right to choose a church-related educational institution meeting reasonable State requirements as the institution in which the child's education shall be acquired.

4. Government in the United States is without power to impose upon the people a single educational system in which all must participate.

Considerations respecting policy: As President Kennedy has indicated, it is in the national interest that every American child have the opportunity for an education of excellence. But it is also in the national interest that our Judaeo-Christian moral heritage be preserved, along with the freedom to acquire education in diverse, non-State institutions. Herein lies the unique public value of our church-related schools. While our great public school system—built by men of all faiths—should receive the particular interest (as it does the financial support) of those who are dedicated to church-related schools, it is also true that the immense public contribution of the latter schools should be better known.

These schools were the original source of American popular education. Far from deviating from the American educational tradition (which was one of hospitality to religious values) they stand at the very core of that tradition. Today, Catholic schools (the largest of the groups of our church-related schools) are providing education (recognized by the States as meeting essential citizens needs) to 4½ million elementary school children and 1 million high school children—or around 13 percent of the total school population of the Nation. In 19 States whose school population represents half that of the Nation, Catholic schools are providing education to 18.6 percent of all children in elementary and secondary schools. For the year 1960 alone, the Catholic educational system saved American taxpayers $1,800 million.

However, one of the principal public benefits attributable to the Catholic schools is not economic but social. Typically, the Catholic schools are a meeting place for children of different economic and ethnic backgrounds and have usually not been located according to de facto zoning which divides neighborhoods racially. They have

historically proved an invaluable training ground to prepare citizens for full participation in a pluralist society. Their graduates are found everywhere in American life, contributing commonly with all other citizens, to the welfare of the American society.

If, as seems true in the current educational crisis, all of the country's means of education should be utilized to their fullest extent, then (unless constitutional considerations dictate to the contrary) sound policy requires that if the Federal Government offers large-scale aid to education, this should include education in private, nonprofit schools, church related as well as nondenominational.

Considerations respecting constitutionality: Constitutional considerations fully support these policy requirements. The provisions of the Federal Constitution chiefly involved in discussions of Federal aid to education in church-related schools are the religion clauses of the first amendment and the due process clause of the fifth amendment. Historically, it is clear that the Founding Fathers did not and would never have written into their Constitution any clauses which would be aimed at sterilizing all public life and institutions of religious content. Opponents of aid to church-related education, however, rely principally on the language of the first amendment that "Congress shall make no law respecting an establishment of religion." When this clause was drafted it was understood to mean that Congress could not create a national church or give any religion a preferred status. This "no establishment" clause was aimed at preventing governmental transgressions upon religious liberty and not at preventing all relationships—even certain cooperative relationships—between church and state. Certainly it was never understood to mean that religious institutions which perform public services are disqualified to receive compensation for them through the governmental organs of the society which has benefited by the services. Neither was it understood to mean that government may proffer its assistance to the health and education of our citizens only through secularized governmental institutions. No decisions of the U.S. Supreme Court contradict these last-stated points; in fact, the Supreme Court decisions which are closely relevant support them.

There are three decisions of the Supreme Court which relate to the constitutionality of aid providing by government for the accomplishment of public welfare objects through church-related institutions. Not only do none of these decisions hold such aid providing unconstitutional, they all flatly affirm its constitutionality. These decisions are *Bradfield* v. *Roberts*, 175 U.S. 291 (1899), *Cochran* v. *Board of Education*, 281 U.S. 370 (1930), and *Everson* v. *Board of Education*, 330 U.S. 1 (1947). The Bradfield case held that the appropriation by Congress of money to a Catholic hospital, as compensation for the treatment and cure of poor patients under a contract, did not constitute an appropriation to a religious society in violation of the no establishment clause. The Court expressly disavowed the view of those who brought the suit, that religious institutions performing public functions cannot, on account of the no establishment clause, be aided by government.

The Cochran case established that the use of State funds to provide secular textbooks for all school students, including those in church-related schools, is constitutionally justifiable as an expenditure for a public purpose.

The Everson case held constitutional a New Jersey statute which provided that reimbursement to parents might constitutionally be made out of public funds for transportation of their children to Catholic parochial schools on buses regularly used in the public transportation system. The underlying principle of the case is: that Government aid may be rendered to a citizen in furtherance of his obtaining basic citizen education, whether he obtains it in a public or a private nonprofit school. It should be noted that the Supreme Court stated in Everson that "no tax in any amount, large or small, can be levied to support any religious activities or institutions." Some commentators have said that this statement was mere dictum in the case, while some others have said that it meant that Government may not constitutionally support public welfare objects accomplished in church-related institutions. Both are plainly incorrect. The statement was part of the basic reasoning in the majority opinion. And it must be read in the light of what the Court actually decided in the case, namely, that it is constitutional to pay for school bus service to citizens at public expense, in order to enable them to acquire the secular benefits of education, regardless of whether they attend public or private (including church-related) schools.

Two further Supreme Court decisions, widely cited in controversy over Federal aid to education in church-related schools, are *McCollum* v. *Board of Education*, 330 U.S. 203 (1948), and *Zorach* v. *Clauson*, 343 U.S. 306 (1952). Each dealt with the constitutionality of "released time" programs in the public schools and so is not in point with respect to the present discussion of aid providing by government, save insofar as each contains comment upon the general meaning of the "religion" clauses of the first amendment. The McCollum case involved a released time program conducted on the public school premises and carefully integrated into the public school program; this was held unconstitutional. The Zorach case involved an unintegrated program conducted off the public school premises, and this was held to be constitutional. Since the majority opinion in the McCollum case spoke three times of the first amendment's creating a "wall of separation between church and state," some commentators believed that the Supreme Court had stated a doctrine of absolute separation of church and state and that the way had now been prepared for the liquidation of fruitful relationships between government and religion which had been the American experience of 160 years. The decision of the Court 4 years later in Zorach proved these commentators wrong.

In Zorach the Supreme Court made it clear that the concept, derived from the first amendment, of separation of church and state was not to be taken in any absolute sense. The Court stated that "we are a religious people," and that religion and government may in various ways cooperate.

Neither the McCollum nor the Zorach case constitutes in any sense precedent against the kinds of possible aid to education in church-related schools here under discussion.

A third group of Supreme Court decisions relevant to this discussion is *Meyer* v. *Nebraska*, 262 U.S. 390 (1923) and *Pierce* v. *Society of Sisters*, 268 U.S. 510 (1925). These involved the all-important rights of free choice in selecting education institutions. The Meyer case involved the violation, by a teacher in a Lutheran parochial school, of a State statute making it a crime to teach in any elementary school any language other than English. The U.S. Supreme Court reversed the conviction, stressing that there are three groups of rights which the Constitution protects against unreasonable intrusion by the state: those of the child, the parent, and the teacher. The Court struck forcefully at the view that all educational rights belong to the state, and it said that the desire of the legislature to "foster a homogeneous people" could not be fulfilled at the expense of liberties guaranteed by the Constitution.

The landmark case of *Pierce* v. *Society of Sisters* involved an expanded recognition of parental and child rights in education. Here an Oregon statute (which had been promoted by the Ku Klux Klan and some allied groups) required that parents send their children only to public schools. The plan of the statute was to "Americanize" all children in what was described as the "public school melting pot." Protestants, Jews, and Catholics rose in opposition to the scheme. The Supreme Court of the United States ruled the statute unconstitutional as denying parental and child rights freely to choose education in nonpublic (including church-related) schools. The Court said that the legislature could not give the state a monopoly over education. Most significantly it said:

"The fundamental theory of liberty upon which all governments in the Union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public school teachers only. The child is not the mere creature of the state."

The Meyer and Pierce cases thus strongly underscore the protection with which the American Constitution jealously surrounds individual rights in education. Each stresses child-parental rights and by clear implication attacks the concept of the statist culture which would result from the permitting of government monopoly of education.

Legislation as constitutional precedent: In addition to the historical tradition and Supreme Court decisions, legislative precedent should be consulted as a guide to the constitutionality of a program of Federal aid to education in church-related schools. The judiciary is not the sole branch of Government charged with the duty of judging the constitutionality of legislation. The legislature must itself carefully make such judgments. No stronger answer is to be found to the argument that no aid may be afforded education in church-related schools than the fact that the Congress has in numerous ways over the years deliberately provided such aid. A list of 41 such programs—all, by the way, consisting of grants to church-related institutions—was issued on March 28, 1961, by the Department of Health, Education, and Welfare. One of these programs, the Surplus Property Act of 1944, has resulted in 488 grants of land and buildings to religious-affiliated schools belonging to 35 different denominations.

Having thus considered present questions of policy and, in addition, the governing constitutional law, some consideration should be given to probable future consequences of programs of massive Federal aid to public education which would exclude church-related education. The predictable result would be a critical weakening of the latter, presaging the ultimate closing of many church-related schools. Since, de facto, most parents would no longer enjoy the freedom to send their children to church-related schools, therefore practically speaking the freedom of parent and child protected by the Pierce decision would have been rendered meaningless.

Moreover, a practical governmental monopoly of education would result. This would not only dangerously transform our free, pluralistic society but would also pose the most serious problems respecting freedom of belief. Freedom of belief would be endangered by the fact that virtually all children would be compelled to attend State-run schools. Values are inculcated in all schools, not only in those in whose curricula specific ethical or social concepts are advocated, but also in schools whose curricula distinctly omit such concepts. For the person whose conscience dictated the choice of a church-related school, here as a matter of practicality would be the result discountenanced in McCollum: coercion to

participate in schooling, the orientation of which is counter to belief.

The present argument over aid to education has unhappily become overclouded by opinions which have tended to engender the belief that the problems here involved are to be solved by simple, absolutist interpretations of the Constitution and by generalizations based thereupon. Ours, however, is a Constitution of rationality, not one of absolutes which paralyze social action. The problems here involved are predominantly practical: no constitutional bar exists to the aid herein described to education in church-related schools. Constitutionally proper forms may be found in which such aid may be given. Practicalities, not slogans, should govern the determinations to be made—determinations which give clear recognition to the rights of parents, the rights of children, the enlargement of freedom, and the preservation of the Nation.

Mr. Speaker, I believe we can establish without doubt that the current fight over aid to private schools is not based on substantial grounds. There can be aid to both public and private schools. I call your attention to my bill, H.R. 9887, which I introduced on January 24, and sets out what I feel to be an equitable solution to this problem. My bill would authorize a 2-year program of financial assistance for all elementary and secondary school children in all of the States. It would provide $828 million for fiscal year beginning July 1, 1962, and $936 million for fiscal year beginning July 1, 1963. The bill provides for equal educational opportunities for every American child regardless of race, color, or religious belief. It preserves the parent's freedom of choice in education and recognizes that our system is a pluralistic system.

My bill authorizes an annual grant for financial assistance for each child attending school, whether public or private. For children attending public schools, grants would be issued to the local school agency of the political subdivision in which the school is located. In the case of a private-school child, the grant would go to the parent or legal guardian and would be honored for payment only when endorsed by the payee of the school of the pupil's attendance, and then endorsed by an authorized official of that same institution. The title of my bill is cited as the School Children's Assistance Act of 1962.

Perhaps the worst facet of this battle of words and emotions over aid to private schools is the harm it is doing to our children.

With every day that passes without a constructive solution, we chip away another section of the foundations of education.

With every day we permit schools to be on half sessions, classrooms to be crowded, buildings to deteriorate, we endanger that much more the preservation of our way of life.

With every slogan, such as "separation of church and state," that is used to further delay educational progress, we lose another skirmish in the cold war.

It is time to separate these slogans and myths from the facts. It is time to remember that we neither want a state church—or a state form of education. It is time to remember that we glorify our pluralism. We do not want homogeneity. We do not want to penalize the individuality or freedom of choice.

It is time to remember that all children must be properly educated. We cannot refuse to arm them for the increasing complexities of this world—just because they happen to go to a church-related school.

Mr. Speaker, we are engaged in a world battle that will be won by education. The victor will be the ideology that can perpetuate itself—and communicate its messages to the world. To do this, we must step up our drive to assure educational excellence. We must stop this bickering over an issue that has no basis. We must have an effective program to aid education that does not discriminate against private and church-related schools. My bill shows a way. Let us take the road to equality of education and opportunity for all children in our beloved country.

## GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members have permission to extend their remarks during general debate today on the bill H.R. 11289.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

## CENTENNIAL ANNIVERSARY OF THE JOHN HANCOCK MUTUAL LIFE INSURANCE CO.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. O'NEILL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. O'NEILL. Mr. Speaker, at a time when American democracy and our system of free enterprise are being severely tested in a rapidly changing world, it is reassuring to take inventory of those long-established institutions which have survived previous challenges and lent the country much of its strength.

I think it is appropriate to invite the attention of my distinguished colleagues to the fact that this month one of these great companies—whose headquarters are situated in my native Commonwealth of Massachusetts—has reached its hundredth year of business life.

Like most firms, the John Hancock's beginning was modest. Founded by a group of Boston merchants and bankers on an investment of $104,000, its first office was a single room housing a handful of employees. At the close of its initial business year, policyholders numbered 287, and its uncommitted cash reserve stood at $913.

Today, operating from a home office building a city block square and agencies in all 50 States, the company serves some 12 million policy owners and invests their funds in every corner of the Nation at an average rate of more than $2 million a day.

Between these century marks lies the history of the United States itself. As it grew and prospered, suffered setbacks, met its crises, fought its wars, and developed its resources, so also did the John Hancock and other companies of the same era.

In 1862, when the Hancock was established, life insurance benefits were out of reach for the majority of workers whose income of $300 to $500 a year limited them to the bare daily necessities. For thousands of uninsured families the future was a bleak prospect involving broken homes, orphaned children, public charity or, at best, already overburdened kin.

As industry rose and the living standard advanced, insurance companies were able to help the individual provide a measure of security for his family by making coverage available to the blue collar worker on a weekly, pay-as-you-earn basis. Need for such a plan was evidenced by experience of the John Hancock, which became the first mutual firm to inaugurate a program. More than 36,000 subscribers applied for industrial life insurance in the 2 years following its introduction in 1879.

With the opening up of the West, in which the company was a pioneer investor, the boom was on. Manufacturing and production leapt ahead in response to expanding markets, and, together with the rest of the insurance industry, John Hancock was a catalyst for growth.

Since that time billions of dollars have been funneled into our vast enterprise—railroads, farms, factories, highways, commercial and residential construction, research projects—in fact, almost any area in which development capital has been needed. Between 1948 and 1960, life insurance companies supplied more than half the new money required for expansion by the country's business and industrial concerns.

Equally important, the life insurance industry has encouraged the widespread thrift essential to fiscal stability, helping the economy to meet the stress of depression and disaster. Meanwhile, the basic function of life insurance protection has broadened to include accident and health benefits, group, annuity and retirement programs, and medical care for the aged.

On April 23, some 25,000 John Hancock people will gather at 94 dinners across the Nation to celebrate their company's entrance into its second century. Perhaps the most fitting expression of their understandable pride is implicit in a statement of basic philosophy by the company's president, Byron K. Elliott:

The individual's self-reliance and responsibility for freedom from economic dependence—his own and others; this is what the John Hancock was born to foster, this is what it exists to serve.

To this corporate good neighbor and very fine citizen, I believe that best wishes are in order for another century.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MARTIN] may

extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I should like to join my colleagues in felicitations to the John Hancock Mutual Life Insurance Co. on the completion of its first hundred years of service to the Nation.

In the finest tradition of the Revolutionary patriot whose signature has become a symbol of our country's independence, the John Hancock, together with many other fine companies, has helped translate this ideal into an instrument for the freedom from financial dependence for millions of American families. In this connection I understand that, in 1961 alone, the company paid out more than one-half billion dollars in benefits to its policy owners.

As a trustee of public savings, a steward of individual security, and an investor in the development of our economic resources, I submit that the John Hancock's contribution to the advancement of both the Commonwealth of Massachusetts and the Nation at large has been of incalculable significance.

Personally, I have had a small policy in the John Hancock Co. for over 70 years and I know what a sound, solid institution it is.

Under the able leadership of its aggressive president, Byron Elliott, I am sure it will forge ahead to new triumphs of achievement in the years ahead.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BOLAND. Mr. Speaker, I am pleased to join with my colleagues from Massachusetts in tipping our legislative hats to the John Hancock Mutual Life Insurance of Boston, Massachusetts on the occasion of its 100th anniversary.

This centennial observance underscores a remarkable advance by a truly great American enterprise from its beginning in 1862 to this year of 1962. John Hancock's impression in the life insurance industry has been as indelible and emphatic as the great name it so gloriously bears. Its rise has been spectacular. Today, it is placed as the 5th largest life insurance company in the world. Its record of service to its policyholders has been, is, and will continue to be a proud and outstanding one. It maintains its preeminent position in the great insurance field by a constant concern for its policyholders and a continuing application of sound business principles.

Mr. Speaker, no private business could have reached the heights that John Hancock Mutual Life Insurance has reached without a dedicated and devoted organization of men and women. From the small beginning of 100 years ago to the present day, John Hancock has been blessed with this kind of spirit among the people who have contributed to its great success.

I congratulate Judge Byron Elliott who has presided over the affairs of this company for the past 5 years and who has to date given 26 years of service to it. I extend my best wishes to the men and women of the John Hancock organization on the occasion of the anniversary of their great company. I am proud to note this event and express the sincere hope that the John Hancock Mutual Life Insurance Co. will continue to prosper and remain a great force for good in Boston, in Massachusetts, and in the Nation.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CONTE. Mr. Speaker, I would also like to confer my congratulations to the John Hancock Mutual Life Insurance Co. on the occasion of its 100th anniversary on April 21.

To countless men and women throughout our country, the John Hancock Co. represents fulfillment of the basic tenets of our democracy by encouraging independence, thrift, prudence, and individual responsibility. It is indeed a tribute to this institution that it has existed for 100 years—never faltering from its position of the highest integrity and responsible leadership among our great business institutions.

That a company which has fostered such leadership during the last century should bear the name of the first Governor of Massachusetts—John Hancock—a man of courage, self-reliance and patriotic devotion to his country, is highly appropriate.

For contributing so much to the business segment of our country, for stimulating the Nation's economy by directing policy owner funds into business enterprise, and for providing a model of public service and leadership during a century of great achievement, the John Hancock Mutual Life Insurance Co. deserves our best wishes on this memorable 100th anniversary.

## COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries have permission to sit during general debate tomorrow.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

## THE LITTLE-PEOPLE-TO-LITTLE-PEOPLE PROGRAM

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. MORGAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MORGAN. Mr. Speaker, during the years it has been my honor and privilege to serve on the Foreign Affairs Committee, I have many times had the occasion to observe how much the cause of peace could be served if only a means could be found to increase understanding and promote friendship on a people-to-people basis.

We have seen how false and misleading propaganda emanating from their own officials has given people in the Iron Curtain countries a distorted and incorrect picture of American aims, aspirations and objectives. When we try by official means to correct these impressions we know that much of what we do is discounted as propaganda on our part.

It is for this reason that we have tried to supplement our Voice of America broadcasts by a number of other activities to give the people abroad a better and more accurate picture of what Americans are really like. Over the past few years our efforts have been augmented by our efforts to increase personal contacts between Americans and citizens of other countries. These activities have included the student exchanges under the Fulbright-Hays Act, the leadership grants under which we bring leaders to the United States and give them an opportunity to see our country, meet a number of our people and gain first-hand impressions about our way of life. This effort to provide a mutual increase in understanding is back of our stepped-up programs to stimulate language studies and official sponsorship of such institutions as the Center for Cultural and Technical Interchange Between East and West, popularly known as the East-West Center.

All of these efforts are necessarily limited in scope, and we can hope only to reach a small percentage of the people we would like to have gain accurate and favorable impressions about America. It is for that reason that I am particularly pleased to add my own word of commendation for the plan originated by my distinguished colleague, the Honorable PETER W. RODINO, JR., who is fostering a little-people-to-little-people program. Congressman RODINO for a long time has been very active in promoting contacts between Americans and individuals in other countries for the purpose of increasing mutual understanding and good will. I well remember his highly successful activities in connection with personal contacts on a city-to-city basis and a people-to-people basis. His new program was inaugurated by a letter written by Mr. RODINO's 10-year-old son, Peter Rodino III, to Premier Khrushchev asking him to stop the nuclear bomb testing in the interest of the health and safety of people all over the world.

Peter Rodino's letter has stimulated countless other children to write Khrushchev in similar fashion. How much good this will do is doubtful but it can

do no harm and the effort is worthwhile, especially as Congressman RODINO's real purpose is to foster and encourage the writing of letters by American children to children in other countries.

At the present time Congressman RODINO is busily engaged in the process of gathering names of individuals and groups in foreign countries with whom correspondence can begin.

Naturally, Congressman RODINO does not expect that such a program of letter exchanges between little people of different countries can immediately produce results strong enough to overcome the chief obstacles to a better understanding of American ideals and aspirations. Congressman RODINO is a realistic idealist who visualizes the program inaugurated by his splendid young son as an important and highly progressive step in the right direction, one which supplements existing activities and one which, if carefully sustained and followed, can make a real contribution toward attainment of that better understanding between peoples upon which conditions of world stability must be built.

In the exchange of such correspondence between little people, I see opportunities for a healthy and worthwhile gain for the American children who correspond, as well as with those who will be the recipients of their letters. We have ourselves much to gain by the additional knowledge that will come to our young people through such personal communications and the stimulus they will serve for learning more about the conditions under which other people live in distant places.

As one who is convinced that the little-people-to-little-people program has a great potential for good, I extend my heartiest commendation to Congressman PETER RODINO and my best wishes for success in his patriotic efforts.

## CENSURE OF ISRAEL

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BUCKLEY] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCKLEY. Mr. Speaker, I have today sent the following telegram to the Honorable Dean Rusk, Secretary of State:

Hon. DEAN RUSK,
*The Secretary of State*
*Washington, D.C.:*

I am appalled at the action of the American delegation at the United Nations sponsoring the Security Council resolution condemning Israel and completely failing to reflect the facts of persistent Syrian provocations, the constant Arab threats to liquidate Israel, boycott its commerce, trespass on Israel's territory and threaten the peace-loving citizens of that democracy.

Whatever rights are enjoyed by the member States of the United Nations belong to Israel without addition or diminution. Whatever obligation any member State owes to another, the Arab states, and certainly Syria, owes to Israel. If Syria, by persistent attacks on Israel's sovereignty, denies to that democracy the plenitude of its charter rights, then it inflicts deep injury on Israel. Israel's competence to invoke Security Council action aganist Syria is seriously compromised and reduced.

Under the charter, Syria is bound to regard Israel as a state endowed with sovereignty equal to its own. It is bound to respect the territorial integrity and the political independence of the state of Israel, and especially to refrain from the use of force against that integrity and that political independence. Syria failed completely by its provocation to carry out the letter of the United Nations Charter. Israel undertook security measures in the exercise of its inherent right of self-defense.

Mr. Secretary, I find it incomprehensible that the American delegation failed to distinguish between acts of aggression and self-defense. Not for one single moment throughout the entire period of its national existence has Israel enjoyed that minimal physical security which the United Nations confers on all member states and which all other member states have been able to command.

Time after time, this deplorable situation has been brought to the attention of the State Department, but to no avail as witness the action of the American delegation in the Security Council. Mr. Secretary, beyond these incidents, grave as they are, I discern issues of even greater moment. Our Government must surely choose between two candidates for its confidence; on the one hand, the men, women, and children of Israel building a democratic society and culture in its renascent homeland; and on the other hand, the warlike Arabs who have set their armed might upon Israel in an attempt to wipe it off the face of the earth, by armed intervention, by murder and plunder. The Arabs blare forth the most violent threats of Israel's destruction and accumulate vast armaments for bringing this about.

This is aggression, this is belligerency, in the Middle East and Israel has been its victim, and not its author.

Mr. Secretary, Israel and the Arab States, the region in which they must forever live, now stands at the crossroads of its history. Our signpost is not to back aggression and belligerency, but to favor peace. Whatever Israel is now ordered to do, Syria and its Arab brethren must have in their counterpart a reciprocal duty to give Israel the plenitude of its rights.

The horizon must be of peace by agreement, peace without blockades in the Gulf of Aquaba or the Suez Canal, peace without frontier provocations, peace without constant threats to the integrity and independence of Israel and without military activities directed against Israel's independence.

## DISABLED AMERICAN VETERANS CITE CONGRESSMAN JAMES A. BURKE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BOLAND. Mr. Speaker, on April 14, 1962, at Brockton, Mass., the Disabled American Veterans cited Congressman JAMES A. BURKE for his outstanding work on behalf of the disabled veterans. At a testimonial banquet at the Elks Home in Brockton, over 300 citizens from all walks in life witnessed the presentation of a plaque to Congressman BURKE. I am very pleased to have this opportunity to relate this event to the Members of Congress who feel as I do that this award was truly merited. Congressman JIM BURKE has served his Nation, his State, and his community with devoted and dedicated service. During World War II he served as a special agent in military intelligence and was attached to the fighting 77th Infantry Division in the South Pacific. He was awarded four battle stars, the Bronze Star, the Bronze Indian Arrowhead, and several other decorations for his brilliant war record. The 77th Infantry Division was the amphibious division of the U.S. Army in the South Pacific and participated in more than nine beach landings under enemy fire. He learned firsthand of the hazards of war and the suffering that our war heroes went through during wartime. He has never forgotten his wartime buddies. As a member of the Massachusetts General Court he gave unstintingly of his time and effort in order to have legislation passed that would benefit the Veterans of World War II and of the Korean conflict. Over 32 laws are now on the statute books of Massachusetts as the result of his work as a member of the World War II Legislative Commission and also as House chairman of the Korean War Veterans Commission. Amongst these laws is the $200 million housing law that provided housing for over 20,000 veterans and their families, the adjustment payment to veterans of the Korean conflict, hospitalization, and several other laws benefiting all Massachusetts veterans and their families.

The invited guests were:

Hon. James F. Burke, State senator; Hon. Alvin C. Tamkin, Governor's councilor; Hon. F. Milton McGrath, mayor, city of Brockton; Peter G. Asiaf, State representative; George H. Burgesson, State representative; James R. Lawton, State representative; Paul M. Murphy, State representative; Francis R. Buono, national commander DAV; Dr. William Winick, director, Brockton VA Hospital; Boyd H. Bowers, State commander, DAV; Marjorie Feeley, State commander, DAV auxiliary; Henry M. Barry, commander, chapter No. 32, DAV; Hilma E. Migliaccio, commander, chapter No. 32, DAV auxiliary; Joseph R. Harold, State department, adjutant, DAV; Joseph Lawler, assistant director, Brockton VA Hospital; Robert McGillvary, secretary of Congressman Burke and, Kenneth G. Dalton, Brockton Enterprise news commentator.

The program of the evening was as follows:

Musical selections; processional, honored guests; invocation, John F. Barrett, chaplain, No. 32 DAV; national anthem; welcome, Clifton L. Haynes, chairman; toastmaster, Walter Morgan; presentation of guests; remarks, honored guests; remarks, George A. Wells, national second junior vice commander; presentation of James A. Burke.

Master of ceremonies, Walter Morgan; chairman, Clifton Haynes; cochairman,

Dr. William Winick; program committee, E. Richard Corey; tickets, Ralph S. Jumpe; hall and entertainment, Arthur Pigeon.

As a Member of the U.S. Congress the Honorable JAMES A. BURKE has supported legislation that would improve conditions in our veterans hospitals and he has consistently voted for bills that help solve the many problems our war veterans face.

## REGULATION NEEDED FOR PRIVATE EMPLOYMENT AGENCIES IN THE DISTRICT OF COLUMBIA

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MULTER. Mr. Speaker, I have today introduced a bill, H.R. 11358, to license and regulate private employment agencies in the District of Columbia.

In a recent statement the Department of Labor commented on the unregulated activities of private employment agencies in Washington stating that "one of the most important reasons for regulating private employment agencies is to protect applicants against excessive fees." In Washington these fees are not regulated and abuses have occurred. This bill is designed to eliminate these abuses and others which occur in an area which seriously needs to be regulated. It closely follows the New York State law which was designated by the Department of Labor as being one of those which conformed to its major recommendations.

This bill should eliminate much of the litigation resulting from what are considered excessive fees.

The New York law on which my bill is based provides a maximum of 10 percent of a month's salary for domestic workers and unskilled laborers. For clerical and professional jobs the fee maximum ranges from 25 percent of a month's salary for jobs up to $225 a month to 60 percent of a month's salary for jobs of $400 or more a month. I incorporated that schedule in my bill, because I believe that it is fair and adequate.

One aspect of the private employment agency business that has disturbed me is the bringing into the District of domestics without regard to the consequences to the prospective employee. Many times the employment agencies will recruit domestic help far from the District without any clear prospect of employment for them and without any provision for their maintenance when they arrive here.

This bill provides that the agency must provide food and shelter for these prospective clients when they are brought here and that they must provide for their return transportation if they are not provided with jobs or if the term of employment does not exceed 30 days.

The present law which provides for the licensing of private employment agencies in Washington is much too general and needs modernization. It has not been reviewed since its enactment in 1932.

I do not pretend that this bill is the last word on the subject. It is intended for study, comment, and suggestion by the appropriate agencies of the District government and by those interested or affected by it. I will, however, press for action on it early in the next session.

## UNANIMOUS-CONSENT REQUEST

Mr. FULTON. Mr. Speaker, on April 10, 1962, I was on official duty as congressional adviser on space to the U.S. mission to the United Nations. If I had been present, I would have voted "yea" for the rule for debate on H.R. 10788 under House Resolution 589.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. THOMPSON of New Jersey (at the request of Mr. ALBERT), for the remainder of the week, on account of illness.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SANTANGELO, for 15 minutes, on April 18.

Mrs. BOLTON, for 15 minutes, on April 18.

Mr. MATHIAS (at the request of Mrs. MAY), for 30 minutes, on Thursday, April 19, 1962.

Mr. DULSKI (at the request of Mr. MAHON), for 1 hour, on tomorrow.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. NIX.

Mr. MEADER, the remarks he made during general debate in Committee of the Whole today and to include extraneous matter.

Mr. ALGER.

(The following Members (at the request of Mrs. MAY) and to include extraneous matter:)

Mr. PILLION.

Mr. SCHNEEBELI.

Mr. O'KONSKI.

Mr. VAN ZANDT.

Mr. AVERY.

Mr. CUNNINGHAM.

Mr. COHELAN (at the request of Mr. MAHON), in Committee of the Whole on H.R. 11289 and to include extraneous matter.

(The following Members (at the request of Mr. MAHON) and to include extraneous matter:)

Mr. ST. GERMAIN.

Mr. MONAGAN in two instances.

Mr. FISHER.

Mr. ANFUSO.

Mr. EVINS.

## SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 683. An act to amend the Communications Act of 1934, as amended, by eliminating the requirement of an oath or affirmation on certain documents filed with Federal Communications Commission;

S. 1371. An act to amend subsection (e) of section 307 of the Communications Act of 1934, as amended, to permit the Commission to renew a station license in the safety and special radio services more than thirty days prior to expiration of the orignal license;

S. 1589. An act to amend the Communications Act of 1934 to authorize the issuance of radio operator licenses to nationals of the United States;

S. 2522. An act to defer the collection of irrigation maintenance and operation charges for calendar year 1962 on lands within the Angostura unit, Missouri River Basin project; and

S.J. Res. 147. Joint resolution providing for the establishment of the North Carolina Tercentenary Celebration Commission to formulate and implement plans to commemorate the three hundredth anniversary of the State of North Carolina, and for other purposes.

## BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on April 16, 1962, present to the President, for his approval, bills of the House of the following titles:

H.R. 8921. An act to provide for the annual audit of bridge commissions and authorities created by act of Congress, for the filling of vacancies in the membership thereof, and for other purposes;

H.R. 9751. An act to authorize appropriations during fiscal year 1963 for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes; and

H.R. 10700. An act to provide that section 3(b) of the Peace Corps Act, which authorizes appropriations to carry out the purposes of that act, is amended by striking out "1962" and "$40 million" and substituting "1963" and "$63,750,000", respectively.

## ADJOURNMENT

Mr. MAHON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, April 18, 1962, at 10 o'clock a.m.

## SUPPLEMENTAL REPORT OF EXPENDITURES OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS INCURRED IN TRAVEL OUTSIDE THE UNITED STATES

Mr. BURLESON. Mr. Speaker, section 502(b) of the Mutual Security Act of 1954, as amended by section 401(a) of Public Law 86-472, approved May 14, 1960, and section 105 of Public Law 86-628, approved July 12, 1960, require the reporting of expenses incurred in connection with travel outside the United States, including both foreign currencies expended and dollar expenditures made

from appropriated funds by Members, employees, and committees of the Congress.

The law requires the chairman of each committee to prepare a consolidated report of foreign currency and dollar expenditures from appropriated funds within the first 60 days that Congress is in session in each calendar year, covering expenditures for the previous calendar year. The consolidated report is to be forwarded to the Committee on House Administration, which, in turn, shall print such report in the CONGRESSIONAL RECORD within 10 legislative days after receipt. There is submitted herewith a supplemental report from the House Committee on Education and Labor:

*Report of expenditure of foreign currencies and appropriated funds, Committee on Education and Labor, U.S. House of Representatives, expended between Jan. 1 and Dec. 31, 1961*

[U.S. dollar equivalent or U.S. currency]

| Name | Country | Lodging | Meals | Transportation | Miscellaneous | Total |
|---|---|---|---|---|---|---|
| Pucinski, Roman | United Kingdom | 112.96 | 19.00 | 18.06 | 38.80 | 188.82 |
| | France | 108.63 | 28.00 | 17.00 | 62.00 | 215.63 |
| | Germany | 37.50 | 30.00 | 42.00 | 60.00 | 169.50 |
| | Switzerland | 67.37 | 30.00 | 50.00 | 40.00 | 187.37 |
| | Italy | 37.00 | 20.00 | 95.26 | 50.00 | 202.26 |
| Brademas, John | Denmark-Germany | 28.00 | 30.00 | 6.00 | 20.00 | 84.00 |
| | Russia | | 60.00 | 60.00 | 84.00 | 204.00 |
| | Denmark | | 18.00 | 6.00 | 8.00 | 32.00 |
| | England | 45.00 | 90.00 | 45.00 | 49.00 | 229.00 |
| | Greece | | 76.00 | 32.00 | 48.00 | 156.00 |
| Total | | 436.46 | 401.00 | 371.32 | 459.80 | 1,668.58 |

APR. 13, 1962.

ADAM C. POWELL,
*Chairman, Committee on Education and Labor.*

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1948. A communication from the President of the United States, transmitting a draft of a proposed bill entitled "A bill to amend the Federal Reserve Act to adjust the terms of the Chairman and Vice Chairman of the Board of Governors of the Federal Reserve System, to increase the salaries of members of such Board, and for other purposes"; to the Committee on Banking and Currency.

1949. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Virgin Islands Corporation for the fiscal year ended June 30, 1961 (H. Doc. No. 392); to the Committee on Government Operations and ordered to be printed.

1950. A letter from the Secretary, Department of Health, Education, and Welfare relative to reporting a violation of administrative control of funds procedures in connection with the obligation of funds in excess of an allotment within an appropriation of this Department for the fiscal year 1961, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

1951. A letter from the Director, Office of Emergency Planning, Executive Office of the President, transmitting a draft of a proposed bill entitled "A bill to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended"; to the Committee on Armed Services.

1952. A letter from the Under Secretary of the Air Force, transmitting a draft of a proposed bill entitled "A bill to amend certain provisions of existing law concerning the relationship of the Coast and Geodetic Survey to the Army and Navy so that they will apply with similar effect to the Air Force"; to the Committee on Armed Services.

1953. A letter from the Postmaster General, transmitting the cost ascertainment report of the Post Office Department for the fiscal year 1961; to the Committee on Post Office and Civil Service.

1954. A letter from the Secretary of Labor, transmitting a draft of a proposed bill entitled "A bill to provide for assistance to States in the promotion, establishment, and maintenance of safe workplaces and work practices, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower"; to the Committee on Education and Labor.

1955. A letter from the Under Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to amend title 23, United States Code, with respect to the mileage of rural delivery and star routes used as a factor in apportionment of Federal-aid primary and secondary funds"; to the Committee on Public Works.

1956. A letter from the Secretary of Labor, transmitting a draft of a proposed bill entitled "A bill to amend the Temporary Unemployment Compensation Act of 1958, to encourage early restoration of moneys made available to the States, and for other purposes"; to the Committee on Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 11257. A bill to amend section 815 (article 15) of title 10, United States Code, relating to nonjudicial punishment, and for other purposes; without amendment (Rept. No. 1612). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 1139. An act to amend the act granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact relating to the waters of the Little Missouri River in order to extend the expiration date of such act; without amendment (Rept. No. 1613). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 2132. An act to approve the revised June 1957 reclassification of land of the Fort Shaw division of the Sun River project, Montana, and to authorize the modification of the repayment contract with Fort Shaw Irrigation District; with amendment (Rept. No. 1614). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 9647. A bill to authorize the Secretary of the Interior to enter into an amendatory contract with the Burley Irrigation District, and for other purposes; with amendment (Rept. No. 1615). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 606. Resolution for consideration of H.R. 2206, a bill to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado; without amendment (Rept. No. 1616). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 607. Resolution for consideration of H.R. 6949, a bill to amend section 4(e) of the Natural Gas Act, to authorize a gas distributing company to complain about a rate schedule filed by a natural gas company and to give the Federal Power Commission authority to suspend changes in rate schedules covering sales for resale for industrial use only; without amendment (Rept. No. 1617). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 608. Resolution for consideration of H.R. 8031, a bill to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus; without amendment (Rept. No. 1618). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HALLECK:

H.R. 11339. A bill to authorize the improvement for navigation of Burns Waterway Harbor, Ind.; to the Committee on Public Works.

By Mr. BAILEY:

H.R. 11340. A bill to promote the security and welfare of the people of the United States by providing for a program to assist the several States in further developing their programs of general university extension education; to the Committee on Education and Labor.

By Mr. BARRETT:

H.R. 11341. A bill to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas, and for other purposes; to the Committee on Banking and Currency.

By Mr. ELLSWORTH:

H.R. 11342. A bill to amend the District of Columbia Traffic Act, 1925, to exempt certain officers and employees of the Senate and House of Representatives from the requirements of such act relating to the registration of motor vehicles and the licensing of operators when they can prove legal residence in some State; to the Committee on the District of Columbia.

By Mr. HAGEN of California:

H.R. 11343. A bill to direct the Secretary of the Interior to initiate a salmon and steelhead development program in California; to the Committee on Merchant Marine and Fisheries.

By Mr. HALPERN:

H.R. 11344. A bill to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of

comprehensive and coordinated mass transportation systems in metropolitan and other urban areas, and for other purposes; to the Committee on Banking and Currency.

H.R. 11345. A bill to amend the act of August 13, 1946, relating to Federal participation in the cost of protecting the shores of the United States and its territories and possessions; to the Committee on Public Works.

By Mr. HARVEY of Indiana:

H.R. 11346. A bill to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguished brands, names, or trademarks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HÉBERT:

H.R. 11347. A bill to amend title 10, United States Code, to provide for the disposition of certain nationals of the United States in foreign countries who are alleged and determined to be of unsound mind, and dangerous to persons or property, and for other purposes; to the Committee on Armed Services.

H.R. 11348. A bill to amend title 10, United States Code, to provide for confinement and treatment of offenders against the Uniform Code of Military Justice; to the Committee on Armed Services.

H.R. 11349. A bill to provide for the discharge of minors who enlist in the naval service or the Coast Guard without consent of parents or guardian; to the Committee on Armed Services.

By Mr. HOEVEN:

H.R. 11350. A bill to authorize the Secretary of Commerce to approve a bridge on Interstate Highway 29 at Sioux City, Iowa, as part of the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. JENNINGS:

H.R. 11351. A bill to authorize and direct the Secretary of Agriculture to designate as national forest wonderlands certain areas of the national forests having outstanding scenic and recreational values, and for other purposes; to the Committee on Agriculture.

By Mr. McFALL:

H.R. 11352. A bill to direct the Secretary of the Interior to initiate a salmon and steelhead development program in California; to the Committee on Merchant Marine and Fisheries.

By Mr. McMILLAN:

H.R. 11353. A bill to amend section 25 of the act of October 30, 1951, to provide for refunds of certain amounts withheld from annuities payable under the Railroad Retirement Acts on account of joint or survivor annuity elections which were revoked; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON:

H.R. 11354. A bill to amend the Tariff Act of 1930 to provide that limestone spalls, fragments, and fines may be imported free of duty; to the Committee on Ways and Means.

By Mr. MOULDER:

H.R. 11355. A bill to amend the act of March 4, 1907, to provide that the 16-hour limitation upon continuous duty for certain railroad employees shall apply to employees installing, repairing, and maintaining signal systems, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CLEM MILLER:

H.R. 11356. A bill to direct the Secretary of the Interior to initiate a salmon and steelhead development program in California; to the Committee on Merchant Marine and Fisheries.

By Mr. GEORGE P. MILLER:

H.R. 11357. A bill to direct the Secretary of the Interior to initiate a salmon and steelhead development program in California; to the Committee on Merchant Marine and Fisheries.

By Mr. MULTER:

H.R. 11358. A bill to license and regulate private employment agencies in the District of Columbia; to the Committee on the District of Columbia.

By Mr. PIKE:

H.R. 11359. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for marketing quotas on Irish potatoes through establishment of acreage allotments; to the Committee on Agriculture.

By Mr. ROUSH:

H.R. 11360. A bill to authorize the improvement for navigation of Burns Waterway Harbor, Ind.; to the Committee on Public Works.

By Mr. SHELLEY:

H.R. 11361. A bill to direct the Secretary of the Interior to initiate a salmon and steelhead development program in California; to the Committee on Merchant Marine and Fisheries.

By Mr. SILER:

H.R. 11362. A bill to promote the general welfare, foreign policy, and security of the United States; to the Committee on Ways and Means.

By Mr. WALTER:

H.R. 11363. A bill to amend the Internal Security Act of 1950 to provide for the protection of classified information released to or within U.S. industry and for other purposes; to the Committee on Un-American Activities.

By Mr. WILLIS:

H.R. 11364. A bill authorizing modification of the existing project from the Intracoastal Waterway to Bayou Dulac, La. (Bayous Grand Caillou and Le Carpe), and maintenance of the Houma Navigation Canal; to the Committee on Public Works.

By Mr. BOGGS:

H.R. 11365. A bill authorizing modification of the existing project for the Mississippi River, Baton Rouge to the Gulf of Mexico, Louisiana, in the interest of navigation; to the Committee on Public Works.

By Mr. COHELAN:

H.R. 11366. A bill to direct the Secretary of the Interior to initiate a salmon and steelhead development program in California; to the Committee on Merchant Marine and Fisheries.

By Mr. DENTON:

H.R. 11367. A bill to amend the Civil Service Retirement Act, as amended, to provide annuities for surviving spouses with deduction from original annuities and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HÉBERT:

H.R. 11368. A bill authorizing modification of the Gulf Intracoastal Waterway, La. and Tex., in the interest of navigation; to the Committee on Public Works.

H.R. 11369. A bill authorizing improvements along the Mississippi River below New Orleans for prevention of hurricane tidal damages; to the Committee on Public Works.

H.R. 11370. A bill authorizing modification of the existing project for the Mississippi River, Baton Rouge to the Gulf of Mexico, Louisiana, in the interest of navigation; to the Committee on Public Works.

By Mr. JOHNSON of California:

H.R. 11371. A bill to direct the Secretary of the Interior to initiate a salmon and steelhead development program in California; to the Committee on Merchant Marine and Fisheries.

By Mr. KING of California:

H.R. 11372. A bill to stabilize the mining of lead and zinc in the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. McSWEEN:

H.R. 11373. A bill to provide a right to ingress and egress across national forest lands to all persons owning property within the boundaries of such national forests, and for other purposes; to the Committee on Agriculture.

H.R. 11374. A bill to amend section 22 of the act of August 24, 1935, as amended (49 Stat. 773, 7 U.S.C. 624), to require the Secretary of Agriculture to include lumber and wood products as an agricultural commodity under the act; to the Committee on Agriculture.

H.R. 11375. A bill to require the establishment of an appeals procedure in matters related to the sale of timber from national forests, and for other purposes; to the Committee on Agriculture.

H.R. 11376. A bill to amend the National Housing Act, as amended (48 Stat. 1246, 12 U.S.C. 1701), to require the use of domestic manufacture of lumber and wood products in the construction of housing federally financed and/or federally insured, and for other purposes; to the Committee on Banking and Currency.

By Mr. MEADER:

H.R. 11377. A bill to establish a Commission on Government Operations in Research and Development; to the Committee on Science and Astronautics.

By Mr. MONAGAN:

H.R. 11378. A bill to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus property to schools for the mentally retarded, schools for the physically handicapped, educational television stations, and public libraries; to the Committee on Government Operations.

By Mr. O'BRIEN of New York:

H.R. 11379. A bill to provide for an elective Governor and an elective Lieutenant Governor of Guam; to the Committee on Interior and Insular Affairs.

By Mr. PELLY:

H.R. 11380. A bill to amend the Tariff Act of 1930 to provide that limestone spalls, fragments, and fines may be imported free of duty; to the Committee on Ways and Means.

By Mr. SCHWENGEL:

H.R. 11381. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. WILLIS:

H.R. 11382. A bill authorizing modification of the Gulf Intracoastal Waterway, La. and Tex., in the interest of navigation; to the Committee on Public Works.

By Mr. CURTIN:

H.J. Res. 697. Joint resolution to designate the 18th day of April of each year as "Patriots Day"; to the Committee on the Judiciary.

By Mr. PELLY:

H.J. Res. 698. Joint resolution regarding Indian fishing rights; to the Committee on Interior and Insular Affairs.

By Mr. BROYHILL:

H. Res. 604. Resolution creating a select committee to conduct an investigation and study of the production, distribution, and exhibition of objectionable motion pictures and related advertising; to the Committee on Rules.

By Mr. BEERMANN:

H. Res. 605. Resolution to authorize and direct the Committee on Agriculture to investigate the Agricultural Stabilization and Conservation Service of the U.S. Department of Agriculture; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DEVINE:

H.R. 11383. A bill for the relief of Ivan I. Mueller; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 11384. A bill for the relief of Pablo T. Rinonos and Tomasa A. Rinonos; to the Committee on the Judiciary.

H.R. 11385. A bill for the relief of Samuel Ellis Beckles and Vida Bernese Beckles; to the Committee on the Judiciary.

By Mr. LANGEN:

H.R. 11386. A bill for the relief of George R. Lore; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H.R. 11387. A bill for the relief of Me Soon Song; to the Committee on the Judiciary.

By Mr. WESTLAND:

H.R. 11388. A bill for the relief of Maurice Casner and Eileen G. Casner; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

309. By the SPEAKER: Petition of Britton Rey, city clerk, Belvedere, Calif., relative to opposing Federal taxation of income derived from State and local bonds; to the Committee on the Judiciary.

310. Also, petition of R. R. Baiotto, city clerk, Glendora, Calif., relative to opposing Federal taxation of income derived from State and local bonds; to the Committee on the Judiciary.

311. Also, petition of Morris E. Erickson, city clerk, Exeter, Calif., relative to opposing Federal taxation of income derived from State and local bonds; to the Committee on the Judiciary.

312. Also, petition of Rachael N. Cordes, clerk of the Board of Supervisors of Siskiyou County, Calif., relative to opposing Federal taxation of income derived from State and local bonds; to the Committee on the Judiciary.

# EXTENSIONS OF REMARKS

## Questionnaire Report—Fifth Congressional District, State of Connecticut

EXTENSION OF REMARKS
OF

### HON. JOHN S. MONAGAN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 17, 1962*

Mr. MONAGAN. Mr. Speaker, I have completed the tabulation of a questionnaire which I distributed to about 10,000 of my constituents in the Fifth Congressional District of Connecticut. The questionnaires were distributed by my office in February 1962 to a mailing list of constituents who have corresponded with me from time to time on legislative and policy matters, and to those who participated in a similar survey I conducted in 1961.

The American electorate has often been stated to be apathetic or unconcerned about affairs of government. This is not the case in my district. In the 2 years I have been conducting public opinion polls on legislative and policy matters I have been highly gratified with the response, not only in the return of questionnaire forms which provide space for categoric yes or no answers to questions on complex matters, but also in the number of letters I have received in which responsible comments and recommendations are submitted.

EIGHTEEN PERCENT RETURNED

In 1961 I distributed about 7,350 forms and received about 1,375 returns, an average of over 18 percent. In 1962 the return from about 10,000 questionnaires was about 1,795, again an average of about 18 percent. This, I am told by expert pollsters, is an extremely high average. The anticipated return from professional polls is about 10 percent.

By their willingness to complete the questionnaire, and their desire to expand upon their views with accompanying letters, the voters of my district have demonstrated a genuine interest in and knowledge of their Government and legislative affairs. I have prepared this questionnaire to obtain a cross section of opinion on some of the major issues which vitally concern every one of us. This report, and the comments of my constituents, will be of great value to me in the consideration of measures now pending in the Congress. Although I do not propose to follow these results in any slavish manner, but to exercise my own judgment on questions which arise, nevertheless they do provide helpful guidance.

I want to point out that the questionnaire forms were not printed at Government expense, and those who returned them affixed their own postage. I was very pleased to receive additional requests for supplies of questionnaires. One such request was for 200.

I shall append to this statement a tally showing the complete results of my 1962 questionnaire, but I wish to comment briefly on the subjects covered. I also intend to include excerpts from some of the letters returned with the questionnaire forms.

THE RESULTS

The questionnaire form provided space for yes or no answers, but in many cases there were enlightening and interesting letters attached. The final tabulations show overwhelming support—see chart—for resumption of nuclear tests in the atmosphere; for limitations on executive authority to reduce tariffs; for medical care for the aged under social security; for Federal aid for elementary school construction—but not for teachers' salaries or parochial school; for U.S. membership in the U.N.—purchase of U.N. bonds was favored, but by a slim margin; for annual appropriations of adequate funds for space explorations; for an Alliance for Progress with Latin America, with financial assistance where necessary; for continuance of the House Un-American Activities Committee.

My constituents opposed establishment of a Department of Urban Affairs at Cabinet level by a score of 827 to 796, with 172 registering no opinion. The score on U.S. purchase of U.N. bonds was 822 yes; 677 no; and 283 uncommitted.

The following are excerpts from letters received in response to the questionnaire:

Woodbury: "The President has requested Congress to give him the power to cut tariffs across the board. I oppose this delegation of power to the executive and the entry of the United States into the Common Market."

Torrington: "I want to thank you for the questionnaire you sent me. It was very interesting and I will appreciate more in the future if you will send them to me."

Roxbury: "I note, incidentally, that the card was not printed at Government expense, I suppose for the usual reasons. This is one case, however, which I think should be made an exception. This imaginatively conceived method for taking the public pulse on important public issues, it seems to me, should not depend for its financing on the limited income of individual Congressmen, which means that its use can only be sporadic and, to that extent, inadequate, and inconclusive. Our Government should assist in the establishment and dissemination of such questionnaires by providing special funds, earmarked for that purpose, for the use of Congressmen."

Waterbury: "Although I do not like much of the conduct of the House Un-American Activities Committee, I think the committee could fill an essential role if the members would observe properly the civil rights of witnesses and not use it as a headline hunting vehicle."

New Milford: "I am all in favor of every tax dollar being collected from everyone who is properly required to pay it. However, honesty like morals cannot be legislated and measures such as the one proposed merely drive the actual offenders to more ingenious methods of evasion leaving the others to hold the tab."

Watertown: "There should be a Federal program for medical and hospital care for the aged. While I believe that the Federal Government has the propensity for massive growth at the expense of States rights and individual liberty, this is one area where the National Government should act and probably under social security as it has for old age retirement and disability."

Washington: "Please send me six more questionnaires. Regarding support for Latin America, I do believe that is the most important section of the world to us and that we should aid the countries which want to be our friends—not any country which espouses 'neutralism.'"

Prospect: "I probably am wrong, but I detest nuclear tests in the atmosphere and dread the outcome of them."

Kent: "No to the abolition of the Un-American Committee because apart from other good reasons, it would be too much of a triumph for the pinks and reds. No to unlimited tariff-cutting powers, for while I'd be inclined to trust President Kennedy with such powers as he is today, he might change, and so will the Presidency."

Lakeville: "Too many of us get involved with the many immediate problems of daily living and do not stop to really think about