

by program would not require congressional approval through appropriation. It would merely turn over to the President and his advisers the purse-string power of Congress and enable them to spend money transferred from other funds.

Under the standby program, the President would not be permitted to exercise this enormous \$2 billion power until the national unemployment rate has increased by 1 percent within a 3-to-9-month period. But once that standard is reached, tremendous Government expenditures would automatically become permissible.

There would be no possible recall by Congress regardless of what circumstances developed. The pursestrings would not reside in their customary place, with the people's representatives in the Congress. They would be held in the White House.

Aside from the fact that public works are not the answer to national unemployment and related economic problems, the radical financing authority proposed in the administration's program represents one of the most astounding power grabs ever attempted by the executive branch. Chairman HARRY F. BYRD of the Senate Finance Committee has termed this feature of the public-works program "incredible," and with this I fully agree.

The whole thing, I suggest, becomes even more incredible when you examine the special funds from which the President would like to draw the money for his grandiose "leaf-raking" programs. They include funds from the World Bank, the Housing and Home Finance Agency, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and even the Federal Deposit Insurance Corporation.

A warning as to the true nature of the President's request has been filed with the Senate by Republican members on the Public Works Committee. Their report had this to say:

"Apart from any opinions about the need or desirability of Federal financing to provide employment, the Congress should be on notice that what is proposed here is a transfer of the power of the purse from the legislative branch of Government to the Executive.

"Funds available for building homes in towns and cities under situations previously judged by Congress to be worthy could be transferred to sewage disposal projects, rural drainage or flood control projects, and so forth. Apparently even a borrowing authority of \$3 billion to underwrite the guarantees of the Federal Deposit Insurance Corporation and \$750 million to secure insured savings in the Federal Savings and Loan Insurance Corporation could be drawn on to fund this program."

In all, the Republicans pointed out, almost \$16 billion worth of specific funding could be raided by selection of the President for spending on projects not specifically otherwise authorized.

But it doesn't seem to bother the President and his advisers that the funds they want

to use for public works were never intended for such use. Nor do they see any apparent necessity of reserving to the people's representatives in Congress the right to appropriate funds for public works if they decide the need exists. And it never seems to occur to the administration that the American people might not want money earmarked for such purposes as guaranteeing bank deposits up to \$10,000 raided to provide new sidewalks in a depressed area.

To the New Frontier, the details aren't important. What is important is the acquisition of more and more power in the hands of the Executive. The checks and balances in our system of government seem to annoy the architects of the planned economy. This business of having to go to Congress more often than once in 5 years for money and authority gets in their way, so the thing to do is to use presidential prestige to overcome these obstacles and sandbag the House and Senate into approving long-range authority for backdoor, sidedoor, and even slidedoor financing of any and all projects dreamed up by the New Frontier.

Another power request by the President that deserves special attention is tied up in legislation to let the Chief Executive name his own Chairman of the Federal Reserve Board. Now this sounds like an innocent enough request, at least to the layman. It isn't generally understood that Congress has delegated to the Federal Reserve Board great powers to fix monetary values on the assumption that the Board will remain independent. But if the Board should come under political domination by an administration that wanted easy money, the Reserve could make \$100 million available in new credit.

These powers sought by the executive branch are too great. They are not in the national interest. They are in the interest only of regimentation of more and more areas of our society and our economy. They are designed to make a powerful Executive more powerful. They do violence to the Constitution and to the concept of individual freedom and limited government.

Now I don't think I have to explain to you people that the President and his advisers are determined to get as many of these powers as they possibly can as soon as they possibly can. The White House is working overtime to build up a tremendous propaganda campaign to support the Presidential requests. In fact, the administration is giving the Congress a tough lesson in the not-so-subtle art of Government lobbying. The resources they have to draw on are, of course, enormous and effective.

But I believe they can be defeated with the help of the American people. I believe the key issue now and in the months directly ahead of us is the question of power.

It is the question of whether an ambitious Executive is to be given nearly absolute power to use as he sees fit to force the American economy into a preconceived pattern having nothing to do with the natural laws of the marketplace. I don't have to tell you that the Government's action in the steel case

spelled out in bold relief the administration's inherent distrust of the laws of supply and demand. For, if the White House planners had had any faith in this basic principle they would have depended upon a shortage of demand to take care of any unwise increase in the price structure. But, of course, they didn't. They resorted, instead, to the coercive power of Government.

And, as I have stated, I believe that in the long run this will prove to be a blessing in disguise. For when the battle is joined over the extension of Presidential power, the people will have in mind the disturbing memory of how that power was once used in a dictatorial manner.

Are we to believe that the New Frontier can be exempted from Lord Acton's famous adage that power corrupts and absolute power corrupts absolutely? I don't believe we can exempt any administration or any government from that adage. Right now in Washington we are seeing a situation unfold where the Government's authority in the field of Agriculture has spawned corruption on a vast scale. The Billie Sol Estes case, I suggest, is an indictment of the welfare state and the concept that the Federal Government should be given authority over entire segments of the national economy. The only wonder is that more welfare state "Ponzis" have not been uncovered. The vast and growing ramifications of bureaucratic management of business-type operations lend themselves naturally to the machinations of men like Estes. This case alone provides an eloquent argument against the further extension of Government spending powers.

In closing, let me impress upon you that the steel industry's "Incredible week" cannot be regarded as an isolated incident in the relationship of government and business. It was rather the culmination of a long period of jousting between those who believe in the untrammelled operation of the free enterprise system and those who would have the Government manage and direct it.

It doesn't take a mere U.S. Senator to tell you that your industry and the entire free enterprise system have taken a terrific pounding. But I am convinced that the end result has its brighter side. It has shown the business community where it stands with an administration devoted to social and economic regimentation. It has shown the American people how concentrated power in the hands of the Federal Government can be abused. It has focused attention on attempts by the executive branch to increase and extend its authority in every sphere of American economic life.

And it has made clear the need for every person interested in freedom and the American private enterprise system to enlist full time in the struggle to prevent further concentration of power in the Federal Government. This can only be done by election to the Congress of men and women who believe in our system, who aren't bemused by Presidential prestige, and who are willing to fight for the preservation of the things that have made America great and will help her to grow greater.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 31, 1962

The House met at 12 o'clock noon.

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

Psalms 112: 6: The righteous shall be held in everlasting remembrance.

Almighty God, we thank Thee for the significant and abiding meaning of Memorial Day when we were privileged to call to mind with gratitude and affec-

tion those who lived and labored with us for a little while upon this earth and are now dwelling forever with Thee in the sanctuary of Thy presence and peace.

We humbly acknowledge that there are times of indescribable loneliness when we are filled with deep longings for the touch of "vanished hands and the sound of voices that are silent."

Wilt Thou keep our hearts aglow with blessed memories and kindle within us the glad assurance that on some bright and glorious day we shall be with them in hallowed union for "life is lord of

death and love can never lose its own."

Hear us in the name of our risen Lord. Amen.

THE JOURNAL

The Journal of the proceedings of Monday, May 28, 1962, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced

that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1395. An act for the relief of Sydney Gruson;

H.R. 1404. An act for the relief of Mrs. Frances Mangiaracina;

H.R. 1712. An act for the relief of Elizabeth Rose DiCarlo;

H.R. 2103. An act for the relief of Antonio C. Ysrael;

H.R. 2672. An act for the relief of Sonia Maria Smith;

H.R. 2839. An act for the relief of Mildred Love Hayley;

H.R. 4783. An act to grant constructive service to members of the Coast Guard Women's Reserve for the period from July 25, 1947, to November 1, 1949;

H.R. 8368. An act for the relief of A. Eugene Congress;

H.R. 8570. An act to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force;

H.R. 9466. An act for the relief of Sfc. Jesse O. Smith; and

H.R. 11261. An act to authorize an adequate White House Police force, and for other purposes.

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

H.R. 1653. An act for the relief of William Falby.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1264. An act for the relief of Capt. Dale Frazier;

S. 1849. An act for the relief of Stephen S. Chang;

S. 2107. An act to amend title 14, United States Code, entitled "Coast Guard," to extend the application of certain laws relating to the military services of the Coast Guard for purposes of uniformity;

S. 2208. An act for the relief of Su-Fen Chen;

S. 2661. An act for the relief of John Joseph (also known as Hanna Georges Youssef);

S. 2667. An act for the relief of Sebastiana Santoro;

S. 2668. An act for the relief of Francelina Jorge Querido, Jose Jorge Querido, Luis Jorge Querido, Elizia Jorge Querido, and Izabel Jorge Querido;

S. 2694. An act for the relief of Mrs. Jum Ak Marek;

S. 2722. An act for the relief of Miss Livia Sernini (Cucciatti);

S. 2729. An act for the relief of Hom Wah Yook (also known as Hom Bok Heung);

S. 2751. An act for the relief of Susan Gudera, Heinz Hugo Gudera, and Catherine Gudera;

S. 2760. An act for the relief of Yuk-Kan Cheuk;

S. 2766. An act for the relief of Mrs. Tom Pon Shee (also known as Tom Pon Ma Cheung);

S. 2777. An act for the relief of Arild Erickson Sandli;

S. 2803. An act for the relief of Julian Barboza Amado and Manuel Socorro Barboza Amado;

S. 2804. An act for the relief of Sheu Chwan Shalou;

S. 2865. An act for the relief of Ferdinand A. Hermens;

S. 2876. An act to extend the authority to insure mortgages under sections 809 and 810 of the National Housing Act, and to extend

the coverage of section 810 to include persons employed at or in connection with an installation of the National Aeronautics and Space Administration or the Atomic Energy Commission;

S. 2965. An act to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies;

S. 3016. An act to amend the act of March 2, 1929, and the act of August 27, 1935, relating to loadlines for oceangoing and coastwise vessels, to establish liability for surveys, to increase penalties, to permit deeper loading in coastwise trade, and for other purposes;

S. 3266. An act to amend section 2 of the act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes," approved March 3, 1925, as amended (2 U.S.C. 158), relating to deposits with the Treasurer of the United States of gifts and bequests to the Library of Congress and to raise the statutory limitation provided for in that section; and

S. 3327. An act to make certain federally impacted areas eligible for assistance under the public facility loan program.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 107. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes;

S. 971. An act for the relief of Salvatore Briganti; and

S. 3157. An act to repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 31, 1962.

The Honorable the SPEAKER,
House of Representatives.

SIR: I am transmitting herewith a sealed envelope received from the White House said to contain a message from the President concerning an atomic agreement with Belgium.

Very truly yours,
RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

BELGIAN ATOMIC COOPERATION AGREEMENT — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Joint Committee on Atomic Energy with accompanying papers.

To the Congress of the United States:

This Government has recently signed with the Government of Belgium an atomic cooperation agreement for mutual defense purposes. This agreement, which has been concluded pursuant to sections 91-c and 144-b of the Atomic

Energy Act, is essentially the same as agreements we have concluded since 1959 with a number of other NATO countries. By providing for the exchange of information and nonnuclear materials the agreement with Belgium will enable us to cooperate in developing plans and training personnel so that Belgian NATO forces can effectively contribute with other NATO countries to the collective defense effort. The members of NATO have made clear that it is necessary for their common defense to maintain the most modern NATO forces, and that these forces must be capable of using nuclear weapons if necessary. Since it is well known that measures to build NATO military strength are designed solely for defense purposes, these measures should not be a cause of concern to other countries.

In general, NATO countries are proceeding simultaneously along two lines to provide for their necessary military strength; conventional forces are being strengthened, and an effective nuclear capability is being maintained. The conclusion of this agreement is consistent with these current policies and with the continuing alliance purposes of collective defense.

I am forwarding a copy of the atomic cooperation agreement with Belgium to each House of the Congress, in accordance with the Atomic Energy Act of 1954, as amended. I am also forwarding a letter from the Secretary of State transmitting an authoritative text of the agreement, a copy of the joint communication by the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of the agreement and a copy of the memorandum recording my affirmative response to their recommendation.

JOHN F. KENNEDY.

THE WHITE HOUSE, May 29, 1962.

ADOLF M. BAILER

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 1347) for the relief of Adolf M. Bailer, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert: That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Adolf M. Bailer. From and after the date of enactment of this Act, the said Adolf M. Bailer 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 order have issued.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

KEVORK TOROIAN

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5652) for the relief of Kevork Toroian, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 5, strike out "October 22, 1959" and insert "November 23, 1959".

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS SERVING IN U.S. ARMED FORCES

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H.J. Res. 638) for the relief of certain aliens who are serving in the U.S. Armed Forces, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments as follows:

Page 1, line 5, strike out "Orlando V. Jamandre".

Page 1, line 7, strike out "Federico M. Periquet".

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

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

INDUSTRIAL SECURITY PROGRAM

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the bill (H.R. 11363) having to do with the industrial security program be recommitted to the Committee on Un-American Activities.

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

There was no objection.

SECTION 204 OF AGRICULTURAL ACT OF 1956

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

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

The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, GATHINGS, HOEVEN, and MCINTIRE.

CORNERSTONE OF RAYBURN HOUSE OFFICE BUILDING

Mr. ALBERT. 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 Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I take this time to advise Members that the copper box that is to be permanently sealed into the cornerstone of the Rayburn House Office Building will be placed in the Speaker's Lobby today, Thursday, May 31, and again on Monday, June 4, 1962, and that on both of those days Members of the House of Representatives may deposit in the box any message, signature, or other writing which they wish to have preserved for posterity, in an envelope approximately the size of a postal card. It is requested that each Member deposit only one message. These are the final dates on which Members may make deposits in the cornerstone box.

COMMITTEE ON PUBLIC WORKS

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight Saturday to file a report on the bill H.R. 10113.

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

There was no objection.

ASTRONAUT MALCOLM SCOTT CARPENTER

Mr. ROGERS of Colorado. 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 Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, Malcolm Scott Carpenter, the second American astronaut to circle the world, was received in his home State of Colorado over the weekend. Thanks to the President who made his plane available, we were able to get there in time for a big celebration in his hometown of Boulder, Colo. The University of Colorado issued a bachelor of science degree. The next day he and his lovely family visited with the people of the city and county of Denver and participated in a tremendous parade. The citizens set a record and had the largest group in the history of Denver to celebrate the great feat that Scott Carpenter had performed.

We in Colorado are proud of the contribution he has made, and I am sure he will be performing more services in the future.

SCHOOL LUNCH PROGRAM

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 657 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. Brown] and yield myself such time as I may consume.

The SPEAKER. The gentleman from Missouri is recognized.

Mr. BOLLING. Mr. Speaker, there was no controversy on this subject in the Rules Committee. It provides for a change in the formula of apportionment of moneys under the school lunch program.

There being no controversy as far as the Rules Committee is concerned, I reserve the balance of my time.

Mr. BROWN. Mr. Speaker, the gentleman from Missouri has explained this rule, which makes in order the consideration of H.R. 11665 under 1 hour of general debate. It is an open rule. As the gentleman from Missouri stated, there was no opposition to this measure in the Rules Committee, and we were informed in the committee that the House Committee on Education and Labor in which this bill originated reported it out unanimously. The Rules Committee therefore took similar action.

I have been informed this morning, however, that there are objections on the part of some members of the House Committee on Education and Labor to one or two provisions, or some of the wording in the bill. As a result an amendment or amendments may be offered. I do feel, nevertheless, that this bill should be considered under this rule.

I have no further requests for time and yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution. The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BAILEY. 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. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11665, with Mr. BROOKS of Texas in the chair.

The Clerk read the title of the bill.

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

Mr. BAILEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the bill, H.R. 11665, amends the formula for distributing cash assistance funds to the States under the National School Lunch Act. It also authorizes the Department of Agriculture to reserve some funds for additional grants to school districts serving areas of low economic resources. It extends the program to American Samoa. A so-called separate but equal provision of the 1946 act is repealed.

Mr. Chairman, this bill does not create a new program. No new appropriations are authorized. We merely provide for a more equitable method of distribution. The changes are dictated by the experience under the program since its beginning.

Hearings on the basic formula change were conducted during the 86th and 87th Congresses. We heard no testimony opposing the formula change.

These amendments have been recommended by the Department of Agriculture.

Under existing law cash assistance funds are apportioned on the basis of school-age population and per capita personal income. Under Department of Agriculture regulations, States are required to reimburse participating schools on the basis of number of lunches served. The basic maximum allowable payment is 9 cents for each type A lunch with milk, and 7 cents for each type A lunch without milk.

Because the program has grown faster in some States than in others, in actual practice the average per meal rates of cash assistance any State is able to pay its school systems tends to be related more to the rate of progress growth than to need as measured by per capita income in the State. Thus, a State, where income level is high but with below average participation, may be able to reimburse the school systems at a higher rate than can a State where income levels are low but where participation is high.

Under the formula changes proposed in H.R. 11665, cash assistance funds would be apportioned on the basis of total number of lunches served during the previous year, together with the assistance need rate of each State.

Nearly all of the witnesses before us wanted a floor of 5 cents under payments and a ceiling of 9 cents. The committee was reluctant to write such a floor and ceiling. In such an event, without full implementation, it was obvious that the States with the higher as-

sistance need rates would be those to suffer.

It is my fervent hope, however, that sufficient funds will be made available so that no school system will receive less than 5 cents per meal served.

The new section 11 is designed to provide additional payments to districts located in areas of extreme economic distress. In many areas—and some are in my State of West Virginia—there are a relatively high number of children who cannot purchase a meal. The resources of many of these same school districts are so limited that the need cannot be met with the normal cash assistance program. The committee learned that the less well off school districts attempt to meet the situation either by having to serve a higher than average number of free meals or by charging an unrealistically low price. We purposely gave discretion to the Department in order to meet both types of situations. We did ask the Department to submit the guidelines it proposed. These have been included in the committee report so that the intent of Congress will be clear.

Under existing law private schools may participate in the program. We have retained this provision. At present, in the case of those States where the appropriate State agency is prohibited by law from reimbursing private schools, the Secretary of Agriculture may do so directly. He reserves a portion of the State's allotment equal to the percentage of the State's total elementary and secondary school enrollment accounted for by private elementary and secondary schools.

Under H.R. 11665 the method for dividing the State's share of the cash assistance funds between public and private schools, when such a division is necessary, is altered. The bill provides that division be made on the basis of the number of type A lunches served in each type of school. This is consistent with the changes made in the basic formula, and results in the same average per meal rate in both public and private schools in each State.

Mr. Chairman, I urge approval of this bill.

Mr. Chairman, in concluding, I would like to read into the RECORD a letter received from the Department of Agriculture:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 18, 1962.

HON. ADAM C. POWELL,
Chairman, Committee on Education and Labor,
House of Representatives, Washington, D.C.

DEAR MR. POWELL: Reference is made to H.R. 11665, a bill to amend the National School Lunch Act which was reported favorably by your committee on May 10, 1962.

This bill incorporates all of the changes in the National School Lunch Act recommended by this Department in a series of hearings held by your Subcommittee on General Education. We support passage of H.R. 11665 and we believe that it will increase the effectiveness of the program of Federal aid to nonprofit school lunch programs.

We are hopeful that this legislation will be made effective for the 1963 fiscal year.

Sincerely yours,

CHARLES S. MURPHY,
Under Secretary.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the gentleman from West Virginia has said, there was no basic argument in the committee with respect to the proposed changes in the formula for distribution of funds under the National School Lunch Act. The changes proposed will provide money on the basis of the number of school lunches served instead of the total school age population.

I might say, however, that I regret that the report was not prepared more carefully. On reading it I find no reference to the way in which the proposed changes in the distribution of the funds differ from the old method, either in dollar amount or the amount of cents per lunch in an individual State.

Mr. Chairman, I would like to call attention to the table which appears on page 5 of the report, which indicates the proposed distribution of the funds to the various States, the District of Columbia, and so on. One will see that there is no reference to the amount which each State or the District of Columbia receives under the present distribution of funds. There is no comparison made.

As an example, the District of Columbia would receive a very sharp reduction in the dollar amount, but there is no evidence of this in the report. I might say that the hearings do indicate, to some extent at least, that the major changes proposed seek—and I think this is desirable—to provide more aid to the areas that need it most, rather than to areas which perhaps have other ways of meeting needs.

Mr. Chairman, my basic objection is this—

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

Mr. FRELINGHUYSEN. I shall be glad to yield to the gentleman from West Virginia.

Mr. BAILEY. The gentleman from New Jersey mentioned the situation which exists in the District of Columbia. Let the gentleman from West Virginia remind the gentleman from New Jersey that the per capita income rate in the District of Columbia is higher than every other State except the State of Delaware. Yet they were participating in this program last year to the extent of 8.5 cents per meal, I believe.

Mr. FRELINGHUYSEN. I am not, I might say to the gentleman from West Virginia, necessarily holding a brief for the District of Columbia. However, it seems to me that the report on the bill should give an indication, either through the amount of funds to be made available on an individual school lunch basis, or the dollar amount, where there is going to be a sharp reduction of funds.

Mr. Chairman, I might point out that the District of Columbia, under the present method of distribution, assuming a fund of \$98.6 million, would receive an appropriation of \$215,000. Under the proposed method they would receive only \$152,000. It may be that less should be provided to the District of Columbia, but it does seem to me that we should know how the proposed formula differs

from the present one. I am not suggesting an attempt to hide essential information. When we dig for it, it is available. But it seems to me that the tabulation is not of much value unless it gives the difference between what we are presently doing and what we are proposing to do.

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

Mr. FRELINGHUYSEN. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to remind the gentleman from New Jersey that this bill is designed to operate particularly in a manner to take care of the situation in areas of the country where they are unable to provide lunches for their children.

Mr. FRELINGHUYSEN. Well, I would like to say to the gentleman from West Virginia that I have already backed the idea of the proposed revisions in the basic law so as to provide more funds where we figure more funds are needed, and to reduce somewhat funds where they are less badly needed. I am not arguing with the general formula which is being proposed. I simply think the report is inadequate in stating what we are doing.

Mr. BAILEY. If the gentleman will yield further, I would like to read a little bit of information into the Record at this time:

The District of Columbia came into the program but recently. Because many of its school buildings are old and not equipped for serving lunches, and because many of the youngsters are within walking distance of the school, the participation rate is extremely low. The District has been using school lunch funds to pay seven-tenths of a cent per half pint toward the cost of the special milk program. It may continue to do so. Total school lunch funds to the District will be reduced. The District asked the subcommittee for special dispensation to count the half pints of milk served under the special milk fund. The subcommittee was not inclined to make any exceptions. Department officials advised us that the District's problems could be handled through the special school milk program. We are advised this has been done, and Superintendent Hansen is satisfied.

Mr. FRELINGHUYSEN. Mr. Chairman, I might say to the gentleman from West Virginia that I made a mistake with reference to the District of Columbia. The program, once it is established and after this transition period of 1 year has gone by, will be even more prejudicial to the District of Columbia than I have just stated. If \$98,600,000 were made available under the present program the District could now receive \$215,000, as I have already stated. But under the proposed method of distribution, the District would receive only \$89,000, which is a very sharp and substantial reduction, which may have led to the protest to which the gentleman from West Virginia just referred.

Mr. Chairman, I would like to make a further comment with respect to the report. The tabulation on page 5 of the report is inaccurate. It fails to indicate how the changes in the formula which the adoption of these amendments would provide will affect the various States. The tabulation states that this will be the distribution under the proposed formula. That is inaccurate.

I should like to refer to the hearings on page 13. The tabulation there, if I am reading the material correctly, refers to the proposed distribution in the first year under these changes. The tabulation in the report also refers to the first year only, the so-called transitional period. In the second and succeeding years there will be quite different distributions, which are found on page 12 of the hearings. It would seem to me that the report itself either should say that the distribution proposed is during the transition period of 1 year, or it should give additional figures to show what the changes would be in subsequent years. It is an unintentional oversight, I am quite sure.

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

Mr. FRELINGHUYSEN. I am glad to yield to the gentleman further.

Mr. BAILEY. The gentleman will remember that in the subcommittee hearings, in order to make this change work smoothly, it was decided the first year to make one-half of the appropriations to the program under the present law and the other half of the money would be apportioned under the new procedure, based upon the meals served rather than upon the number of children in the school districts. That may account for the low rate for the District in the first year. That will be adjusted in time, in the second and third years.

Mr. FRELINGHUYSEN. The transition period is proposed to ease the problems which otherwise might arise in such areas as the District of Columbia. But I think it is misleading to say that the proposed formula will result in the allocation of funds indicated in the report. It will do so only in the immediate future, and for one 12-month period, and the report should have so stated. There will be a substantial change in the distribution of funds in the succeeding years, as the hearings on page 12 clearly indicate. I think the report is badly drafted.

Mr. Chairman, my main complaint about this bill, and I think it is a substantial one, refers to the language at the bottom of page 6 of the bill, beginning in line 20, section 6. I refer particularly to the proposed section 11, found on line 2 of page 7, which authorizes "such sums as may be necessary to enable the Secretary, under such terms and conditions as he deems to be in the public interest, to provide special assistance to schools drawing attendance from areas in which poor economic conditions exist," and so on.

Mr. Chairman, I propose to offer an amendment to strike all this language. It is very badly drawn, and far too broad. The report itself recognizes that fact, because it spells out in some detail just how the Department of Agriculture should administer the program if funds should be appropriated under this section. I point to the language on pages 6 and 7, two full pages of the report, describing the way in which the administration would probably administer a program if money should be made available under this particular provision. My point is that if we feel that the changes proposed in the distribution of funds will

still not eliminate certain inequities and if there are going to be needy areas which deserve further attention, then we should spell out ways in which the Secretary might provide supplemental assistance.

I think it is highly undesirable, and I regret very much that I did not make this point in committee, that we should give anybody, even a Cabinet officer, an absolute blank check in such matters. Why should he determine as he may deem it in the public interest, on such terms and conditions as he deems advisable, what additional funds should be given to various districts? The assumption that the proposal is to be carried on at the State level, and that the States are to make their own determinations with respect to need, comforts me not at all. There is nothing in the way of legislative history to bind any Secretary, either this one or the next, to observe the rules which we suggest.

I also suggest that the so-called guidelines, as they were suggested in the committee report, are almost incomprehensible. I would like to refer to the language on page 7 of the report. This relates to what are called special application, which State agencies must submit in order to receive additional assistance from the Department of Agriculture. The application must provide information on a number of things, including, in point 4, assurance, and I quote, that "any token charge made to needy children in order to encourage independence will not preclude participation by those children who need to receive a free lunch in order to participate."

I wonder what that language could possibly mean? Presumably we are trying not to penalize, by withholding aid, a school which charges a nominal amount, say 5 cents, to a child who otherwise would be unable to pay for food. But how would this custom of making a token charge to needy children preclude participation by those children who need to receive free lunches? And what do those final words "in order to participate" mean? To me it is so confusing that it is no guideline. At the very least, if we have something in mind, we should state it more clearly.

Mr. BAILEY. If the gentleman will yield, he will recall that in individual school districts throughout the several States of the Nation their way of handling it varies in each of the school districts. The situation is different in nearly every State. For us to try to write into the bill direct guidelines for the Department of Agriculture to meet those situations, since they are different, it would be almost impossible to write legislation that would cover all of them. That is why it is necessary to give the Secretary of Agriculture some leeway in dealing with those districts to meet these individual needs. You would not pick one particular pattern.

As to the last question the gentleman asked, there are some parents who can provide a part of the expenses of the youngsters. They cannot pay all of them. You do not want to exclude the youngsters from participating in the program even though they can make

only half a contribution. That is the purpose of the legislation. We want them all to participate. If they cannot pay all of it, we will take half of it.

Mr. FRELINGHUYSEN. I thank the gentleman from West Virginia for his comments. It does not seem to me a wise proposal to authorize the Secretary of Agriculture to make such determinations on any conditions that he sees fit to provide special assistance to schools drawing attendance from areas in which poor economic conditions exist.

This authority, might be used—and, of course, it would not be under the present administration and I hope not in succeeding ones—but it might be used a few weeks prior to an election because some particular condition suddenly comes to the attention of the Secretary. I think if we are going to make revisions in the law, and some may be necessary, we ought to take a good look at this before we delegate as broad an authority as is provided in this section 11.

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

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

Mr. SMITH of Iowa. The gentleman has pointed out, and correctly so, that the money going to the District of Columbia would be greatly reduced, down to about one-third of what it is now. Of course, that is an assumption. They do not have any hot lunch program for the elementary children in the District. I just think they should. I would like to point out—here we are in the Nation's capital and in our schools here as far as our hot lunch program is concerned, they are about 20 years behind the rest of the country. We are establishing hot lunch programs in other countries and here we do not even have a hot lunch program for children in the District of Columbia. Apparently, the administrators of the schools here do not want one either.

I think it is a disgrace that we are so far behind on the hot lunch program here. It is time to start getting one for elementary children. We here in the Nation's capital have a cafeteria that we go to, and almost everybody who works for private business has a place to get a hot lunch but the little tots have to tote a cold meal to school just like we did back in the one-room schoolhouse days.

Mr. FRELINGHUYSEN. I thank the gentleman. As I have already stated to the gentleman from West Virginia, I am in favor of providing as many hot lunches to as many children as we can. I am in favor of the proposed revisions of this act, which at least attempt to give money to the States which have the most aggressive and widespread programs.

I am not arguing against the hot lunch program.

Mr. SMITH of Iowa. I did not mean to imply that the gentleman is opposed to hot lunches for the schoolchildren in the District.

Mr. FRELINGHUYSEN. I thank the gentleman.

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

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

Mr. GROSS. I do not know about the school lunch program in the District of Columbia, but they are not lacking in the ability to rock out the windows of the schools in the District of Columbia. It seems to me last year the bill for that purpose went to something like \$120,000 or \$130,000 just to replace the glass that had been rocked out during the vacation period. They may not have the school lunch program that they ought to have, but they sure know how to knock the windows out of the school buildings.

Mr. FRELINGHUYSEN. I hope the gentleman is not suggesting that the window glass should not be replaced in the school buildings.

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

Mr. FRELINGHUYSEN. I yield to the gentleman from West Virginia.

Mr. BAILEY. Along the line of the remarks made by the gentleman from Iowa, I would like to state that the District of Columbia has been operating a hot lunch program for the last 4 years for high school children and junior high school children.

Mr. SMITH of Iowa. Yes, but not for the elementary schools. That is just for the high schools and junior high schools.

Mr. BAILEY. The gentleman is correct.

Mr. Chairman, I yield such time as she may require to the gentleman from Washington [Mrs. HANSEN].

Mrs. HANSEN. Mr. Chairman, I support the bill H.R. 11665. The school lunch program has been one of the most successful programs instituted and operated by the Federal Government.

The formula changes proposed in this bill will provide for a more equitable basis of distribution of funds. It is our belief that this will result in further expansion by the States and local communities.

Mr. Chairman, this program was born during the depression, when corn was being burned for coal and Americans were going hungry. We began distributing surplus food to needy persons. It was soon discovered that schoolchildren were often in need of better nourishment, and that schools throughout the country were logical consumers of surplus agricultural commodities. We decided that farm surpluses and hungry schoolchildren could not be allowed to exist side by side in America. The surpluses were decreased and the needs of schoolchildren were met. The school lunch program, which had to develop in a few local school systems years before there were large agriculture surpluses, grew rapidly with such cooperation from the National Government.

School lunch programs provide multiple benefits. The reduction of surpluses and the feeding of hungry children are the most obvious. The operation of a school cafeteria makes consolidation more feasible. In the urban areas the school lunch program has provided a more nutritious lunch, particularly for the children of working mothers.

One more most important point. The consumers of tomorrow are developed in today's school lunchrooms.

The Congress in 1946 recognized these multiple benefits and brought the Fed-

eral Government into permanent partnership with the State and local schools on July 1. The original formula provided for distribution of cash assistance funds on the basis of school-age population. As a result of experience, we feel we have outgrown the previous formula. It is now much more equitable to apportion the money among the States, as provided in H.R. 11665, on the basis of actual participation in the program plus the relative need of the State.

By apportioning the cash assistance funds on the basis of actual participation in the program, we will be giving recognition to those areas that have made greater progress in extending the school lunch to more children, rather than, under the present formula, penalizing them by forcing them to divide their money among more children.

Mr. BAILEY. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. ICHORD].

Mr. ICHORD of Missouri. Mr. Chairman, I rise in support of H.R. 11665, necessary legislation revising the National School Lunch Act.

The national school lunch program represents an investment in the most important asset of our Nation. It is a program in which we can take pride. Its cost is moderate, but its value is beyond reckoning. It does not usurp the responsibility or control of the educational agencies of the various States, but it encourages and assists these agencies in making available to our schoolchildren a wholesome, nutritious lunch at moderate cost. Indeed, for children who cannot afford even this cost, the lunch can be served at a reduced price or free. It may be a little difficult for us here to realize it, but if it were not for the national school lunch program, there would be many schoolchildren who would be hungry this afternoon, and there would be many others who would have had a very inadequate meal. And a poorly nourished child is not able to meet the increasingly heavy demands which our schools are placing—and must place—upon our children if our Nation is to retain its position in a fast developing world. To meet the problems lying ahead of us in a nuclear age, we must have a society which is firm morally, tough physically, and tough mentally. This program contributes to the attainment of all three goals. It is absolutely ridiculous to continue with a program that gives cash assistance to States per meal ranging from 8.5 cents per meal to 19 cents per meal without any relation to need.

We have before us some recommended changes in the national school lunch program. Although the program has been very successful, experience in the past few years has revealed certain weaknesses that need correction—certain improvements that should be made. I believe that the bill which has been reported by the Committee on Education and Labor will make the needed corrections and improvements and give us a better school lunch program.

The major change proposed by this bill relates to the formula by which funds are to be allocated among the States.

The present method of apportioning the funds among the States is one which appears on the surface to be logical, but which in actual practice does not give the sort of results which were anticipated and intended. The present formula involves the school-age population in each State, and the per capita income of each State. As I stated, on the surface it appears to be logical, but the variation in participation among the States causes this formula to produce unreasonable variations in the per-meal assistance provided to the children in the various States.

It is logical, and it was intended, that the formula should give somewhat more assistance to those States with a somewhat lower per capita income, because they are in the greatest need of help in order to provide their children with an adequate lunch. However, the existing act does not accomplish this objective.

When all the 50 States are ranked in order of average per capita income, the inequity of the present formula is striking. During this school year the average rate of assistance per meal is 4.2 cents. Twenty-six States received less than this average amount. If the present formula was working as intended, it would be expected that most of these States would be among those having the higher per capita income, but such is not the case.

Exactly half of the 26 States that received less than the national average of 4.2 cents per meal are to be found among the States with the lower per capita income. It is clear that the present formula completely fails to allocate the per meal assistance in any kind of a logical manner related to the State per capita income.

The proposed formula will completely correct this inequity. The States with per capita income equal to or larger than the national average would all receive the same per meal assistance, being assigned an assistance need rate of five. The States with per capita income less than the national average would receive larger per meal assistance, ranging to a maximum assistance need rate of nine.

If the appropriation should be sufficient to fully implement this program—and this is what I should like to see—the per meal assistance would range from a low of 5 cents per meal to a maximum of 9 cents per meal, as compared to the present range of a low of 1.9 cents now supplied to Hawaii, to a high of 8.5 cents now supplied to the District of Columbia.

The bill provides that the change in allocation of funds will be made on the partial basis the first year, thus allowing a gradual transition to the new formula which will be fully effective the second year.

I think the other changes in the school lunch program which are effected by this bill require less explanation.

The bill authorizes a special fund to assist schools whose attendance is from areas with especially difficult economic conditions, which are not financially able to operate a lunch program, or which are unable to meet the need for free or substantially reduced price lunches for those

children unable to pay the full price of the lunch. These are the areas which need help the most of all.

There is a provision for equitably dividing the State's share of assistance funds between the public and private schools in those particular States where such division is necessary because of State statutes which prevent the State agency from disbursing funds to private schools. And finally, the bill brings American Samoa into the program.

Mr. CHAIRMAN, this is a bill which corrects some accidental inequities and establishes the national school lunch program on a fair, just, and impartial basis. In my opinion, it deserves the support of every Member of the House.

Mr. BAILEY. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I ask unanimous consent to speak out of order.

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

There was no objection.

RETIREMENT OF ADM. ALFRED C. RICHMOND

Mr. GARY. Mr. Chairman, in formal change-of-command ceremonies today aboard the Cutter *Campbell* on the Potomac River here in Washington, Adm. Alfred C. Richmond relinquishes his duties as Commandant of the U.S. Coast Guard to Adm. Edwin J. Roland. Admiral Richmond made known his decision to retire some time ago, but for those of us in the Congress who have worked closely with him, it is impossible to view the development of the day without pangs of regret.

My work with Admiral Richmond has been as chairman of the Appropriations Subcommittee which takes original action on the Coast Guard's annual budget and I can assure Admiral Roland that he is inheriting a tight ship. I have often said that the Coast Guard is operated as efficiently as any arm of the Federal Government and that if other agencies followed the Coast Guard's lead the fiscal situation would not be as disturbing as it is today.

But Admiral Richmond's outstanding performance as Commandant should have come as no surprise. Born Alfred Carroll Richmond on January 18, 1902, at Waterloo, Iowa, he showed early wisdom by moving, with his family, into my own State of Virginia at the age of 10 and his moves since have shown similar soundness for a man on his way to the top.

Armed with a certificate from Massanutten Academy in Woodstock, Va., he enrolled at the age of 16 in the college of engineering at the George Washington University, where he is still remembered as an athlete who was later to be named to the GW Letterman Hall of Fame.

He entered the U.S. Coast Guard Academy in New London, Conn., as a cadet in 1922 and was graduated as the senior man in his class with a commission as ensign in 1924. His rapid advancement in rank since is fitting testimony to the perspicacity of the instructors at New London who knew they

had a leader on their hands and accorded him the highest honors.

After 2 years of service as an aide to the Commandant of the Coast Guard in Washington, during which he performed temporary duty in operations against rum runners off the coast of New York, he was assigned to the Coast Guard Academy staff for 2 years. Promoted to lieutenant, junior grade, in 1926, he advanced to lieutenant in 1928, lieutenant commander in 1932, commander in 1942, captain in 1943, rear admiral in 1950, vice admiral and Commandant in 1954, and admiral on June 1, 1960.

While again assigned to Coast Guard Headquarters here in Washington in 1935, he began taking a resident law course at the George Washington University and was awarded a degree of juris doctor "with distinction" in 1938.

In 1939 he received experience at the international level which was to prove helpful in later years. That came while he was serving as a representative of the Treasury Department and as a delegate of the United States at the International Whaling Conference convened at London. In January of 1959 he was a principal delegate to the First Assembly of the Intergovernmental Maritime Consultative Organization.

He was president of the 1960 Sixth International Lighthouse Conference and is now president of the executive committee of the International Association of Lighthouse Authorities. He is also chairman of the National Committee for Prevention of Pollution of the Seas by Oil and has been named to head the U.S. delegation to the upcoming 1962 conference of this organization.

During World War II he served as a commanding officer of the cutter *Haida* doing convoy escort duty out of Juneau, Alaska, before being transferred in 1943 to London. As a result of his work during and after the Normandy invasion in assisting in the organization of Coast Guard forces for their assigned tasks, he received the Bronze Star Medal for meritorious service as senior Coast Guard officer on the staff of the commander, U.S. Naval Forces in Europe. The French Government also awarded him the Croix de Guerre for exceptional services rendered in the liberation of France.

He was appointed Assistant Commandant of the Coast Guard in 1950 and in 1954, with the advice and consent of the Senate, he was named Commandant by the President succeeding Vice Adm. Merlin O'Neill. In 1958 the Senate confirmed a second 4-year term for him as Commandant and in 1960 he was appointed to the rank of full admiral.

Admiral and Mrs. Richmond, the former Gretchen C. Campbell, live at 2365 North Edgewood Street in nearby Arlington. They have two sons, John Mason, 25, who was graduated from the Coast Guard Reserve Officer's Candidate School in 1958 and was commissioned an ensign in the Reserve in 1958, and Alfred Carroll, Jr., 23.

The Coast Guard is a military service and a branch of the Armed Forces of the United States which serves the Treasury Department in time of peace and the

Navy in time of war. Its principal missions include saving and protecting life and property, maritime law enforcement, providing navigational aids to maritime commerce and to transoceanic air commerce; promoting the efficiency and safety of the American merchant marine and readiness for military operations.

Admiral Richmond is one of the best administrators it has ever been my privilege to know. He has a scintillating intellect, a commanding but pleasing personality, a remarkable store of information, a keen sense of humor, rare judgment, and a dedication to duty that characterizes him as one of America's outstanding leaders. He was one of the best informed witnesses that has appeared before my congressional committees during my 18 years in the Congress. He testified with confidence and his testimony always carried conviction.

Under Admiral Richmond the Coast Guard has performed its missions well. It is a better service because of his efforts and he will leave many good years of a full life to it when he awakens in a status of retirement on the morrow. He will not admit it but I know that the motto on the Coast Guard seal, *Semper Paratus*, shines with a greater luster as a result of his long and dedicated service.

The outstanding record of this faithful public servant merits a retirement of comfort and ease but we can ill afford to lose his many talents at this time, and knowing him as I do I am convinced that he would be happier with his time occupied in meritorious service. He is superbly qualified for membership on one of our international commissions where his background, training, experience, and ability could be used to bring order to a confused and disordered world.

I join the many friends and admirers of Admiral Richmond in wishing him continued success and godspeed along whatever paths he may pursue happiness during his retirement.

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

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

Mr. GROSS. I thank the gentleman for the statement he has just made in reference to Admiral Richmond and join with him in extending my tribute to the admiral, not only because he comes from Waterloo, Iowa, my hometown, but also because he has been a very able administrator and public servant. I therefore wish for Admiral Richmond good health and happiness in his well-deserved retirement.

Mr. CONTE. Mr. Chairman, today, after almost 40 years of devoted service to his country, Adm. Alfred C. Richmond is retiring as Commandant of the U.S. Coast Guard.

In the span of those 40 years, Admiral Richmond has seen the Coast Guard develop from a small force of officers and men endowed with what today may seem to have been rather minor responsibilities. Now the Coast Guard, greatly expanded in both size and responsibilities, is an integral part of our defense forces, and at the same time has the responsibility for manning many of the services vital to the oceangoing com-

merce of the world. For the past 8 years Admiral Richmond has been in command of this vast operation, and he has carried out his responsibilities with the highest degree of efficiency. He has been called upon to represent the United States at vital international conferences, always carrying out his assignment with great ability, and always completely knowledgeable of the subject at hand.

I have come to know and admire Admiral Richmond by his appearances before the Appropriations Subcommittee on Treasury on which I have the privilege to serve. As he takes his retirement, the Coast Guard is losing a great leader, the U.S. Government is losing a most able representative, and I am losing a good friend. To Admiral Richmond I say "well done," good luck and happiness, always.

Mr. STEED. Mr. Chairman, the retirement of Adm. Alfred C. Richmond as Commandant of the U.S. Coast Guard in ceremonies held here today marks the culmination of a career of 40 years of service that has made a real contribution to the welfare of our country.

In his 8 years as Commandant and in the previous 32 years of his Coast Guard service in both war and peace, Admiral Richmond displayed the best qualities of command and administration.

It has been a pleasure to be associated with him during my 6 years as a member of the House Appropriations Subcommittee on the Treasury, where his annual appearances have always succinctly summarized the steady and continuing achievements of his organization. His command of the details of his operation has always inspired confidence.

It is good to know that he will head the U.S. delegation to the approaching Conference on the Prevention of the Pollution of the Seas by Oil, another in the series of important international meetings at which he has represented our country. His work as president of the executive committee of the International Association of Lighthouse Authorities has been significant in many nations.

With his retirement from the Coast Guard at the early age of 60, I trust that he will long continue to be of active service to the Nation in the fields in which he is an authority.

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

Mr. GRIFFIN. Mr. Chairman, I take this time to ask a question or two of the gentleman from West Virginia [Mr. BAILEY] regarding the effect of a provision in this bill. I served on the Daniels subcommittee, which concerned itself with the progress being made to implement the Supreme Court's decisions requiring desegregation of our public school system. The legislative history of this bill would not be complete if some attention were not focused upon a change which this bill would make but which is not very well reflected by the draftsmanship of the legislation itself.

Page 15 of the committee report indicates that the following sentence of the existing statute would be repealed:

If a State maintains separate schools for minority and for majority races, no funds made available pursuant to this act shall

be paid or disbursed to it unless a just and equitable distribution is made within the State, for the benefit of such minority races, of funds paid to it under this act.

I did not serve on the subcommittee which developed this legislation, but I suspect that by repealing this sentence the subcommittee is desirous of taking away any stamp of approval that the language might seem to give to the continued segregation in the public schools.

However, I am concerned about what might be the unintended effects of taking this language out. By deleting this sentence, are we suggesting or demanding that the Secretary of Agriculture immediately cut off all school lunch funds for certain States? If such funds should be cut off in a State which is making progress with "deliberate speed" toward integration but continues to have segregated schools, what would be the effect upon the children in those segregated schools who, in many instances, desperately need the hot lunch program?

Having raised these questions, I shall appreciate it if the distinguished gentleman from West Virginia [Mr. BAILEY] can enlighten the Committee.

Mr. BAILEY. I can enlighten the gentleman to this extent. The paragraph the gentleman is talking about is the so-called Powell amendment that was written into the act of 1946. He has asked himself, as chairman of the general Committee on Education and Labor, that that amendment be eliminated.

Mr. GRIFFIN. I am asking the gentleman from West Virginia about the effect of the elimination of the particular language.

Mr. BAILEY. No direct effect.

Mr. GRIFFIN. I realize that the bill would eliminate the language referred to, but what would be the effect of eliminating it?

Mr. BAILEY. I can see no direct effect of it.

Mr. GRIFFIN. No direct effect?

Mr. BAILEY. I can see no effect, because every case that has been carried to the Supreme Court has resulted in the Supreme Court sustaining the case. This is not going to affect the situation at all, and you will have to take care of both the white schoolchildren and the colored schoolchildren in the general program and not segregate them and take care of them as two separate schools.

Mr. GRIFFIN. It would seem to me, that if we intend for the operation of this program to continue as it has, we are making poor legislative history to make a change in the statute, and then to say that the change is meaningless. If we do intend some effect to flow from this change, we ought to know what it is.

I would approve of administrative implementation within legislative bounds pointing toward desegregation of our schools. I believe in the implementation of the Supreme Court's desegregation decision, and perhaps the administration of the school lunch program should be used as one method of effecting it. However, I believe we should be aware of what we are doing, and give this matter very serious consideration.

I would be very concerned if some administrator should suddenly cut off

school lunch funds in particular States. If we are to take this path to enforce desegregation, then it would seem that some reasonable grace period should be given; for example, a year's notice. I should think that we might indicate in the legislation or the legislative history our concern that some degree of caution and reason should be exercised. If we did so, then I would feel better about the helpless schoolchildren who could be caught in this particular trap. Again, I am a little bit surprised to hear the gentleman from West Virginia say that this amendment is intended to have no effect.

If the gentleman from West Virginia can provide any further amplification of his statement, I would certainly appreciate it.

Mr. BAILEY. I might say to the gentleman from Michigan that one of the speakers who has yet to address the Committee will give his attention to that particular angle.

Mr. GRIFFIN. I thank the gentleman.

Mr. BAILEY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. O'HARA].

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

Mr. O'HARA of Michigan. I yield to the gentleman from Florida.

Mr. HALEY. I hope the gentleman will go into the mechanics of this and explain section 11 of the bill. It seems that here we have an entirely new section of this law. It appears to some of us that it would grant a great deal of power to the Secretary. I would appreciate it, and I know that other Members of the House would appreciate it, if the gentleman would explain if he has attempted to tie this down somewhat in the report.

Mr. O'HARA of Michigan. I would like to begin by saying to the gentleman from Florida, that the new section 11, which would become a part of the act if the bill before us is enacted, introduces a brandnew concept into the school lunch program. It is designed to take account of very special situations that exist in some parts of the country. The special assistance funds authorized by this section would provide additional help to those school districts which, because of extremely poor economic conditions, serve an inordinately large number of free lunches or which would serve a large number of free or reduced-price lunches, if they had the financial ability to do so. We, of course, wanted to tell the Secretary how to apportion these funds and how to identify these needy school districts and determine the amount to which each one is entitled. We considered putting the apportionment on the basis of the number of free or reduced-price lunches that were now being served by the district.

But we found that some of the districts most in need of help were in such poor financial condition that they were unable to serve the number of free lunches or reduced-price lunches that they wanted to serve, or which they should serve. We therefore prescribed no rigid formula but left it to the Secre-

tary to work out in practice with the understanding that he provide to us, for our approval, the criteria he would attempt to follow in implementing the intention of the committee. This was done.

Mr. Chairman, I would call the attention of the gentleman to the material appearing at the bottom of page 6, and on over onto most of page 7 in the committee report, which sets forth the representations of the Secretary of Agriculture as to the way in which he will attempt to implement this special assistance section. You will notice that the apportionment would be based primarily upon the number of free or reduced-price meals already being served to needy children, adjusted, however, for the ability of a State to finance such meals as measured by the relationship of the national average per capita income to the per capita income of the particular State.

Then in subsection (C) which appears at the top of page 7 of the committee report, there is stated the following:

C. Three percent of the total appropriation under section 11 will be reserved for use by the territories. Of the remaining amount, 50 percent would be initially apportioned to the States under the formula described above. Another 25 percent of such funds would be apportioned in a similar fashion and would be advanced to any State proving the need for additional funds over and above its initial apportionment. The remaining 25 percent of the funds would be held in reserve by the Department to be equitably distributed among those States demonstrating a need for funds in excess of their initial and reserve apportionments.

We did not set a hard-and-fast formula because it could not do justice to the kind of problem we were seeking to solve. I know that this is generally a less than satisfactory method of legislating. We felt, however, that, under the circumstances, it was the only realistic way to go about it.

Mr. BAILEY. Mr. Chairman, I yield such time as she may require to the gentleman from Oregon [Mrs. GREEN].

Mrs. GREEN of Oregon. Mr. Chairman, I rise in support of H.R. 11655 and urge that it be passed.

The Committee on Education and Labor unanimously approved its passage. The Department of Agriculture has stated the bill incorporates all the changes in the national school lunch program which it has recommended.

The committee believes the bill, incorporating a new formula, will increase the effectiveness of the program of Federal aid to nonprofit school lunch programs and at the same time provide greater opportunity for children needing such lunches to secure them.

The new formula provided by the bill includes apportionment of cash assistance funds among the States based upon total age population, as well as economic need. By revising the method of dividing the States' share of the cash assistance funds, the rate of cash assistance any State is able to pay its schools tends to be related more to the per capita income than to the rate of programed growth.

I point out that this bill deletes from the language any reference to race. This

seems tremendously important at this time in our history—8 years after the Supreme Court decision which ruled enforced segregation in public schools is unconstitutional. By amending this act through striking the language referring to separate schools for majority and minority races, the act would become more consistent with the basic philosophy of American education.

Mr. Chairman, at this point I wish to introduce in the RECORD text of letters from educators in my area which support the concepts embodied in H.R. 11655:

ASHLAND PUBLIC SCHOOLS,
Ashland, Oreg., May 10, 1962.

HON. EDITH GREEN,
House of Representatives,
Washington, D.C.

MADAM: It is my understanding that H.R. 8962 is still pending. Also this seems to be the fate of the Senate bill 2442 in the Committee on Agriculture and Forestry and no action on it has been scheduled. Both these bills are favorable to Oregon in their purpose to allocate school lunch funds on the basis of student participation rather than child census as at present, since Oregon is a leading State in school lunch participation.

I should like to urge you to press for action before Congress adjourns. Thank you, and if I can be of help to you from my small vantage point, please call on me.

Very truly yours,

STANLEY C. JOBE,
Superintendent.

STAYTON SCHOOL DISTRICT No. 77-CJ,
Stayton, Oreg., February 12, 1962.

HON. EDITH GREEN,
The House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: As you are well aware, we have needed a more equitable method of distributing Federal funds of the national school lunch program to the States. H.R. 8962 will provide a way to do this.

We have held the line on school lunches at 20 cents per meal for the past decade. However, each year our reimbursement becomes less.

Please give this bill your careful consideration and help us to continue to provide a nourishing hot lunch to a large number of pupils at a nominal charge.

Thank you.

Yours truly,

A. J. DICKSON.

REDMOND GRADE SCHOOL,
Redmond, Oreg., February 5, 1962.

HON. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: Recently I reviewed proposed legislation that would affect all hot lunch programs in the Nation. As I recall it was listed as H.R. 8962. In my opinion this proposal, should it become a law, would be most acceptable to Oregon schools. The method of money distribution or payment for type A lunches served is much more fair than under the present law. I would be most happy to see this proposal be put into effect.

Thank you for your courtesy and work to promote H.R. 8962.

Respectfully,

HUGH HARTMAN,
Superintendent.

NORTH BEND PUBLIC SCHOOLS,
North Bend, Oreg., January 30, 1962.
Congresswoman EDITH GREEN,
House Office Building,
Washington, D.C.

DEAR MADAM: On behalf of the youngsters and taxpayers of this school district and

others throughout the State, I wish to express to you my interest in H.R. 8962. This refers to a revision of the School Lunch Act.

It would seem to me that the proposal, to base distribution on actual participation, is far more equitable than is the method presently used. I would urge your support of this resolution.

I wish, also, to call to your attention the fact that the school age population continues to increase. The increase, presently, is largely centered at the high school level. These children eat more than do their younger brothers and sisters. It would seem that the amount of money to be allocated should remain in proportion to both the potential number of participants and the amount of consumption.

We appreciate, very much, the additional commodities received this year. The meat, especially, has enabled us to keep down our costs. And costs, in this phase of school affairs, have been increasing along with the rest.

Your interest in these matters will be much appreciated.

Very truly yours,

HENRY H. HARTLEY,
Superintendent of Schools.

LANE COUNTY
SCHOOL DISTRICT No. 52,
Eugene, Oreg., January 29, 1962.

HON. EDITH GREEN,
House of Representatives,
House Office Building,
Washington, D.C.

DEAR MRS. GREEN: I have been interested in H.R. 8962. According to my understanding, cash assistance remains at \$98.6 million but that the distribution formula will be changed. I have also noticed that the President's budget calls for an increase to \$118.6 million. I, personally, feel that the President's recommendation is a more realistic amount when one considers the increase in our school population, and especially the number of children in the United States who are participating in this program.

The change in the formula for distributing the money to the States is also a very desirable change. This change will mean that States and schools will actually receive according to the number of children participating in the program. At the present time, a State is penalized if it has a relatively high number of children participating.

I sincerely urge your favorable consideration in helping bring about the passage of H.R. 8962 as well as supporting the President in his recommendation concerning the allocation for this act.

Sincerely yours,

TOM POWERS,
Superintendent.

HILTON-FREEWATER
PUBLIC SCHOOL SYSTEM,
Hilton-Freewater, Oreg., January 30, 1962.
Congresswoman EDITH GREEN,
Member of the U.S. House of Representatives,
U.S. House of Representatives Office
Building, Washington, D.C.

DEAR CONGRESSWOMAN GREEN: I am writing in reference to H.R. 8962 which concerns the revision of the National School Lunch Act. I am very definitely in favor of this revision as I feel that the allocation of Federal moneys to school lunch programs should be based on student participation rather than school enrollment. The number of students in a school system is relatively insignificant if the participation in the lunch program is small when considering the reimbursement rate for the operation of the school lunch program of a given State. Under the existing formula, a State with a large school-age population but with a very small percentage of children participating in the school lunches may receive significant funds to provide as much as 7 to 9

cents reimbursement per meal. At the same time in a State, such as Oregon, with a relatively low school-age population and a relatively high number of children participating in the school lunch program the rate of reimbursement is necessarily much lower. Under the present formula, the rate of reimbursement for Oregon schools averages only about 3.2 cents.

It is my opinion that this proposed revision of the National School Lunch Act is a step in the right direction as it will more nearly reimburse States on their student participation in school lunch programs rather than just on the population of the school-age children of a given State.

Any consideration you are able to give this proposed revision of the National School Lunch Act will be greatly appreciated.

Very truly yours,

JOHN THRASHER,
Superintendent.

COOS BAY PUBLIC SCHOOLS,
Coos Bay, Oreg., January 30, 1962.

HON. EDITH GREEN,
Representative in Congress,
House Office Building,
Washington, D.C.

DEAR MRS. GREEN: We are much interested in H.R. 8962 regarding the school lunch program. The school lunch is of great value to the youth of our district and may be of value to the agricultural economy.

Some of our pupils come from homes that lack adequate finance, knowledge, and management to provide adequate meals for their children. For these pupils, the school lunch program is vital for their health, growth, physical and mental development. A good school lunch is valuable for all pupils. The school lunch program is a valuable assistance in maintaining national fitness. Those of us who are school administrators charged with the responsibility of education, have recognized the value of the school lunch program. We trust that you will work diligently for the passage of H.R. 8962.

Many of us are of the opinion that the allocation to the several States should be on the basis of meals served instead of the school census. The distribution from the States to the school districts is based on meals served.

H.R. 8962 provides for the distribution to be made from the National Treasury to State treasury on the basis of meals served. This change in the present method is good.

Yours truly,

M. B. WINSLOW,
Superintendent.

DAVID DOUGLAS PUBLIC SCHOOLS,
Portland, Oreg., January 22, 1962.

HON. EDITH GREEN,
House Office Building,
Washington, D.C.

DEAR MRS. GREEN: It was suggested by Dr. Ray Wolf, Portland State College, that we contact you concerning the availability of funds for which we might apply to assist in our district curriculum work.

You are acquainted with the local situation and realize that this district is relatively new, having been a reorganized, unified district for less than 3 years, also that local funds are limited. The desire for curriculum development and changes to keep abreast of current research, inventions, and trends, is second only to the need to construct new buildings to keep up with the local population growth.

The faculty members are very anxious to explore and assimilate the trends in modern math which seem appropriate for the elementary and secondary curriculum.

Another group of teachers feels that a complete revision of the science program, based upon a thorough study, is highly desirable.

The emphasis on science and math seems to be an outgrowth of the influences of the national program.

Any suggestions or assistance you may give us will certainly be appreciated.

Respectfully,

FLOYD LIGHT,
Superintendent.
ALTA FOSSBACK,
Curriculum Director.

JANUARY 29, 1962.

Representative EDITH GREEN,
House Office Building,
Washington, D.C.

DEAR MRS. GREEN: I would like to encourage you to give favorable consideration to House Resolution 8962 which proposes to change the formula for distributing money to the States under the National School Lunch Act.

The change proposed would tend to reduce the inequity of distribution, which at present allows certain States with a large school-age population and a small percentage of children participating under the National School Lunch Act to receive as much as 7 to 9 cents reimbursement per meal. In Oregon we have a relatively low school-age population and a relatively high number of children participating under the National School Lunch Act. Our rate of reimbursement averages approximately 3 cents per meal.

The appropriation to Oregon would be increased under the proposed revision and would be a benefit to us. May I again urge your favorable consideration to H.R. 8962.

Sincerely yours,

WILBUR M. OSTERLOH,
County School Superintendent.

PARKROSE PUBLIC SCHOOLS,
Portland, Oreg., January 26, 1962.

HON. EDITH GREEN,
House of Representatives,
Washington, D.C.

MADAM: It has come to our attention that Congressman JAMES G. O'HARA of Michigan has introduced a resolution (H.R. 8962) for the purpose of amending the distribution formula of the national school lunch appropriation.

In accordance with the National School Lunch Act of 1946, funds are appropriated on the basis of two factors: (1) Total school-age population in the State, and (2) the relationship of the per capita income in the State to the national average. In practice this works out that some States are able to distribute as much as 9 cents for each class A lunch served while in other States this amount is only 2 cents. In Oregon at the present time our reimbursement rate is 3 cents. The inequity of this formula is readily apparent.

It is my understanding that the proposed legislation would establish an interim period of 1 year for transition so that the impact on the program in States receiving higher reimbursement would be lessened. After that the reimbursement rates would be the same for all and would be based on pupil participation.

In my estimation this proposed change in the School Lunch Act deserves your support.

Very truly yours,

VICTOR R. CULLENS,
Superintendent.

MARCH 28, 1962.

To 472 Multnomah County Farm Bureau Families:

On sheet attached there is shown the 1962-63 budgeted school lunch program operating loss for each of eight school districts, taken from recently published figures but presented in a different form.

If the actual cost of food shown in the budget were known, the operating losses would be much greater. It is understood

that Government surplus foods purchased are at only handling and transportation costs.

The deficits or operating losses are made up as shown from Federal funds, distributed through the State on more or less of a basis of need—and if not sufficient, by a local levy.

It is doubtful there is any conclusive evidence that a hot luncheon is better healthwise than a cold one. It has been said that some parents are distraught at the thought of their children not having a hot meal at school but serve corn flakes for breakfast and a cold luncheon if convenient.

It appears that the Government has taken the matter in hand to dictate through the control of accepted funds what the children should eat. Thus the theory of welfare is promoted among children and parents.

Conceding that a hot luncheon may be desirable, it is probable that a locally controlled program could be proven healthwise satisfactory with a hot soup or drink and the children taking their own sandwiches, fruit, etc.

This is not necessarily to oppose school lunch programs of some sort, but to propose that they be self-sustaining without Government funds and local levies, and if continued on the present basis that operating losses be clearly shown in the budgets for better comprehension by the public.

You are urged to attend your school district's budget hearing if it has not yet been held. (See dates on sheet attached.)

ARLINE SEIDLE.

Mr. BAILEY. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. CAREY].

Mr. CAREY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. CAREY. Mr. Chairman, I rise in favor of this legislation to amend and extend the National School Lunch Act. This avowal of support entails no heroic act of personal courage any more than it would merit distinction to oppose compulsory weaning of infants at a statutory age.

In brief, a hot lunch to a schoolchild is a booster to help him learn to cope with the cold war. To the end that this bill seeks to improve the flow of food and funds to areas of need and adjust inequities in distribution, it is deserving of support.

Unfortunately, the changeover in the distribution formula in this bill from one of per capita allocation to the new yardstick of rate of previous participation may well effect a reduction in assistance and possible hardship to some groups. This is particularly true of the share of nonpublic, nonprofit institutions in the program. The effect of the participation formula as to these schools is borne out in the hearings on this legislation on page 27. I refer to the statement of Mr. Howard P. Davis, Deputy Director of the Food Distribution Division, Agricultural Marketing Service, Department of Agriculture, in response to a question by the distinguished gentleman from Minnesota [Mr. QUAIL]:

Mr. DAVIS. That is right. In all fairness, so we do not leave the wrong impression with the committee, I believe there will be more instances where the private school rate will be lowered than there will be where it will be raised because, as the lady has al-

ready testified, generally speaking, across the country the participation in private schools for many very good reasons has been lower than it has been in the public schools, so that in all fairness I think you should know there will be more instances where it will be lowered than raised.

It is my belief that among the very good reasons why the participation of private schools has been low in the past is that many of these schools are unable to afford personnel for serving hot lunches or lack the physical plant equipment necessary for that task. This would be particularly true of those schools constructed before the mid-thirties when the school lunch program was instituted. I note that the distinguished gentleman from Michigan [Mr. O'HARA], a member of the committee, refers to this when he states on page 28 of the hearings and I read:

I feel to a large extent the lesser degree of participation by nonpublic schools is the result of the fact that a lower percentage of nonpublic schools have been financially able to equip their institutions with lunchroom facilities. I would personally like to see some effort made under this act, or under administrative action or under other programs, either to fund the existing provisions for assistance to such schools for the purchase of lunchroom equipment or to, in the alternative, provide a greater degree of assistance for lunches of a type which do not require preparation at the site.

I concur with the statement of the gentleman from Michigan and I would hope that under the provision of section 5 of the bill which authorizes \$10 million for nonfood assistance, a start will be made toward providing facilities to enable more schools and a greater number of children to participate in the program. Incidentally, I am informed that since 1946 there has been an authorization of a similar amount for construction of food service facilities under the School Lunch Act. But the Department of Agriculture either has not sought or at least has not received an appropriation for this purpose. I hope that if this bill is enacted the Department will not drag its feet in seeking these funds to broaden its benefits.

I do not believe that the previous participation formula is meant to freeze out presently nonparticipating schools. I note that the bill provides for a transition period during the first year for a phaseover from the old system of per capita allocation to the new participation rule. I believe we should carefully watch the impact of the new formula to prevent any severe hardship as to any segment of the school system.

It deserves comment here that the record is bare of any objection to this legislation by private school authorities even though they may well experience some hardship under the revised formula. This is most commendable and speaks well for the position of these authorities that they do not seek Federal assistance in the financing of these schools but that if the Congress apprehends the acute need for such assistance it should be made available on the basis of that need with due regard for the welfare of every child and without discrimination as to the type of school he may attend. It might be said that while

some inequality in dietary distribution may be suffered without complaint, discrimination in assistance for mental development is intolerable.

The fact that private school authorities made no presentment on this legislation should clearly give pause to those ill-advised persons who have stated that private school parents and educators have a "dog in the manger" attitude on educational assistance. To the credit of these parents and teachers all they have ever sought is a fair share of the Federal funds which represent their taxes be it for school lunches, textbooks, or transportation.

In conclusion let me state that I could not agree more heartily with the statement of the distinguished gentleman from Michigan [Mr. O'HARA] on page 28 of the hearings where he states:

With respect to this question of the allocation of funds for pupils in public schools and nonpublic schools, to call the attention of the committee to the fact that the justification for this program, in light of the interpretations of the first amendment as made by the U.S. Supreme Court on various cases, really depends upon a grant of assistance directly to the pupils. This is conceived as a program not of any aid to a particular school or class of school but to American schoolchildren regardless of where they go to school. Equal assistance to them seems to me to be part of that justification.

Legislation which would extend this principle so clearly identifiable in this bill and other bills dealing with higher education to elementary school aid has been introduced by me under H.R. 9896, by Mr. DELANEY, of Queens, under H.R. 9803 and Mr. SANTANGELO, of New York, under H.R. 9887. I am now pleased to note that we have truly bipartisan support of this legislation with the introduction of H.R. 11850 by Mr. HALPERN, of Queens. Now if we can legislate for the cerebral improvement of the children in the elementary and secondary schools with the same dispassionate and unemotional attitude we adopt toward the esophageal intake of these children, I am convinced we will avoid the pitfalls of the past and make the progress we need for the future.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. ANFUSO] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. ANFUSO. Mr. Chairman, I am happy to support the bill under discussion, H.R. 11665, to amend the National School Lunch Act.

As has already been explained by others, this bill seeks to revise the formula for providing funds to the States for lunches to schoolchildren. Instead of distributing such funds only on the basis of the number of schoolchildren, as heretofore, assistance will also be provided on the basis of need, especially in areas suffering from poor economic conditions and prolonged unemployment.

This is a logical approach. Our young generation should be given every possible opportunity to grow up, develop, and acquire the proper education without the

worries of where the next meal would come from. The school lunch program, as I see it, is a basic investment in the future of our youth, in raising a healthy and a happy generation of Americans. If some will criticize this program as a handout or a giveaway, I say that this is the most desirous and the most meritorious of such projects and we should have more of it.

I hope and trust that the day will come soon when no child in this country, regardless of race, color, creed or economic status, will go to school hungry or will have to sit through an entire day at school without a meal. Unfortunately, there are still many children in this rich country of ours who are forced to do so because the family is unable to provide them with adequate food due to poverty or unemployment and the schools do not have the funds or the facilities to provide youngsters with lunch.

The school lunch program is not a new or a recent project. It dates back to the depression years of the 1930's when we utilized some of our surplus foods for needy children. In the 1940's it was changed into a cash assistance program where the Federal Government provided funds to the schools to purchase food and thus continue their lunch program. Over the years it developed to an extent where nutritional standards were prescribed by the Department of Agriculture to give the children the greatest possible benefit. In some communities lunches are served free to children unable to pay the small price; the lunch programs are operated on a non-profit basis to keep the costs down, and matching funds are provided by the States and local committees.

I am pleased to note also that over the years the appropriation for this program was steadily increased. In the 1940's Congress appropriated annually between \$70 and \$75 million; by 1957 the appropriation for the school lunch program reached \$100 million. In the 1962 fiscal year a total of \$125 million was appropriated for this program and an additional \$45 million was made available from so-called section 32 funds which are provided annually to the Department of Agriculture for purposes of expanding our markets for agricultural products at home and abroad. Thus, the total for this year was \$170 million.

For the 1963 fiscal year, I understand that the same appropriation is under consideration; that is, \$125 million plus an additional \$45 million to be made available from section 32 funds. While it may be pointed out that this is more than twice what the appropriation was in the 1940's let us remember also that our population has grown considerably in the last two decades and that our needs are greater today. In 1947 the school lunch program was extended to some 34,000 schools in the country and lunches were served to about 4½ million children. By 1961 close to 64,000 schools participated in the program and nearly 13½ million children benefited from the lunches. In other words, three times as many children were benefited under this program last year than 15 years ago.

There is room for expansion. Congress can make no better investment in the future of America than in increasing the funds for this program until we reach a point where every child of school age will be provided with an adequate meal on school days. I believe that this bill we have under consideration is a step in that direction. By revising the formula for apportioning cash assistance funds to the States we shall be able to increase the participation of more schools and more children in the lunch program, particularly in the poorer, low-income, economically depressed areas which until now were not able to participate because they lacked the necessary matching funds or because the Federal funds were not sufficient to meet their needs to provide free or low-cost lunches to the children.

Mr. Chairman, it was my privilege and my honor to serve during two Congresses as a member of the House Committee on Agriculture, where I had the opportunity to become aware of and to appreciate the great contribution our farm people are making to the health and the welfare of this Nation. Our farmers have blessed the American people with an abundance of food, for which we are thankful every day in the year. They have made the food available so that we may develop and operate the school lunch program, and the abundance they have created is today being shared by many needy people in our own country and by people in friendly nations around the world.

In conclusion, I will say to the House that in supporting this measure and in urging all my colleagues to vote for it, I salute the American farmer who has blessed us all with this bounty. We should see to it that it is made available to every American child.

Mr. BAILEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Brooks, 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. 11665) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes, had come to no resolution thereon.

PROGRAM FOR THE WEEK OF JUNE 4, 1962

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

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

There was no objection.

Mr. ARENDS. Mr. Speaker, I asked for this time in order to request the majority leader to advise us concerning the program for next week.

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

Mr. ARENDS. I yield to the majority leader.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the acting minority leader, this finishes the legislative business for this week.

On Monday we will take up the Consent Calendar. There is one suspension scheduled, H.R. 7757—unrelated business income of nonprofit hospitals.

Any rollcall votes except on rules on Monday or Tuesday will go over until Wednesday because of Iowa, California, Idaho, Mississippi, Montana, and South Dakota primaries, also the Connecticut State nominating convention.

If the gentleman will yield for that purpose, Mr. Speaker, I ask unanimous consent that any rollcall votes on Monday or Tuesday except as indicated go over to Wednesday next.

Mr. GROSS. Reserving the right to object, Mr. Speaker, do we know as yet the legislation that is to come up on Monday and Tuesday?

Mr. ALBERT. Mr. Speaker, I withdraw my request until I have advised the gentleman of the program for Tuesday.

The Private Calendar will be called on Tuesday next, and on Tuesday next we will continue the consideration of H.R. 11665 under the 5-minute rule; also H.R. 8845, relating to obstructions of investigations.

Further for Tuesday and the balance of the week, H.R. 5532, to amend the Armed Services Procurement Act of 1947, and H.R. 11879, the Tax Rate Extension Act of 1962.

Mr. Speaker, I make the usual reservation that conference reports may be brought up at any time and any further program may be announced later.

I should like to advise the House that I will make an additional announcement as to the legislative program for Wednesday and the balance of the week on Wednesday next.

Mr. Speaker, I renew my unanimous consent request that any rollcall votes except on rules or procedural matters on Monday and Tuesday of next week may go over until Monday next.

Mr. GROSS. Further reserving the right to object, Mr. Speaker, do I understand correctly that the bill that was under consideration so briefly here today will be called up again on Tuesday of next week, and that the gentleman is requesting that any rollcall votes that may be in order on Tuesday go over until Wednesday?

Mr. ALBERT. The gentleman is correct.

Mr. GROSS. This would mean that if a rollcall vote on this bill could be obtained on Tuesday it would have to go over until Wednesday next?

Mr. ALBERT. The gentleman is correct.

Mr. GROSS. That again could mean, as it has in the last 10 days on a couple of occasions, that someone could put on a quorum call on Wednesday and it might not be possible to have a rollcall vote at all under those circumstances. I do not know how much further we are going to go with this process of putting over rollcall votes and then having someone rise and put on a quorum call for the deliberate purpose of heading off a rollcall, when the rollcall would have

been in order at the time the bill was ready for passage.

I will say to the distinguished majority leader this is getting to be an effective device that is being worked, and I would hope that procedure is not going to be used extensively in the future. I do not like to object to putting over rollcall votes, but I will be constrained to do so if that is the parliamentary procedure that is going to be used to head off rollcall votes.

Mr. ALBERT. The point the gentleman is making has nothing to do with the decision to bring this matter up on Tuesday next, with reference to this particular bill. I can assure the gentleman of that.

Mr. GROSS. I do not question that at all. I am simply pointing out the mechanics of this situation, the mechanics that can be used and that have been used in the last 10 days or 2 weeks.

Mr. ALBERT. Of course, a Member's right to make a point that a quorum is not present is always protected to that Member, and it can be made whether the vote comes on Tuesday or Wednesday immediately prior to the vote on the passage of a bill.

Mr. GROSS. But I will say to the gentleman, if he will bear with me, that the Member's right to have a rollcall on the basis of no quorum when the bill is called up for a vote is not protected, and that is wrong.

That right is lost. The gentleman is well aware of that, I am sure.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE LATE HENRY FOUNTAIN ASHURST

Mr. MORRIS K. UDALL. 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 Arizona?

There was no objection.

Mr. MORRIS K. UDALL. Mr. Speaker, I take this time to advise the House of the death this morning of Henry Foun-

tain Ashurst, former U.S. Senator from the State of Arizona. Mr. Ashurst was born in Nevada in 1874 during the second administration of Ulysses S. Grant. He died at the age of 87. He served as a Senator from our State from 1912 until 1940. He was one of the two original U.S. Senators who came to Washington following the admission of Arizona to statehood. Senator Ashurst was one of the most eloquent, independent-minded and perceptive Members ever to serve in the other body. His memory will not be forgotten by Arizona or the Nation.

My last contact with Senator Ashurst was typical of the man. He met me last January in an early morning snowstorm outside the U.S. Supreme Court, where he was to sponsor my admission that day. I expected we would walk in a side door on the ground and take an elevator, but he refused. Instead, with the snow coming down around us and the wind blowing, we climbed the long flight of marble steps which lead to the main entrance of that stately building. We talked of famous men and affairs of state as we ascended. It was the sort of poetic gesture that characterized nearly everything Senator Ashurst ever said or did.

Senator Ashurst was a member of the Senate during years of dynamic change in this country. His diary, published this year by the University of Arizona Press, begins with an entry of June 17, 1910, in which the young Arizona lawyer reported that the bill to admit Arizona and New Mexico to the Union had passed the Senate. It ends on July 27, 1937, at the conclusion of the great courtpacking debate over which he presided as chairman of the Committee on the Judiciary. The intervening years are filled with the Senator's observations on issues and personalities.

Perhaps the most interesting role he played was as chairman of that committee considering President Roosevelt's proposal to pack the Supreme Court. When the battle had ended in defeat for the President, Senator Ashurst wrote in his diary on May 18, 1937:

This rejection by the Senate Committee on the Judiciary of the President's plan to reorganize the Judicial branch of the Government has occurred because he could not overcome an imponderable which for generations has emotionally and mystically invested the Supreme Court of the United States with symbolism as the power which protects the security and personal liberty of the citizens.

Even many persons who believe in President Roosevelt opposed his bill because they were haunted by the terrible fear that some future President might, by suddenly enlarging the Supreme Court, suppress free speech, free assembly, and invade other constitutional guarantees of citizens.

In 1935 Senator Ashurst engaged in a controversy with Senator Huey P. Long, of Louisiana. His remarks on the occasion are an important part of the history of that explosive era. He said, in part:

Thus, in these agitated and distressful days, we must expect to encounter whimsical, droll, eccentric, and erratic persons who occupy the stage for a time, and they, at least divert us, interest us, entertain us, and, I am bound in fairness to add, they sometimes instruct us. Their fatal error is they they refuse to face the fact that only

iron sacrifice can rescue a nation from a depression; they never realize that no easy way to achieve success has ever been, or ever will be, discovered.

In 1952, speaking to the State bar of Arizona, the former Senator spoke of the great concern, then prevalent, that the Communists somehow would win out in the world struggle. He said:

In my opinion, this delusion will evaporate and there is no reason for this generation or any succeeding generation to sink into fear or to despair. . . . In the realm of human behavior and in the domain of human emotions we do not hate and fear those who have injured us—it is the other way around—we hate and fear those whom we have injured; therefore any fear that may settle upon our country is unreasoning—America has injured no nation—therefore, hates no nation—fears no nation.

When Senator Ashurst was defeated for reelection in 1940, he delivered a memorable address on the floor of the Senate. It contained sound advice for all who hold public office. Following is the text of his farewell to the Senate:

STATEMENT BY SENATOR ASHURST

Mr. ASHURST. Mr. President, will the Senator from Wisconsin yield to me?

Mr. WILEY. I yield.

Mr. ASHURST. I have just sent—not at public expense, but charged to my personal account—the following telegram:

"Judge ERNEST W. MCFARLAND, "Phoenix, Ariz.:

"Heartiest congratulations upon your victory. You will make splendid Senator, and when Congress adjourns I shall come home to campaign joyously for you and the entire State ticket. I wish for you health, happiness, and political success.

"Senator ASHURST."

About 7 o'clock this morning the telephone rang, and when I answered, a venerable lady who lived in Arizona more than 56 years ago spoke and said "Senator, I am distressed to see in the newspaper that you are defeated. What are you going to do for a living now?" [Laughter.] I said, "I may rest a year, and then practice law." She said, "Oh, are you a lawyer?" [Laughter.]

Coming to the Capitol in a taxicab, the young man who was driving said, "Senator, what are you going to do for a living now?" I said, "I think I shall sell apples." [Laughter.] He said, "What do you mean by that?" I replied, "Well, for almost 30 years I have successfully distributed applesauce in the Capitol. I ought now to be able to sell a few apples." [Laughter.]

I am sure some of my colleagues expect me to describe the sensation of defeat. The first half hour you believe that the earth has slipped from beneath your feet, that the stars above your head have paled and faded, and you wonder what the Senate will do without you, and you wonder how the country will get along without you. But within another half hour there comes a peace and a joy that would be envied by the world's greatest philosopher.

So much by way of camaraderie; and now, no longer speaking jocosely, I do not intend to trespass upon the time of the Senator from Wisconsin, or to take the time of the Senate or of the country to describe the means and the manner by which a child of the desert ascended the steep but glamorous acclivity to the alps of fame. I am sure that my descent of the declivity will be as graceful and pleasant as was the ascent of the acclivity.

I say here in this presence that my ascent in politics and success in life were due to two great women. One was my mother, and

the other my wife. Without their help and support I probably would have been nothing more than a cipher, with the rim removed.

How far my opposition to the peacetime draft influenced the electorate in my State I do not know; and, without being flippant, or defiant, I do not care. No man is fit to be a Senator and no man should presume to serve here unless he is willing at any time to surrender his political life for a great principle, for a vital thing in American liberty and stability.

We frequently hear the Senate criticized. Quite recently it was deplored that there had been a heated debate on the floor of the Senate. Mr. President, I welcome the heat of debate between Senators. It is a sign of freedom. There is no life in the still and dead waters. It was a singular and happy circumstance that about the same time the so-called heated debate occurred on the floor of our Senate a still more torrid debate was taking place in the British House of Commons, in which the Prime Minister, Winston Churchill, took part. Rolands were given for Olivers; there was thrust and there was riposte. Those are signs of a free people. Senators need not be disturbed by heated debates in the Senate or House. They are signs, signal smokes, evidences of a free Parliament and a free people.

Moreover, Senators, you should not be disturbed by criticism of Congress. When the press or citizens generally criticize Congress, it is the sign of a free people. As I said once before, if one were a stranger to this planet, but understood somewhat human affairs, and he had made an excursion here to discover quickly and accurately what governments were free and what were despotic and autocratic, he would not look to the Treasury to ascertain what governments were free; he would not even look to the Army or the Navy. He would look to the Parliament, the lawmaking body. If its members spoke freely, and said what they believed, and if the citizens who elected the Parliament were free at all times to criticize the Parliament or the Congress, these would be the signs, the symbols, and the proofs of a free people.

We hear it said that the Senate is not so great now as it was in bygone days. Mr. President, after many years in the Senate I am prepared to testify that today the Senate is as great as it was in what we think of as the majestic past. Webster, whose voice boomed like a golden bell hung in the canopy of the skies, could not be elected by any constituency today. I doubt very much if Henry Clay could be elected by any constituency today. Not even the great logician John C. Calhoun could be elected. Thomas H. Benton could not be elected today. The most imperious, and one of the ablest of all men who ever served in the Senate, Roscoe Conkling, who was elected Senator three times from New York, could not carry New York today. By a like token, not one of us could have been elected to the Senate in their day. Persons change, manners and philosophies change, although American principles remain the same.

Mr. President, I shall not waste any time on such miserable twaddle as to say that I ought to have been elected. A man only moderately versed in statesmanship, and with only a small degree of sportsmanship, is bound to admit that in a free republic, in a Government such as ours, it is the undoubted right of the people to change their servants, and to remove one and displace him with another at any time they choose, for a good reason, for a bad reason, or for no reason at all. If we are to remain a free people, it is the duty of public servants not grumpily and sourly to accept the verdict of the majority, but joyously to accept that verdict; and I joyously accept the verdict of my party. But it would be hypocrisy and pretense for me to say that I do not regret

leaving the Senate. Senators, I deeply regret that I shall not be here with you when you convene in January.

During these 29 years I have served with many different men. I had heated debates with some of them. Elihu Root, of New York, and I did not agree in our philosophies. I had heated debates with him, but to his dying day we were close friends. Senator Bailey of Texas was one of the most eloquent of all the orators ever in the Senate. We had heated debates, but to his dying day I cherished a fond affection for Senator Bailey, of Texas. The most heated debate I ever had in the Senate was with Bristow, of Kansas, but there was never a better Senator than Joseph L. Bristow, of Kansas.

Mr. President, this is not exactly a swansong, as I may take part in the discussion on the tax bill at the appropriate time, or on other questions which may come before the Senate before its adjournment, but I deem it not inappropriate to make these remarks.

To say that I am grateful to the people of Arizona for keeping me here in the Senate so long is but a feeble expression of my sense of gratitude. I am not only grateful to the people of Arizona for keeping me here so long, but I am grateful for that which they additionally did for me. I doubt very much if it was ever done for any other Senator. During my entire service they allowed me to do as I pleased and to say what I pleased. I should rather serve 1 week doing as I please than to serve 30 years doing what somebody else pleases. For the fact that the people of Arizona have allowed me to carry on as I chose, I am duly grateful. As I said before, they have a right to displace a Senator for a good reason, a bad reason, or for no reason at all; and I should be lacking in frankness, I should be disingenuous if I failed to say that they probably had a fairly good reason for displacing me.

Mr. President, when I take my leave in January, I shall carry with me tender and precious memories of our associations here. In all my 29 years here, I do not believe a single unkind word has ever been said of me by any Senator; and I am overwhelmed when I remember the thousands of acts of kindness, of courtesy, and of forbearance which have been extended to me by all Senators during my service.

I particularly am grateful to my colleague from Arizona, Senator HAYDEN. Fortunate is the State to have a Senator like the Senator from Arizona, CARL HAYDEN, and fortunate is a Senator who has a colleague from Arizona like Senator HAYDEN, industrious, brave, honest, and capable to a superlative degree. I feel that he is entitled to and should receive this public but all-too-inconclusive a tribute.

I shall always have for the Senate an inviolable attachment for its honor, its purposes, and its success.

A great many people unwisely imagine that the beauty and serenity of life inhere in office. No, Mr. President; royalty and honor do not necessarily inhere in cabinets, congresses, and courts; royalty and honor inhere in the citizen. Honor of itself does not reside in office; honor resides in the man. The great things of life are not signed and sealed before a notary public; they reside in honor.

When my present colleagues are here worrying about patronage, worrying about committee assignments, and about the scorching demands of constituents, I shall possibly be enjoying the ecstasy of the starry stillness of an Arizona desert night, or viewing the scarlet glory of her blossoming cactus, and possibly I may be wandering through the petrified forest in Arizona, a forest which lived its green millenniums and put on immortality 7 million years ago. Enjoyment and ecstasy arise in human life from the contemplation and appreciation of such things.

Many people, many good people, many Senators—and Senators we will admit are good people—are inclined sometimes to take a pessimistic view of our country's future. There are many reasons why we will survive when other nations have gone down. First, we may depend upon the justice of Americans, the dignity of mankind itself, and the dignity of mankind especially is noted in American life. In a material way we have the richness of the earth, of its soils, of its mines, and its forests and its minerals. We have the heritage of the inventions of all the past. We are the inheritors of the body, the corpus, of all the inventions of the past both in the art of government, and in science, and in industry.

Moreover, Mr. President, the American people have that transcendent attribute which I believe is superior to the other things I have mentioned—the determination to remain free. As William Allen White said in an article not 3 days ago, democracies cannot be extinguished by tanks and airplanes. The democratic spirit, that is, the spirit of freedom, is inborn, invincible, ineradicable in the true American.

In 1831, 109 years ago, a brilliant Frenchman toured the United States. We were not opulent then; the great monuments of architecture, of art, and the temples of religion, of industry, of learning, of mammon were not then erected. His name was De Tocqueville. When he returned to France he wrote, as all Frenchmen do, brilliantly, and in one of the concluding paragraphs of his book he said:

"During my journey throughout America I sought for the secret of the genius and the greatness of America; I sought for her genius and greatness and growth and glory in her rich soils, in her rich mines, her great forests, her fallow fields, her ample rivers and noble harbors, but I did not discover it there. I further sought for the reason for her growth and her glory and her genius and her greatness, and I found it in her matchless Constitution; I found it in her schools, churches, and homes, ablaze with righteousness. It was there in her Constitution, in her homes, in her schools, in her churches, that I found the true secret of the source of America's genius and greatness."

So it is, fellow Senators. America is great because she is good. When America is no longer good, she will no longer be great.

In conclusion, our country is fortunate in that we have inherited all in history that has gone before us. America does not belong to the past, as some pessimists would have us believe, America belongs to the future. Every American citizen is entitled to say, "Mine is the glorious past, mine is the shining future." I, for one, decline to believe that as a nation or a people we are losing any of our vital inspiration. I believe that we are still clinging to and will continue to cling to the stern old virtues that made America great and strong, for this system of American Government is a precious distillation of art and of truth more romantic than imagination can conceive or fiction can invent.

Mr. WILEY. Mr. President, next January when we again meet in this Chamber, there will be a presence missing, but our friend and comrade, Senator Ashurst, will not be absent from our hearts and minds. We know the distinguished Senator has not gone down to defeat. Napoleon himself said that no one goes down to defeat except he who accepts it. The Senator from Arizona does not accept defeat. Mr. President, as a Republican Senator and one of the novitiates in the Senate, I can say that the distinguished Senator has my love and respect and affection. We will miss him for many reasons. He never rose in the Senate that he did not give an idea that made us better for what he said.

He always thought straight and clear. The Senate can ill afford to lose his philosophy, his equanimity, and his smile. He has built his house not on the sand but on the rock—the rock of service, high thinking, and fine living.

We know, Mr. President, that as he goes out from here he will continue to give his fellow men the benefit of his way of life. He will continue to serve his fellow men. We know not what direction such service may take, but we do know it will be constructive and helpful to his fellows. It were to continue to give the message to America that he has been giving ever since I came to the Senate—a message of cheer, of courage, of fearlessness—America would be stronger and healthier, financially, morally, and spiritually. His life exemplifies the words of Browning that "Life has meaning and to find its meaning is my meat and drink."

Senator Ashurst has been a seeker for truth, for more light. The loss of office will not unbalance him. He knows there are "more worlds yet to conquer"—more adventure up ahead.

I believe that he will go out of office with a smile on his lips accepting the challenge that tomorrow presents, and he will continue to fulfill in the highest way his obligations to the Government in this crucial period which we face. We wish him continued health, joy, and prosperity.

Mr. RHODES of Arizona. Mr. Speaker, it was with profound regret and a feeling of deep personal loss that I learned of the death of Henry Fountain Ashurst. Senator Ashurst served in the U.S. Senate for 29 years, having been one of the first two U.S. Senators from Arizona after its admission to the Union. Senator Ashurst's contributions to his State and Nation were numerous and distinguished. Together with Senator CARL HAYDEN, he was largely responsible for the provisions in the Boulder Canyon Project Act which protected the rights of the State of Arizona to use of waters from the Colorado River. In the perilous days before World War II, he was instrumental in extending the draft. Perhaps one of his greatest contributions was in a negative action, when he opposed successfully the plan of the late President Franklin D. Roosevelt to increase the membership of the Supreme Court.

Important though his accomplishments were, his hallmark will always be his ability to communicate with his fellow man by the use of clear and flowing English. He was not only a student of our language, but he was genuinely in love with its sounds and phrases. Possessed of a prodigious memory, he could call on the classics, speeches made on the floor of the Senate, or any instance to which he might have been exposed in order to make a phrase or prove a point. He was one of the great orators of his time, if not of all time. A skill with language such as that possessed by Henry Fountain Ashurst could well have been used as a devastating weapon. It is to his eternal credit, and a guidepost to the understanding of his character, that he never used this great skill in a mean or unworthy manner.

He will be missed by his State and by his Nation. Mrs. Rhodes joins me in our expression of loss, and sympathy to his loved ones.

GENERAL LEAVE TO EXTEND

Mr. MORRIS K. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, service, and character of the late Senator Ashurst.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE COMING BOOM IN IGNORANCE

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, I call the attention of my colleagues to an editorial entitled "The Coming Boom in Ignorance," in the May 12 issue of the conservative Saturday Evening Post that clearly and forcefully illustrates the need for additional Federal assistance in the field of education. It properly points out the continuing role of the Federal Government in education extending back to 1785. The editorial also makes a compelling point in the area of assistance to elementary and secondary schools. I find the editorial enlightening:

THE COMING BOOM IN IGNORANCE

The most fearful sound of our continuing population explosion could, within the decade, be a big boom in ignorance. American education, once a legitimate source of national pride because it provided a chance at learning for almost everybody, may wind up offering less and less for anybody. Right now, alongside the old three R's, almost every school system in the United States would have to chalk the four U's: understaffed, underequipped, underfinanced, and underpar. With each passing semester the situation gets worse.

Almost one and a half years ago, in a special message to Congress, President Kennedy asked Congress for a \$5,600 million aid-to-education bill. Impaled on a side issue concerning whether additional Federal assistance would be extended to parochial and private schools, the legislation died ingloriously in the House of Representatives. This year Mr. Kennedy, a Roman Catholic, repeated his plea for school legislation and once again omitted Government aid to parochial schools on constitutional grounds. Realizing that he may have to settle for half a loaf, the President has sliced his program into separate sections and has assigned highest priority to the less controversial features: funds for college construction; expanded training and more scholarships for teachers; adult education to eradicate the nearly 8 million "functional illiterates" in the United States. Already this year the House and Senate committees have spent more than 3 months tinkering with the machinery of the college-aid bill alone.

Behind the heated congressional conferences on aid to education lie these cold statistics:

This year about 4 million Americans are attending college; by 1970, 6 million will be qualified to attend if funds and facilities are available.

To accommodate those 6 million will require almost \$15 billion worth of new facilities and repairs to existing facilities. (Ken-

nedy has asked that the Government make available \$1,500 million of those construction funds.)

Nearly 100,000 of the country's public school teachers either have not been certified to teach or have not graduated from college. (We have no minimum national standard for education, let alone for teachers' credentials.)

Today American public schools are awesomely crowded because we have a shortage of 127,000 classrooms; to meet the population demands of 1970, we require 600,000 new rooms.

Every day that legislators continue their debates, 11,000 Americans are born to be fed into the school system.

The argument that Federal aid to education is reprehensible is not impressive. School systems have been—and will continue to be—supported primarily by local community property taxes and controlled by States and communities. These taxes have already ballooned more than 200 percent across the country since the end of World War II. It is cruel truth that many American communities simply cannot afford anything approaching an adequate school system given today's costs and tomorrow's population.

Federal aid in some form is an old fact of American education life. In 1785 parcels of Federal land were set aside in every township for public-school use. In the middle of the 19th century Government land grants began for agricultural schools; today there are 68 land-grant colleges. World War I prompted the Government to finance vocational training. World War II produced the famous GI bill of rights. After sputnik, we enacted the National Defense Education Act which, this year alone, provides about \$200 million for training engineers and scientists. In short, we have always extended some Federal aid to education. But never has education required aid the way it does right now.

Those who would still argue that any Government assistance must at the same time include aid to parochial and private schools should immediately consider some basic arithmetic. Today there are 43 million Americans in elementary and high schools. About one in seven of those students attends a private or church institution. Without prejudice as to how the debate will finally be resolved, it seems not only unfair but unconscionable to keep an entire nation wanting for education while the church-state arguments continue interminably. Eventually, the issue appears certain to wind up in the Supreme Court, anyway.

Several portions of President Kennedy's educational program now stand a chance of passage during the present Congress: loans for college construction; competitive Federal college scholarships for deserving students; aid to medical and dental schools; expansion of the Defense Education Act. His program for expanded teacher training might pass. But aid to public schools, surely the primary problem of them all, remains ensnared and entangled on the same old hook: the question of aid to parochial and private institutions. If we are not smart enough to solve that controversy—and soon—then we cannot expect our children to be smart enough to assert American leadership for the years to come.

ESCAPEES FROM COMMUNIST CHINA

Mr. BURLESON. 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 Texas?

There was no objection.

Mr. BURLESON. Mr. Speaker, it seems there are proposals by certain groups and individuals that either by Executive order or legislation, a few thousand so-called Chinese refugees or escapees be admitted to the United States.

At a time when we talk of ferreting out Communists in this country and express our opposition to communism wherever it is, this is another example of the gullibility which always surprises me.

I continue to believe that this idea of welcoming with open arms people about whom we know nothing, as was in the case of the so-called Hungarian freedom fighters and others from Eastern Europe and more recently the horde of Cubans about whom we make a great show of bringing in, is a mistake and an absurdity.

On a great many occasions I have asked for information as to where many of these people are whom we have admitted, and, as yet, no one has been able to tell me. Obviously they are to be found in the ghettos of the big cities, which compounds problems the reformers and crusaders are constantly trying to change.

Many of these people who have entered this country are those we see picketing the White House, exercising a type of license of conduct which they misinterpret to be liberty and freedom. And now we propose to bring in a few thousand Chinese, which is like trying to dip the ocean dry with a sieve. Just how ludicrous can we get?

Of course, I know the sort of criticism this sort of statement evokes. Someone will say, "Are you not in favor of feeding hungry people and relieving the suffering of those under the Communist yoke who wish to escape from it?" This, too, is ridiculous. I do not know anyone who would not be in favor of feeding hungry people, and we are doing it—we are doing it all over the world, and we are doing it in Hong Kong; but this idea of bringing any of these people into this country, about whom we know nothing, but taking 6 months to 2 years to admit legitimate emigres under legal procedures, is just something difficult to understand.

Mr. Speaker, I give notice that when and if an attempt is made to gain unanimous consent for any resolution calling for the admission of any of the Chinese to this country, it will be objected to. Our trouble is that it seems we have a lot of people who think that those escaping from Communist areas are doing so on the basis of ideology, but I have no hesitancy in asserting that it is a method on the part of many to play upon the gullibility and naivete of this country by using a situation to gain entrance, which they otherwise could not do.

Those who cite the outstretched hand of the Statue of Liberty which welcomed people from other lands who have made contribution to our Nation and of which

we are all the progeny, has no validity under the circumstances of this day. Further, by the liberality on the part of this country in admitting many people who have no concept of liberty and freedom and who confuse it with license; who have no concept of our customs and traditions, are, in my humble judgment, a taproot of many of the troubles and problems which exist in our country today.

DELAWARE RIVER BASIN FEDERAL-INTERSTATE COMPACT

Mr. ALBERT. 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 Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, all who live in the Delaware River Basin are aware of the work of the Honorable FRANCIS E. WALTER in securing the passage of the Delaware River Basin Federal-interstate compact.

Friday, May 18, the Water Resources Association of the Delaware River Basin honored Congressman WALTER, at a dinner at the Princeton Inn in Princeton, N.J.

Mr. WALTER was honored for exercising great moral leadership, diligence, and tenacity in almost singlehandedly guiding passage of the interstate-Federal compact through Congress.

A plaque with this inscription was presented to Mr. WALTER, at the third annual dinner.

Later, Col. T. H. Setliffe, head of the U.S. Army Engineers, Philadelphia district, said:

It is not often you run across people like Congressman WALTER who make up their mind that things will happen, then can make them happen.

Feature of the daylong activities was a talk by the Honorable Conrad Wirth, head of the National Park Service. I ask unanimous consent that Mr. Wirth's address be printed in the CONGRESSIONAL RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The address referred to is as follows:

ADDRESS BY CONRAD L. WIRTH

In all my years in park and recreation work I believe that the Tocks Island Reservoir project on the Delaware River presents one of the most exciting opportunities that I know of to preserve and develop a national recreation area.

From my own general knowledge of the area, refreshed by an air reconnaissance and from the reports I have received from members of our staff who have made detailed studies there, it is a park and recreation planner's dream: a recreation resource of great magnitude, extraordinary beauty and equally extraordinary variety—close to people, millions and millions of people. When this project becomes a reality, as I know it will, I think it will make a greater recreational contribution to more Americans than any other single project we could possibly work on.

I am sure that the Corps of Engineers, which has done such a splendid job of evaluating and formulating this multibenefit

reservoir project, is as excited as we over the many opportunities it presents. I am certain also that the Water Resources Association and the Delaware River Basin Commission who have given such good counsel and support during the studies share this enthusiasm. I would like to also salute Tad Walter for his vision and his leadership on this necessary legislation.

When I speak enthusiastically about this project, I have not forgotten about the many individuals and communities in the Delaware Valley area for whom this project may be one of sacrifice. However, I sincerely hope that all the residents and property owners who may be affected by it can join in the realization of the truly enormous contribution the project can make to the environment, the well-being of countless fellow citizens now and in generations to come. I feel certain that in many cases the necessary changes can come without undue discomfort, and, in fact, can spell new opportunities and a bright future for communities, groups, and individuals who may be involved. This concept gives occasion, I think, for optimism rather than anxiety; and I know that the experienced agencies guiding the project will strive to see that optimism vindicated.

As a conservation project alone, this project is impressive. The Tocks Island Reservoir will provide significant water storage in a region where increasing population makes water supply a continuing need to be met. It will curb the devastating floods that have plagued the Lower Delaware Valley periodically. It will pay dividends in power production as well. Moreover, the establishment of a national recreation area surrounding the reservoir will preserve an unusually beautiful portion of our eastern Middle Atlantic region which will be eroded away by developments over the years if not set aside as a publicly owned reservation and used for conservation and recreation.

Another exciting thing about this project is the foresight and timeliness on the part of many groups and individuals which it represents.

Your association, the Delaware River Basin Commission, the Governors of the States involved and their governments, the State congressional delegations, the Federal bureaus involved in the Delaware Basin studies, the many citizens' groups who have been interested—everyone saw the tremendous opportunity at Tocks Island, saw it soon enough to be able to do something to realize that opportunity, and set about doing it. As a result we have almost unprecedented support for a project which everyone knows will result in tremendous benefits. There is an air of anticipation as well as challenge in their whole concept. I wish more of our conservation projects shared this spirit.

I am sure that it has occurred to you, as it has to me, that we who are interested in this national recreation area proposal on the Delaware River are in very much the same position, though on a far larger scale as the men and women of a generation ago who managed to reserve for the small cities of their day a Central Park for New York, a Fairmount Park for Philadelphia, a Rock Creek Park for Washington, D.C. We know now what a life-enhancing plot each of these has become in a vast urban complex.

The Tocks Island Reservoir project area is a recreation resource proportionate to the enormous population of the Philadelphia-New York region, a population that looks even more eagerly—and desperately—for outdoor recreation opportunities. Tocks Island will surely be to urban New York, New Jersey and Pennsylvania—nearly 50 million people in another 50 years—what Central Park is to Manhattan or Fairmount Park to Center City, Philadelphia.

As you know, relationship to population centers is a basic criterion in evaluating

potential national recreation areas. With national parks the emphasis is on preserving outstanding natural features. We hope, of course, that these can be enjoyed by large numbers of people, but national parks are where you find them. They are the great scenic wonders of our Nation and are set aside to be enjoyed for what they are by all the people. Although national recreation areas also should be outstanding so far as their natural values are concerned, their main purpose is to fulfill large-scale recreational needs of the Nation's population centers. The existing national recreation areas—Lake Mead, Glen Canyon, Grand Coulee, Shadow Mountain—are of outstanding beauty and they serve many people, but this opportunity at Tocks Island is the first that we have had which will serve a huge and concentrated population's need in the East. While each national recreation area serves a large region of several States or portion of several States, the eventual combination of a dozen or more such areas will make a truly national system to serve the entire country. In the national park system there are only 30 national out of 190 area systems, the rest are historic areas and recreation areas. I think the enormity of the need hereabout and hence this opportunity in the Delaware Valley comes home to us all when we consider three staggering facts:

1. That the Delaware River between Port Jervis, N.Y., and the Delaware Water Gap is within an hour or two, in driving time, of 25 million people—14 percent of the population of the United States.
2. That the present recreation areas available to this huge population concentration are now overtaxed to the extent of a third of a million people on a summer Sunday.
3. That the population of the greater Middle Atlantic region will increase by nearly 100 percent during the next 50 years.

You know what all this will mean in increased recreation demands in a region where open space is even now shrinking at an alarming rate.

So it is easy to see how the Tocks Island project is one of the first such projects and is tailor-made to help fulfill the program so clearly pointed out by the report of the Outdoor Recreation Resources Review Commission. The national recreation area project will be directly responsive to two major instructions given by President Kennedy in his special message on natural resources early in 1961. You will recall at that time the President announced that he was instructing the Secretary of the Interior, in cooperation with other appropriate Federal, State, and local officials and private leaders, not only to take steps to insure that land acquired for the construction of federally financed reservoirs is sufficient to permit future recreational development but also to establish a long-range program for planning and providing adequate open spaces for recreational facilities within reach of people in large metropolitan areas. Tocks Island, with recreation spelled out as a basic purpose, certainly is carrying out the first part of that instruction, and it is a big step along the President's recommended open space and outdoor recreation program.

It is in tune as well with the Secretary of the Interior's interest in completing a comprehensive recreation plan for the Nation. Responsive to a suggestion of the President, Secretary Udall has established a Bureau of Outdoor Recreation to help coordinate the interdependent recreational programs of the Federal, State, and local governments.

The tremendous importance of the recreation resource in and around the Delaware Valley is apparent not only when one examines the need but when one examines the resource itself. The Tocks Island Reservoir would be an important recreation

area anywhere near so many people, even though set in unimpressive surroundings. But the Delaware country of Pennsylvania and New Jersey is of exceptional beauty. I believe it could logically qualify as a national recreation area as is. Certainly the introduction of a large and beautiful reservoir puts the clincher on its suitability and stature for recreation.

As I mentioned earlier, this reservoir project is multipurpose and will offer many benefits in addition to recreation. But the Corps of Engineers was wise in recognizing recreation as basic to the project. I venture to predict that, one day, recreation will be the most important product not only of this Delaware Valley area but of the entire Allegheny Mountain chain. The Alleghenys are a valuable recreation resource economically and sociologically.

In addition to all the many benefits this project can provide in and of itself, it can make a magnificent contribution to the entire Delaware region, improving the environment and setting the tone of wise use and development of natural resources, particularly those of a scenic and recreational nature; enhancing, too, the private vacation industry of the Pocono and Delaware Valley region and contributing much to the area economy. And, speaking of the effects of the project on the region, I know that the project will encourage the best kind of cooperation between the various agencies and groups involved in it to integrate and increase the overall benefits, both material and recreational, that will result.

To me, perhaps the most astonishing part of this whole concept, aside from meeting the needs of millions, is the scope of recreational opportunities inherent in the area. There are so many dimensions to this resource when one begins to look at it closely.

First of all, we have the reservoir itself. The Tocks Island Dam will form a lake 30 miles long, between $\frac{1}{2}$ and $1\frac{1}{2}$ miles wide and some 100 feet deep at the dam within the 36-mile-long area. Lying between a ridge and a plateau, it will appear as a beautiful mountain lake, its shoreline irregular and enhanced by coves, points, cliffs, as well as gentle shores, and even a couple of islands. This lake can provide an almost limitless variety of water-oriented sports and pastimes. Adjoining the lake there can be equally varied facilities for picnicking, camping, and related forms of outdoor activity.

But many other opportunities also exist within the proposed area. Outdoor recreation based on scenic enjoyment is of great importance here. In this connection, I should mention first of all the Delaware Water Gap, a scenic feature which has attracted Americans for several generations. On one side of the gap there is potential for overlooks and drives to offer the grand views of the gap to many. On the other side, the Appalachian Trail ascends the ridge near Mount Tammany in a wooded mountain landscape scored by wild stream valleys. Here is a portion of the proposed national recreation area that can offer a heart's desire to the many hikers and wilderness lovers who seek to escape the confines of urban living.

A third dimension of this recreation resource is the free-flowing river itself below the Tocks Island Dam. Here is an environment offering another kind of recreation. If cold water can be released from the dam, it may be possible to establish as much as 15 miles of trout fishery in this section of the Delaware. In any event, good river fishing can be a popular activity here with attendant boating and canoeing.

Still another dimension of outdoor recreational enjoyment in this proposed national recreation area comprises the beautiful stream valleys with their clean, rushing trout waters, their spectacular waterfalls and deep, rocky gorges fringed with giant hemlock trees. Here are ideal places for ram-

bling through secluded areas of exceptional beauty.

Still another facet of this recreation gem we are considering are the many small ponds found throughout the upland areas. These are in pleasant contrast to the big lake and can serve as places where groups or individuals can find secluded, restful camping places.

In planning a national recreation area on the Delaware River we must keep in mind the many different outdoor recreational needs and interests of groups and individuals, compatible with preservation of natural values and overall public benefit. A picnicking family will need adequate, pleasant picnic grounds just as the family with trailer or tent will need to have camping places suitable to its needs. All manner of boating, swimming, and fishing facilities will be required.

Large groups will need places where they may camp together, while the hiker and climber and those who wish primitive camping opportunity must also be provided for. Kittatinny Mountain with its several ponds may offer opportunity for this.

Among the most important uses which we must plan for is enjoyment of the outstanding scenery of the area by the traveling public. Park-type roads could give motorists a leisurely opportunity to enjoy the scenery of the area. Adequate trails and bridle path systems would be needed.

The area can sustain considerable wild game, and hunting conducted under appropriate State and Federal regulations, in areas not heavily used for other activities, could also make a contribution there to recreation values. However, I am sure everyone will agree that certain areas should be set aside to protect the wildlife for those who hunt with a camera.

These are activities for which the area is well suited. How they can best be located and integrated is a matter, of course, for master planning. What delights me is the variety of activities which the area will support without crowding—and without sacrificing one to obtain another.

In addition to its many other useful purposes, the proposed Delaware River National Recreation Area can protect for the future a beautiful landscape to be used and enjoyed without obliteration by what has been called the march of civilization.

Already, such scenic areas as the Delaware Water Gap itself have been staked out for subdivisions.

I believe that without reservation of a large area predominately dedicated to uses that will protect the natural scene, even this magnificent mountain and valley region will eventually be swallowed up by the tremendous metropolitan areas we see ahead.

Throughout America, metropolitan areas are growing, merging and growing still more, and we have a system of metropolitan centers across the land. We must get a system of recreation areas to go with them. Recreation is more than an amenity in this complex, fast-paced life we lead, it is a necessity. We must act to provide for this necessity just as we act to fulfill the material requirements of our civilization. In so doing we shall also conserve the American scene, against which our lives move and in which we shall henceforth find enjoyment proportionate to our foresight in protecting that scene. As Secretary Udall has said so often, we today are fast making the decisions as to what our land will look like, be like, and offer us in the years ahead and to the generations to follow.

I think that Tocks Island represents not only one of the finest opportunities we have in America for providing outdoor recreation to millions in an area of exceptional and varied beauty but it is an example, it sets a precedent, for what we should, for what we must do in many other places.

A national recreation area in the Delaware River Valley will, in many ways, be a show-case. It will show what foresight and action can do to set aside outstanding recreation resources while there is still time. It can show how well Federal, State, and private agencies and organizations can work together to provide a variety of benefits from a project of this type. It can show how well we can provide for the recreational needs of our country and that we need not despair that recreation and scenic values must succumb to the great growth of our population centers. Tocks Island can be a blueprint and an example for the Nation and the world to follow. It can show the world that a nation is never so strong or so free as when it steadfastly sets about providing a better life for its citizens.

SOIL STEWARDSHIP WEEK

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

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

There was no objection.

Mr. CLEM MILLER. Mr. Speaker, this week is Soil Stewardship Week. Soil stewardship observances are being held across our land. The purpose is to help more Americans to become more fully aware of the close relationship between the teachings of religion and the conservation or wise use of soil and water, and the other natural resources.

The theme of this year's observance is "Water—the Stream of Life."

The very existence of water is a miracle.

The endless replenishment of water is magnificent in its magnitude. In an un-failing cycle, water moves from the skies to the earth and back again—forever forming new clouds and generating new rain. As this precipitation occurs, the land receives it, holds it for a time, and then releases it again to resume its everlasting journey.

Water can be a destructive force against soil, crops, property, and lives. Through conservation practices on the land we can help hold water for future beneficial use. Terraced fields, contoured hills, channel stabilization works, reforestation, rangeland revegetation, ponds, reservoirs, and dams all play an important part in preserving this gift and converting its potential into man's many uses.

We depend absolutely upon the wise use of our soil and water resources for food and fiber and shelter. We also are dependent upon these natural resources for fish and wildlife and the opportunity for healthy recreation in the outdoor environment which has had so much to do with forming our character as a people.

This is the message being preached this week by many ministers of all faiths throughout our Nation. I think it is appropriate that the House of Representatives salute the sponsors of Soil Stewardship Week—the 2,900 local soil conservation districts of America.

The men and women who serve on the governing bodies of these local units of State government deserve our thanks for the leadership they are providing in our

home communities by keeping before their neighbors the relationship between soil and man. They are performing a great public service.

As Secretary of Agriculture Freeman observed last week at the White House Conference on Conservation, the soil conservation movement is one of the greatest forces for conservation education the world has ever seen. Its success as an educational force is, Secretary Freeman suggested, largely because it is a grassroots movement.

Each soil conservation district is autonomous and self-governed. Each is based on the principle that local landowners and land managers have the responsibility and should take the initiative to solve their local soil and water problems. They do this through individual farm and ranch plans, district programs and small watershed projects. They arrange for such technical and financing assistance from public or private sources as they feel is necessary to help them put their plans and programs and projects into effect.

We are proud of the men and women of the soil conservation movement for the example they present to our country and to the world's emerging nations of successful cooperative endeavor—public and private; local, State and Federal.

Naturally, I am particularly proud of the soil conservation leaders in my own congressional district because they are the ones I know most about. We have 10 soil conservation districts along the north coast of California: the Mendocino County Soil Conservation District, headquartered at Ukiah and Willits; the Gold Ridge District, Sebastopol; Sonoma Valley District, Sonoma; Santa Rosa District, Santa Rosa; Sotoyome District, Healdsburg; Petaluma District, Petaluma; Westlake District, Lakeport; East Lake District, Middletown; Marin County District, Point Reyes Station, and the Napa County District, Napa.

In his closing address to the White House Conservation Conference, President Kennedy emphasized the Nation's debt to those private citizens who have carried on the fight for natural resources conservation for so many years.

There is nothing—

The President said—

that could occupy our attention with more distinction than trying to preserve for those who come after us this beautiful country which we have inherited.

Mr. Speaker, I think it is appropriate that we in the House of Representatives take occasion during this Soil Stewardship Week to say "thank you" to these guardians of the soil and of "the stream of life" who serve our generation and our heirs with such distinction.

MARITIME LABOR AT THE CROSSROADS

Mr. CASEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include an address by Mr. BONNER.

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

There was no objection.

Mr. CASEY. Mr. Speaker, I recently had the distinguished pleasure and honor to have our very distinguished and able colleague, the Honorable HERBERT BONNER, chairman of the Committee on Merchant Marine and Fisheries in my home district. The occasion for his visit was the celebration of Maritime Day. The remarks that he made on that occasion follow:

REMARKS OF HON. HERBERT C. BONNER, DEMOCRAT, OF NORTH CAROLINA, CHAIRMAN, COMMITTEE ON MERCHANT MARINE AND FISHERIES, HOUSE OF REPRESENTATIVES, BEFORE THE PROPPELLER CLUB, PORT OF HOUSTON, TEX., MAY 21, 1962

Mr. Vickery, Congressman CASEY, members of the Propeller Club, port of Houston, ladies and gentlemen, it is a special honor to be invited to be your speaker as we commemorate National Maritime Day to pay our respects to American seapower—the power that more than any other made this United States of America as great and prosperous as it is, and brought it the noble burdens of world leadership.

It is gratifying to me to be in Houston to say what I want to say to you because I believe that here in America's virile and vigorous heartland my message will be clear. I hope it will be heard and understood across the Nation in the same spirit in which it is delivered.

In the 38 years that I have served the Congress of the United States—16 as secretary to a distinguished member of the House Merchant Marine and Fisheries Committee, and 22 as a Member of Congress and of that committee—I have been privileged to see and hear a great deal.

The pendulum has swung back—and it has swung forth.

I can recall the early post-World War I years and on up to the midthirties when we were trying to establish ourselves as a commercial maritime power with the hastily built tonnage of that earlier conflict.

I can recall the problems that were encountered as we somewhat shyly tested the mantle of global responsibility that was beginning to settle on our shoulders.

I remember the Black investigation of the merchant marine in the early 1930's with its disclosures of management deficiencies that cried out for correction.

I remember the enactment of the Merchant Marine Act of 1936, and the studies it produced showing the need for new technology—showing the shortsighted labor policies that held down the American seaman in contrast with his brother in shoreside industry—and showing, most of all, that this great country needed a modern merchant marine to serve our economy and defense in the changing world.

That is history, and I shall not belabor it. But I did want to let you know that I have been around for a while.

Last year, in Washington, we celebrated the 25th anniversary of the Merchant Marine Act of 1936—good, sound legislation which has stood the test of time.

This basic act has been reviewed and revised ever since its adoption. It has been studied, criticized, attacked and evaluated, but it has never been materially altered. This is a tribute to the wisdom of the framers of the act. And it is proof positive that its basic objectives are sound. It is abundantly clear, even in this missile age, that a strong American merchant marine is a necessary and basic instrument of our national policy.

An adequate fleet under the U.S. flag is essential to our peacetime commerce and vital to our national defense. Time after time, the highest officials of the succeeding administrations and their Departments of Defense and Commerce have restated these basic requirements of national need.

The need is unquestioned.

But it is likewise an inescapable fact of life that Congress must provide assistance both in the operating and the construction of ships to maintain such a fleet in the face of the wide disparities between American and foreign costs.

Our high American standard of living does not stop at the water's edge. We cannot expect our fellow Americans, just because they are engaged in international business, to earn and take home less than their brothers who work in the steel, the automobile, or the haberdashery business. So we must have a mechanism for subsidy aid to our maritime industry, just as we must pour even more millions into direct support of military activities, Navy, Air Force, Army, Marine Corps—in accordance with the American standard of living.

No one questions the necessity for this Government support, but some of my associates have, at times, questioned the amount and some have sought ways to reduce the rising cost of maritime subsidy. I can assure you that, for myself and the members of my committee, we are deeply concerned by the constant increase in subsidies to maintain an adequate fleet of merchant ships under our own flag. But before I come to my main theme I would like to point out a few facts about the part played in our economy by our subsidized merchant marine.

In the 1960's our Nation is devoting about \$300 million per year to its obligations in the field of merchant shipping. In this fiscal year, the Maritime Administration budget totaled \$305 million—\$98 million for ship construction—\$182 million for operating subsidy. The budget for fiscal 1963 provides for \$225 million for operating subsidy and \$50 million for construction subsidy.

This is a complex matter. The American merchant marine is a vital part of our economy. There are many reasons it should receive our support.

It has been estimated that the merchant marine employs more than 200,000 people from every section of the country. It is an important customer of American business. For example, just the companies operating some 300 large vessels under subsidy contracts buy more than \$19 million worth of food each year.

Various estimates have been made of the return to the United States which should be credited against the cost of operating subsidies. These have ranged even higher, at times, than 100 percent. However, a study of the facts for the years 1955 to 1959, inclusive, shows that a most conservative estimate of the return is at least 60 percent. For these years, the gross operating subsidy was \$700 million. But from this must be deducted \$82 million in estimated recapture, or better than 10 percent.

Deduct corporate taxes of \$125 million. Deduct personal income and other taxes arising from the operation and servicing of vessels of \$215 million. A total credit to the U.S. Treasury of recapture and taxes of \$422 million. The subsidized segment is a substantial taxpayer in excess of \$20 million a year in Federal income taxes, withholding an estimated \$50 million in taxes annually for employees and paying an estimated additional \$14 million annually in payroll taxes.

In all, it is estimated that the merchant marine, counting its seagoing, shoreside, shipbuilding, and ship repair segments, contributes better than \$5 billion annually to the U.S. economy and helps to reduce the deficit in our balance of payments by between \$600 million and \$1 billion a year.

Yes, our merchant marine is an important part of our economy. Any way you look at it.

And if we didn't have it—if we didn't support such a fleet under our own flag—our economic and our defense flank would be sorely exposed.

All of this is true. But in view of the demands made on the taxpayers' dollar today and the rising productivity of our international competition, how long can we afford to support this industry as our heavy investment brings diminishing returns? Can we narrow the gap between American and foreign costs—which requires Government aid to approach parity with our foreign competition? Is there some way that our merchant marine can increase its participation in the American economy and thereby provide more business for American industry and more jobs for the American workman?

I think these questions can be answered in an affirmative way. But American maritime labor must help provide the answers. And they must provide them soon before they strangle the goose that lays the golden egg. Theirs is the responsibility for appraising the facts in their own self-interest—for 80 percent of the taxpayers' dollars, appropriated for operating-differential subsidy, goes to seagoing labor.

Let's take a look at the way the beneficiaries of our national shipping policy enjoy their privilege. According to the Bureau of Labor Statistics there were 31 work stoppages in the water transportation industry last year involving nearly 58,000 workers and resulting in some 359,000 man-days of idleness.

Think what this must mean in terms of lost wages to the workmen—lost taxes to the Government—lost business to the ship operators—and the very real, though less direct, impact upon the many industries and workmen supporting or served by the American merchant marine.

During our current broad examination of American shipping policy I made the observation to Secretary of Labor Arthur Goldberg when he testified before us that I could not see how we can induce the investment of private capital into something which we know is being choked to death and has no stability. Secretary Goldberg said, "I share that concern with you."

"I have studied the employment figures and they are of great concern. As recently as 1952 there were 76,650 people in seafaring employment in our country. As of March 1962 there are 48,030." He then commented, "That is quite a decline."

A similar picture can be drawn to show the drastic decline in the total number of major ships engaged in our active merchant marine—and of our participation in the carriage of our foreign commerce. And yet our waterborne export and import foreign trade is continuing to expand in volume and value each year.

During the course of our current hearings, I asked the Secretary of Commerce whether there was need for legislation that would give the administration more power to deal with maritime strikes and labor disputes. Mr. Hodges stated that continuous maritime labor troubles were having a serious adverse effect on American shipping, discouraging both customers and investors. The Maritime Administrator, Mr. Donald Alexander, affirmed that many American shippers are disillusioned over the lack of stability in our merchant marine.

We need no more dramatic illustration of the problem than the strike on the west coast which has paralyzed American-flag shipping and created a serious supply situation in Hawaii.

This strike has now been halted by an 80-day Taft-Hartley law injunction, but both management and labor have indicated that it may be resumed at the end of the injunction. This strike left idle about 60 of the fleet of 120 American-flag ships operated by Pacific coast steamship lines. A similar injunction had to be obtained last July to interrupt an 18-day shipping strike on the east coast. In that case, the issues of the

walkout were settled during the injunction period and the strike was not renewed.

What is the impact of such strife on the national economy—the national interest? Let's take this recent west coast affair as an example:

A check of Pacific coast steamship operators reveals a loss of more than 400,000 tons of cargo to competitive operators during the 27-day strike period alone. In addition to loss of tonnage, west coast passenger lines lost several millions of dollars in gross revenue as a result of canceled sailings. But this is not the whole picture. That cargo tonnage and those passengers were not waiting at the dock to be lifted when the ships resumed their uneasy sailings.

The passengers went their way by other means—foreign-flag ships or by air. Many of them sadly returned home after watching a lifetime of savings fritter away in the long and expensive trip to the coast with its ultimate delays and frustrations. They will not be walking billboards for the pride and joy of traveling by American ships.

It is difficult to estimate the permanent loss of cargo, but the indications are that approximately 10 percent of previous tonnage will not be carried in the future, because of shipper loss of confidence in stability of service. I believe the estimates are conservative—but, nevertheless, just think of a 10-percent permanent loss in any business.

And this refers only to one major strike of sufficient magnitude to invoke the Taft-Hartley Act.

These facts have caused the decline of the American merchant marine and the drastic reduction in work opportunity in the industry. There must be some serious flaw in the processes of collective bargaining in the maritime industry that permits these things to happen—that permits a handful of willful men to exercise vast power to the suicidal detriment of the seafarer—that condones the vicious "whipsaw" among the many maritime unions and the several coastal regions to the doleful tolling of the death knell of the American merchant marine.

Again I quote Secretary Goldberg: "We want to preserve the freedom of the right to strike in the maritime industry. But preserving the right to strike does not mean to indicate that strikes ought to be incurred. We ought to preserve the freedom but this ultimate test of economic power which is a necessary attribute of freedom is also an indication that collective bargaining is not realizing its real objective, which is sensible, reasonable settlements arrived at through the process of collective bargaining. A strike may be necessary in a given situation but a strike should be regarded by both parties as a failure to realize the fruits of a mature collective bargaining relationship."

Now let us look at what is going on abroad with our foreign competitors. Aside from the big wage differential between American and foreign costs our competitors are universally and rapidly reducing their manning requirements through automation to increase their productivity and efficiency. Let's consider an example:

I am told that a Swedish line has laid down a liner that will carry a crew of 32 men, 13 less than the complement of its existing ships. Another ship is on the drawing board that will require a crew of only 21. Contrast this with the largest ship under the American flag—the tanker *Manhattan*. It has only recently gone into service. The Coast Guard fixed the number of engineers required to man her at 8—the union required 12. She now carries 12 engineers.

As an American-flag tanker, the *Manhattan* is likely to see considerable service in the coastwise trade where she will be in direct competition with pipelines. Cost increases due to featherbedding of this type

can do nothing but hasten the day when coastwise tankers will follow their dry cargo counterparts into oblivion.

But costs are not the only factor tending toward the early demise of coastwise oil transportation. The petroleum industry has had occasion to observe the effects of service interruptions caused in large part by inter-union rivalry. While admittedly the cost of transporting petroleum products by pipeline is higher than by tanker, the assurance of continued service offsets the additional cost. It has been estimated that a new pipeline under construction will reduce the coastwise shipping requirements by about 60 T-2 equivalent tankers. Thus will disappear some 3,000 jobs for seamen. Equally, if not more important, there will disappear some 60 ships with their trained crews that could well prove vital in an emergency.

We are all aware that the Commonwealth of Puerto Rico and the States of Alaska and Hawaii are totally dependent upon sea transportation for literally the means to go on living. We have seen their lifeline cut off time after time as a result of labor disputes in which they have no part and over which they have no control. Historically, the trade to those places has been limited solely to American-flag ships. But the time is coming when their welfare will demand that this limitation be removed and thus we will see more American-flag ships driven from the sea. This is no idle threat. Bills have been introduced in this session of Congress to relax the coastwise laws and permit foreign-flag ships to operate in our domestic trade when an industry finds that American ships are not available at rates which will allow the industry to continue to compete with imported commodities.

Recently, the Marine Engineers Beneficial Association filed briefs in opposition to the granting of subsidy to Isbrandtsen. They did not do so on the ground that the grant would be inimical to the development of the foreign and domestic commerce of the United States, nor that it would be unnecessary for the national defense—the objectives expressed in the Declaration of Policy of the 1936 Merchant Marine Act—but simply and solely on the ground that the proposed subsidy grant might adversely affect the pension rights of a handful of its members. The possible benefit to the merchant marine and, for that matter, to the welfare of our whole country, was not referred to.

If the present situation were of concern only to the parties immediately involved, we could well say, "A plague on both your houses." But it is of concern to each and every one of us in the United States.

It is of concern to the foreign trader who depends on reasonable freight rates to compete abroad. True, our foreign friends would be only too happy to take care of his transportation needs—on their own terms. But the existence of American ships gives much-needed assurance that freight rates will be kept reasonable, thus assuring accessibility to foreign markets on a competitive basis.

It is of concern to our balance of payments—every dollar spent for shipment on foreign lines is a further contribution to the imbalance we presently suffer with long-term consequences that can hurt us badly.

It is of concern to those of us who want to maintain our passenger ships—the safest and best in the world. We have only to examine the standards of construction and fireproofing set by the Coast Guard in comparison with the international standards to assure ourselves that no effort or money has been spared to avoid the horrors of a maritime disaster such as was all too frequent in the past.

It is of concern, too, to two of our States and our Commonwealth who must rely on its continued operation to literally keep the specter of hunger from their people.

And last, but possibly most important, it is of concern to those charged with the defense of our country. Only last month, the Secretary of Defense told the Merchant Marine Committee that the maintenance of an adequate merchant marine was essential for the support of our fighting men in the event of an outbreak of hostilities in the world.

We can and must maintain our merchant marine. It cannot survive as a service enterprise if it does not render service. Frequent and unnecessary stoppages play irretrievably into the hands of foreign competition. Because of the threat posed to the survival of American shipping, I have urged the Secretary of Commerce and the Secretary of Labor to make concerted studies of the problems and processes of collective bargaining in this field. I have only recently introduced a bill in Congress which would place maritime labor within the framework of the Railway Labor Act where jurisdiction now exists for the vital transportation modes of rail and air.

I hope that these actions may be fruitful and may help us find mechanisms which will assure the greater development of the health and welfare of our country in international trade.

I hope that our system of free collective bargaining will be fully retained. But as Secretary Goldberg recently said, "Collective bargaining, to be free, must be responsible. So long as it is responsible, it will be free."

American maritime labor is indeed at the crossroads.

STOCK MARKET INVESTIGATION

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 45 minutes.

Mr. PATMAN. Mr. Speaker, the recent behavior of the stock market both here and in Western Europe makes clear, I think, the need for a full-fledged congressional study and investigation.

Last year we authorized an investigation of certain aspects of the stock market by the Securities and Exchange Commission, and we appropriated \$750,000 for this purpose. The resolution authorizing the SEC's investigation is, however, very narrow. I pointed this out at the time the resolution was debated in the House and made a plea for a broader investigation. In brief, the SEC was given authority to investigate the adequacy of the rules of the organized stock exchanges and to look into the role of financial advisers in influencing stock prices. Such an investigation as the SEC is making is good, of course, as far as it goes. The SEC is, under its resolution, looking into questions of impropriety or abuses of inside information on the part of the broker-members of the organized stock exchanges.

But the SEC investigation falls very short of providing us with the kind of information we ought to have in order that we may know what really influences the stock market and how these influences bear on the health of the business and credit systems.

To illustrate, I pointed out in the SEC resolution passed that this resolution gives the SEC no power at all to look into the so-called over-the-counter market. It gives the SEC no power to look into the so-called market for Government securities. Yet we know as a result of a preliminary

investigation made by the Joint Economic Committee in 1959-60 that in the so-called Open Market for Government securities, the value of the securities traded is about \$150-200 billion per year. This volume of trading was about five or six times the value of all the stock traded in the New York stock exchange in a year's time. It was, in fact, more than three times the value of all the trading in all of the organized exchanges of the country, organized securities exchanges as well as the organized commodity exchanges—for cotton, grains, coffee, soybeans, onions, and many other commodities.

In other words, we know in a general way that prices and interest yields in this market have an important influence on prices and, accordingly, dividend yields in the stock market. Government securities and stocks both compete for investment funds as well as for speculative funds but we do not know in any exact way what the interconnections are or how the Government securities market operates.

We know that the so-called open market consists of a very small number of large professional dealers—only 17 dealers—that these dealers have close working relations among themselves and that they are under no rules or regulations except the private rules which they make themselves and keep to themselves. We also know that these dealers are extremely sensitive to the money and credit policies of the Federal Reserve—indeed, they are part of the Fed's money and credit mechanism—and the nature of their business makes it essential that they have a unique expertise at interpreting and forecasting the direction and changes in Federal Reserve monetary policy.

Indeed, we are largely ignorant of the whole role of the credit mechanism and the making of official credit policy in wide and sudden changes in stock prices. We know only in a general way that the changes in credit policies by the Nation's central bank—in our case, the Federal Reserve System—may at times precipitate a collapse in stock prices as well as a collapse in business activity. This is not new. There is a persuasive record, for example, to show that the depression of 1922-23 in this country was deliberately planned and brought about by officials in the Federal Reserve System. According to the minutes of a meeting held in 1922 between the Board of Governors of the Federal Reserve and the class A directors of the Federal Reserve banks, those officials decided, correctly or incorrectly, that the country needed a sharp business decline, a general credit wringout, the elimination of business firms thought to be operating too much on credit, and they deliberately set about creating a credit contraction which brought on that depression.

Today our officials who determine the supply of money and credit are operating on a larger scale and are attempting to deal not only with domestic matters but also with complex international matters. Officials of our central banks are having at least monthly meetings with the central bankers of Europe, making agreements or reaching a meeting of the minds

as to what money and credit policies should be for the whole Western World. Then a few weeks ago there was an extraordinary conclave of the Western bankers and Treasury officials meeting in Rome in an attempt to overhaul money and credit policies on a grand scale. What agreements were reached, if any, or what meeting of the minds was achieved or attitudes expressed at the Rome meeting, we do not know. We know only what has been in the literature concerning the problems which the world bankers hope to meet. One problem, of course, is the rather rapid rate of inflation which has been taking place in Western Europe, a problem which we might expect would lead the European bankers to a conclusion that they tighten the supply of money and credit and raise interest rates in that part of the world. And another problem, of course, is that of the difference in interest rates between here and Western Europe, the related dollar drain, and the threat to our monetary gold reserves. This, too, according to the usual thinking of central bankers, would call for a tighter supply of money, higher interest rates, and inevitably lower levels of business activity and business profits. I do not say that such coordinated actions were agreed upon—I do not know, and the Congress does not know. I do point out, however, that the collapse in stock prices which took place last Monday and Tuesday was not confined to the New York exchanges but was generally paralleled in London and several other countries in Western Europe. Could it be that the bankers and financiers, who are better informed than the Members of the Congress of the United States, had reason to expect a wringout in stock prices?

Indeed, we know very little about the practical effects of the bank credit mechanism on the ups and downs of stock prices. Can the commercial banks still manufacture money to feed a speculative boom in stock prices? We do not know. We think we learned our lesson from the 1929 experience and provided regulations to prevent a recurrence of that experience but we do not know whether or not these regulations are effective in practice.

The conditions which brought about, first, the speculative boom leading up to October of 1929, then the 1929 collapse, and the dark years of business depression are now clear.

First, the banks provided the credit—in other words, manufactured the money—which fed the stock market boom prior to 1929. Our system of banking is intended to bring about an increase in the supply of money commensurate with increases in the production. But, as we learned, this system can also bring about increases in the supply of money to feed a speculative boom in already existing assets. This does not mean that the banking system supplied too much money for the general economy in the years prior to 1929. On the contrary, the banking system provided merely enough money and, of course, the stock market does not absorb money. Money created for the purchase of stock merely passes through the market and goes into circulation to permit the opera-

tions of the general economy. The fault of the banking system in the pre-1929 years was not the amount of money created but rather the fact that the money was funneled out into the economy by way of the stock market. In mid-1929 just before the crash, when total bank loans amounted to \$20 billion, \$8 billion was in loans to brokers and dealers for carrying securities. As soon as stock prices broke, the banks began calling these latter loans and called half of the amount within a period of 3 months. This meant not only a further decline of stock prices but a tremendous contraction of the Nation's money supply and, necessarily, a contraction of business activity.

That experience led to legislation giving the Federal Reserve powers to set margin requirements. Under present regulations, and a bank is supposed to be able to make a loan for the purpose of purchasing or carrying stocks only if the person making this loan puts up 70 percent of the price of the stocks from his own funds or funds he raises elsewhere.

But how effective are these regulations? In all of the years they have been in effect the Federal Reserve has not penalized or reprimanded any bank for violating either the spirit or the letter of the regulation. Furthermore, it is well known that both the banks and the stock speculators get around the regulation through the so-called nonpurpose loans. How much money do the banks lend to finance companies which in turn lend the money to individuals or corporations for the purpose of buying and carrying stock? This practice on the part of the finance companies is, we are told, relatively new and of growing importance. But the importance of these things we do not know about. We do not know how much bank-created money has gone to finance the long "bull" market of the past few years, in which prices rose almost steadily until the end of last year, and to levels which seemed unjustifiably high.

True, a number of conditions have been suggested as sufficient in themselves to bring about a downward revision of stock prices. It has been suggested, for example, that the general public may now have a different belief about the inevitability of inflation. For several years under the previous administration, there were constantly pronouncements about inflation. Advertisements in the magazines, newspapers, and over the television about inflation, all of which helped create the idea that inflation was going at a very rapid pace, was a tremendous threat, when, in fact, the inflationary forces had been largely exhausted.

It is also true that there now seems to be general acceptance of the idea that the phenomenally high interest rates achieved in the Eisenhower administration are with us to stay. As long as these high interest rates were thought to be temporary, investors were not so much inclined to sell their stocks and buy fixed-income securities, even though high grade bonds were in many instances paying a higher yield than the stocks paid in dividend yields. At the

peak of the stockmarket last December, common stocks were paying dividend yields of less than 3 percent, according to Standard & Poor's Corp., while high grade corporate bonds were paying 4 to 5 percent and Government bonds were paying about 4 percent. Obviously, stock prices were too high relative to the Government's then prevailing interest rate policy. Some downward adjustment in stock prices would be only natural.

On the other hand, such a downward revision of stock prices as would be expected would hardly explain the events of the last few days.

Prior to the collapse on Monday, there had already been a general decline in prices since December of 1961 which had wiped out almost 20 percent of the market value of the securities listed on the New York Stock Exchange. In 5 months, the value of securities listed on this exchange had dropped between \$60 and \$80 billion. Then, last Monday, more than 9 million shares were suddenly traded, a volume so heavy that the reporting on the day's close ran 140 minutes behind the close of trading and values dropped another \$20 billion in a single day. On Tuesday, there was a rebound, of course, in which roughly \$14 billion of value was restored.

Events such as these do not suggest that stock prices were merely readjusting to revised ideas about inflation or to revised ideas about the permanency of the Kennedy administration's high-interest policy. It is most disturbing—I think, shocking—that Congress knows so little about what underlies the stock market after so many decades in which there have been repeated instances of disaster and near disaster stemming from this market.

I am today introducing a resolution which I hope will have the sympathetic attention of the Members and that they will authorize the House Committee on Banking and Currency to make, not a "quickie" inquiry into the stock market, but a considered and adequately designed study which I hope will bring about a needed understanding of all of the policies, forces, and institutions playing a major role in this market. My resolution calls for an appropriation of \$750,000 for this purpose, the same amount as was appropriated for the SEC to carry out its investigation of the adequacies of the rules of the organized exchange. It would also provide the necessary subpoena powers.

I hope that the House will give prompt attention to this resolution which provides for a matter which has been too long neglected.

Mr. Speaker, I am inserting herewith a copy of the resolution to investigate the market exchanges and for other purposes. It is as follows:

Resolved by the House of Representatives, That the Committee on Banking and Currency of the House of Representatives, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study of and investigate into the operations of the Nation's security markets, both organized and over-the-counter, which deal in private and/or public securities, both equity and debt instruments, and the relation between the performance of such markets and the activities of public

and private financial credit, and other institutions, the investigation to include, among others, the following subjects:

(1) Relationship between changes in prices and yields for various classes of financial securities and the rate of investment by corporations, unincorporated businesses, and individuals, including both plant and equipment and inventories;

(2) The role played in various security markets by individual investors as compared to institutional investors, particularly mutual funds, pension funds, insurance companies, and the like;

(3) Changes in the sources of funds for investment in the securities markets and the impact of these changes upon these markets, particularly the possibility that these changes reduce the significance of existing margin requirements as regulators of the use of credit for speculation in stocks and bonds;

(4) The rule of international movements of capital in affecting prices of stocks, bonds, and other securities on American markets, with special attention to the possible effects of differing regulations by foreign governments concerning investment in financial equities by their nationals or ours;

(5) The extent to which monetary policies have made corporate bonds, mortgages, and savings accounts relatively more attractive than stocks, encouraged the shift of funds out of the stock market; or discouraged the entry of new funds into the stock market;

(6) The nature of the agreements, understandings, or attitudes expressed at recent international meetings of central bankers in which United States representatives have participated and the manner and extent to which securities markets may have been affected.

Sec. 2. For the purposes of this resolution, the Committee on Banking Currency, or any duly authorized subcommittee thereof, is authorized through January 31, 1963 (1) to appoint and fix the compensation of such experts, consultants, or organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable; and (2) to hold such hearing, to sit and act at such times and places, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. Subpoenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them.

Sec. 3. The Committee on Banking and Currency shall from time to time report its findings and recommendations to the House of Representatives and shall make its final report at the earliest practicable date but not later than January 31, 1963.

Sec. 4. The expenses of the Committee on Banking and Currency under this resolution, which shall not exceed \$750,000, through January 31, 1963, shall be paid from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee.

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

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

Mr. PUCINSKI. Mr. Speaker, the gentleman has certainly made a very interesting statement and informative presentation here today. I am delighted that I was able to hear it, because I consider the gentleman to be one of the outstanding experts in this Congress on this whole question of the stock market. I was wondering if the gentleman would be good enough to offer an opinion as to

a suggestion which has been made here recently by myself that one big contributing factor to this strange behavior of the stock market is the fact that in another two weeks, to be exact, the 18th of June, some 285,000 administrators of health and welfare pension funds will have to start reporting in greater detail how the \$55 billion to \$70 billion now invested in these private pension funds is being so invested.

I was interested to see that the Securities and Exchange Commission last week said that some 55 percent of this money is invested in common stock. While there is nothing wrong with this—nothing illegal—certainly in my judgment that high percentage of investment of trust funds into common stocks would be improved. So the question that has been raised and I suggest that at least triggered this strange behavior on the part of the stock market, is the fact that many of these administrators of these funds—and 94 percent of these funds are administered by the employers—that these people have been unloading their common stock holdings and turned to more conservative investments such as Government bonds and mortgages and whatnot.

Mr. Speaker, I was wondering if the gentleman from Texas [Mr. PATMAN] would care to offer an opinion? I have asked the SEC to look into immediately the large blocks of stock that are being disposed of to determine whether or not this is not the reason that triggered off this great shift in stock values in the last couple of weeks. I wonder if the gentleman would care to comment on this?

Mr. PATMAN. I desire to join the gentleman from Illinois [Mr. PUCINSKI] in expressing the hope to the SEC that an investigation will be made of this matter. I think it is very important. I did not know that 55 percent of these funds were invested in common stocks. I knew a large percentage was so invested, but that is a high amount in my book. Measured by the traditions of the past, that would certainly be a very abnormal thing. I believe the gentleman from Illinois [Mr. PUCINSKI] would agree with me on that.

Mr. PUCINSKI. If the gentleman will yield further, I would say that it is not an improvement.

Mr. PATMAN. It would not surprise me at all, if the gentleman is correct, that some of these funds are dumping certain securities to make a transfer which would probably have some effect upon the collapse of a few days ago. That would be understandable, for this reason: You know interest rates have been increasing over the years. Now we are paying the highest rate of interest in a quarter of a century on Government securities, and also private debt.

People can invest their money in savings and loan institutions, for instance, where the funds are guaranteed up to \$10,000 in each account. Of course, they have cooperative arrangements now whereby \$1 million can be invested in enough savings and loan accounts where each \$10,000 is guaranteed by the U.S. Government. Naturally, when the savings and loan companies are paying a

higher rate than the dividend yields on common stocks, I can understand the urge to get out of common stocks and get into something that is guaranteed by the Government. It would be understandable, if the gentleman's apprehension is well founded; I do not know whether it is or not, but it would be understandable, if it is.

Mr. PUCINSKI. Mr. Speaker, it amazes me how few people realize that in this Congress we passed and the President signed into law the new Disclosure Act which goes into effect on the 18th of June.

We passed this act simply because we believed, based on the evidence before our committee—and it came out of my subcommittee—that there was reason to feel some concern over how these vast sums were being used. I am told that the private pension plans in America today total between \$55 and \$70 billion and are the largest single source of equity capital in this country. So, in committee, after lengthy hearings, we came to the conclusion that the administrators of these funds ought to be compelled to submit a more thorough report to the Department of Labor on how this money is invested.

Of course, we may not tell anyone how to invest his money. There is nothing in the law giving the Secretary of Labor or anyone else the right to tell these administrators how this money is to be invested. The new law that goes into effect on the 18th of June requires them to spell out in greater detail how much is invested in preferred stock, how much money is invested in common stock, how much money is invested in bonds, and so forth.

So it is my contention, the mere fact that we passed this law, the fact that there was a law necessary indicates that there had been some imprudent investments. And I submit that these people have been cleaning up their portfolios.

Oddly enough, I told the chairman of my committee 4 months ago, when we reported this bill out, that this was a good bill, that I hoped we would get it through Congress and that the President would sign it. But I said that if this bill passes, about 1 month before it becomes law, we are going to see the darnedest rumble on the stock market that we have ever seen, because they are going to clean out their portfolios and shift to more conservative investments.

Mr. Speaker, I am very grateful for the opportunity to hear the gentleman's statement today.

Mr. PATMAN. Mr. Speaker, I thank the gentleman. I congratulate the gentleman on the efficacy of his bill. I think it is a worthwhile bill.

I think the investigation he recommends could be very much enlarged upon if we were to include with the mutual funds and the pension funds, the foundations. If we did that I think the gentleman would find that a very few people in this country control enough of the stock market of the Nation to influence the market either way.

Mr. PUCINSKI. Mr. Speaker, I thank the gentleman.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks in the body of the RECORD following the remarks of the gentleman from Virginia [Mr. GARY] on the retirement of Admiral Richmond.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMPENSATION FOR PERSONS WHO SUFFERED AT THE HANDS OF THE NAZIS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 10 minutes.

Mr. RYAN of New York. Mr. Speaker, during and after World War II thousands of European refugees fled to our shores seeking asylum from the tyranny of Nazi Europe. Many lost all their material possessions in the fanatic terror of fascism. I have introduced H.R. 9464 to compensate those who suffered at the hands of the Nazis. I am hopeful that in the near future the Congress will pass a war claims bill to provide compensation for those who are citizens at the date of enactment. However, such legislation would not fully compensate for the terrible losses. An additional approach might be available. The Israel and the West German Governments have used the assets of individuals who were involved in the Nazi tyranny to facilitate restitution and compensation for the victims. The Department of Justice and the Department of State should investigate this possibility.

There is in the United States at least one person whose assets might be traced to the illegal confiscation of property during the last war. Nicolae Malaxa, a Rumanian alien residing in New York City, was a munitions manufacturer in Rumania under King Carol. In a U.S. Immigration hearing in 1951 Rumanians, who were prominent in their country during the 1930's and early 1940's, testified about Malaxa's connection with the infamous Rumanian storm troops, the Iron Guard. According to these witnesses, Malaxa was the financial genius behind the Rumanian Iron Guard. After the Iron Guard was disbanded by the Rumanian military dictator, General Antonescu, there is testimony that the storm troopers rearmed at Malaxa's mansion, obtaining machine guns and sidearms which they then used to take over the Prefecture of Police. Malaxa's role in this affair caused General Antonescu to plead with the German Ambassador to Bucharest to take Malaxa off his hands. "German industry has always been on the best of terms with him," said the German Ambassador.

The secret documents in the German Foreign Office, now translated and made available by the State Department, implicate Malaxa with the Iron Guard and with the plunder of Jewish business and property. At this point I should like to

introduce into the RECORD two excerpts from Document No. 623 appearing on page 1050 and 1051 of "Documents on German Foreign Policy, 1918-45," volume XI, "The War Years," Department of State, publication 7083, 1940-41, 1960:

[From "Documents on German Foreign Policy," No. 623]

THE MINISTER IN RUMANIA TO THE FOREIGN
MINISTRY
[Telegram]

BUCHAREST, January 8, 1941, 3:30 a.m.
(Secret. No. 27 of January 7, received January 8, 2:30 p.m.)

After the Legionnaire police had made further house searches and perpetrated further acts of violence on the population,¹ involving also well-known people such as Argetolanu² and Ceslanu, the (group garbled) member of the National Bank, without legal grounds and without results, General Antonescu finally sent for Sima and called him very sharply to task. Sima admitted that he had known about the excesses. Because of the especially numerous excesses in Transylvania, he wanted to put the blame on the Germans, who, [he said] were trying systematically to gain control of Jewish firms which the Legionnaires wanted for themselves; the economy of the country had to be taken over not by Germans, but by people of Rumanian nationality. General Antonescu, however, demanded that an immediate stop be put to all the excesses; if Germans wanted to take over in too great numbers businesses abandoned by Jews, an equitable distribution could be arrived at on a different basis. It was contrary to his policy for the Legionnaires to stir up hatred of the Germans and thus to aid England and Bolshevism. General Antonescu finally demanded that Sima obey to the full his command for tranquillity and order, which he had guaranteed.

In this fight between the general and the Legionnaire command, a man plays a role who even earlier played a secret part in Rumanian politics: Carol's former friend and the present financial mainstay of the Legionnaires, M. Malaxa. The Legionnaires let this clever big industrialist finance them. He has in his plants the leader of the Legionnaire labor organization, Gana, and there the green flags of Sima flutter everywhere. Sima and his (group missing) have let themselves be roped in and want to come to an agreement with Malaxa on a settlement, while the general, as the exponent of order and purity, demands that Malaxa hand over all the "property stolen" from the state. Malaxa therefore considers the general his mortal enemy and makes common cause with the Legionnaires against him. Malaxa has even again supplied with arms the Legionnaire police, who had already been disarmed. Yesterday, while the scene between the general and Sima occurred in the office of the Minister President, they established themselves in the prefecture of police with machineguns.

The general, whose entourage kept this information from him last evening, is now extremely angry. He would like best to send Malaxa and his family off to Germany in order to get rid of them for a while. In reply to a question from him, I told him that, if he wished it, we would be glad to oblige him by taking Malaxa in, since German industry had always been on the best of terms with him. The general considers

this his only chance of getting rid of this troublesome schemer.

General Antonescu described the events to me in detail. He asked me to treat the information in strict confidence.

FABRICIUS.

I now call your attention to the second excerpt from the telegram which refers to "Carol's former friend and present financial mainstay of the Legionnaires, Malaxa." General Antonescu demanded that Malaxa "hand over all the property stolen from the state." At that time, in 1941, property, business, homes, jewelry, and personal effects were being ruthlessly seized and expropriated. Evidently, General Antonescu, as "the exponent of order and purity," wanted this property to be held by the state, but there were too many private vultures who seized individual pieces of property and who were able to make vast accumulations of the wealth of the unfortunate victims of the terror.

In 1946 Malaxa entered the United States as a member of a trade delegation from Communist Rumania. He had transferred to this country some \$2½ million which was explained as compensation for factories seized by the Communists. Malaxa never returned and is today a resident of the United States.

Mr. Speaker, the inevitable question is: What are the sources of Malaxa's wealth, which made it possible for him to transfer a reported \$2½ million into the United States in 1946? When a displaced person arrives at our shore seeking sanctuary and brings with him from Communist Rumania assets of such magnitude, I think it is proper to inquire further and find out to whom the United States is offering asylum and whether the United States is being used as a haven for property stolen from victims of pogroms and terror.

I urge the Department of State and the Department of Justice to investigate the possibility that Malaxa's assets were derived in whole or in part from the seizure of Jewish homes, businesses, and other assets. The executive branch and interested private organizations should consider the following questions: Are there legitimate claims against the assets which Malaxa has brought to the United States? Are there identifiable Rumanian survivors whose property was confiscated or destroyed by the Iron Guard, the Nazis, the Antonescu government, and the Communists? If Malaxa's assets were derived from "Jewish firms," "businesses abandoned by Jews," and by other illegal means, are these assets subject to individual and group claims by persons who were wrongfully deprived of their property by the Nazis, Iron Guardists, and Communists?

The fact that these questions raise difficult and complex legal issues should not prevent the Department of Justice and the Department of State from conducting a thorough investigation and analysis.

Mr. Speaker, the time is long overdue for the United States to devise methods to compensate those of our citizens who suffered so much at the hands of tyranny.

¹ In telegram No. 9 of January 3 Fabricius had reported earlier excesses by the Iron Guard and the beginning of new tensions between Antonescu and Sima (201/89108-10).

² Constantin Argetolanu, former Rumanian Minister President.

COTTON TEXTILE INDUSTRY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. ALEXANDER] is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, I am vitally concerned about the jobs of our textile workers. The plight of the cotton textile industry is well known. One of the main reasons for the textile industry's difficulties is the price differential on raw cotton. The American manufacturer must pay 8½ cents a pound more than his foreign competitors for the same cotton.

This just does not make sense. It is ridiculous to force domestic textile producers to pay more for the same raw product than foreign producers pay. This is unfair competition of the rankest order.

There is both unemployment and underemployment in the textile field in this country.

What is the trouble? I think most people know the reason we are having trouble. It is simply that we are having to compete with cheap labor, lower taxes, less overhead, faster writeoff for machinery, and a cotton differential of 8½ cents per pound for cotton. I visited several textile plants in the Far East last fall. They were working full time, 7 days a week and paying their workers approximately a dollar a day wages.

That kind of competition is bad enough but to give them preferential treatment in the price of our own cotton is beyond comprehension.

The President has recognized the problem and has made several recommendations which will be helpful. For one thing, 6 months ago the Tariff Commission was instructed to study the problem of this price differential and to decide whether or not an equalization fee is required as an offset to the differential, and make recommendations to him. Why the delay in making a decision? Last week I wrote to the President and urged immediate action. This inequity should be adjusted immediately.

The President has specifically suggested the desirability of an offset import fee on the cotton content of textile imports at a rate sufficient to balance the raw cotton cost differential of about \$42.50 per bale. This import fee would not go to the textile industry. It would go into the Treasury of the United States and would certainly tend to equalize some of the unfair competition now existing.

The Trade Expansion Act of 1962 will soon be on the Floor of the House of Representatives. This inequity of price differential should be settled before we have to vote on that bill.

I have at all times been interested in the textile worker. I am interested in preserving his job. I am aware of what the administration has done and is doing to give the textile industry relief from unregulated imports, and so far as they go they are to the good. But we need to go further. We have been studying this question long enough. The textile employees and the textile industry deserve action. The leaders from textile areas have continuously stressed

the need for immediate action. The President has asked for action. The Tariff Commission needs to act favorably and to act now. The jobs of our textile people are in jeopardy.

Let us treat them fair. Let us help keep their jobs. Let us act now.

CONCURRENT RESOLUTION TO EXPRESS THE SENSE OF THE CONGRESS IN OPPOSITION TO THE PROPOSED EXCHANGE OF AMERICAN DOLLARS FOR CUBAN PRISONERS BY WITHDRAWING TAX-EXEMPT STATUS OF COMMITTEE COLLECTING \$62 MILLION FOR RANSOM AND THUS WITHDRAWING TAX DEDUCTIBILITY FOR DOLLARS GOING TO COMMUNIST CASTRO

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Florida [Mr. CRAMER] is recognized for 15 minutes.

Mr. CRAMER. Mr. Speaker, I take this time for a matter I think to be of tremendous importance, dealing with a subject I have mentioned to the House before. I now have in writing from the Secretary of the Treasury, Mr. Douglas Dillon, one of the most absurd letters with the most faulty reasoning that indicates to me the degree of fuzzy thinking of this administration and the New Frontier with regard to fighting communism, communism 90 miles from our shore. I am talking about Fidel Castro's Cuban communism.

Previously, I introduced House Concurrent Resolution 459 opposing the proposal of trading \$62 million for the Cuban prisoners as sponsored by the Cuban Families Committee for the Liberation of Prisoners of War, Inc., taking the position that has been evidenced as the justification by Fidel Castro himself, that this is nothing other than indemnity being demanded by this Communist dictator some 90 miles from our shore in the form of ransom. At the time the demand was made he said, "This is being done in the name of humanity."

The United States should pay for the invasion.

The position of this country has been, as evidenced by statements of previous administrations, millions for defense but not one cent for indemnity. But look at what Secretary Dillon has to say in reply to my inquiry, following my statement in the RECORD that I understood that this administration on December 6, 1961, had issued a tentative regulation making the contributions to this committee, the Cuban Families Committee for the Liberation of Prisoners of War, tax deductible. That means that the Treasury of the United States by tax deductions, and thus the people of this country, are going to end up with lost revenue, paying at least 50 percent of this \$62 million, or \$31 million, of lost revenue.

How in the world does this make sense? How does it make sense to the people in Central and South America who are trying to defeat atheistic communism in this hemisphere and to the

other nations that are trying to do the same throughout the world? How does it make sense to them that the great, free, and strong United States of America should be willing to pay indemnity to Communist Leader Fidel Castro of 62 million American dollars? How does it make sense when this administration itself has invoked the Trading With the Enemy Act?

Thus, the President of the United States has declared that any trade with Castro communism is trading with the enemy and did so in order to keep third friendly nations from shipping products containing any Cuban material such as tobacco from which cigars are made in the Canary Islands, for instance, or in Canada, into this country. That, of course, followed the administration's complete embargo which cut off all tobacco and other products from coming into this country, and which, incidentally, is going to end up putting 5,000 people, cigarmakers, in my district out of work. I said that should be done provided the administration backed up this action with other strong anti-Castro, and anticommunistic action. Of course, this has not been done. As a matter of fact, the administration is moving in the opposite direction as evidenced by this letter, which I will read in a moment. But how inconsistent it is. What fuzzy thinking has existed in the administration when on the one hand the administration says—no, we will not let any more products come in from Cuba. We will thus cut off the flow of \$40 million in remaining trade that otherwise would go to Fidel Castro to finance his Communist regime even though it means sacrifice on the part of American citizens by putting them out of work. On the second hand, we will even prevent third party countries, friendly countries, from shipping in any products made out of Cuban material. We will go even further in saying that families related to people living in Cuba, exiles in this country, cannot send through the mails any money or money orders to anyone in Cuba.

The administration went that far, and rightly so.

But now they are backtracking, and now we see the fuzzy thinking coming to the surface. Now we see the effort to appease communism coming to the surface. And here it is in Secretary Dillon's letter. What does he say?

This is in response to your letters of April 25, 1962, to the President and me about the deductibility of contributions to the Cuban Families Committee for Liberation of Prisoners of War, Inc. Our records show that the committee filed application in August 1961, with the Internal Revenue Service requesting exemption from income tax as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954. The committee also requested a determination that contributions made to it would be deductible by the donors in accordance with section 170 of the Code.

I call your attention to the fact that this is last year.

In early October in amplification of its request, the committee informed the Internal Revenue Service that it hoped to negotiate.

Again, this is in October of 1961 and the American people were never advised of this.

As of October 1961, it was publicly announced by the administration that it was withdrawing any and all support of the indemnity demand or payment of tractors thereunder.

That is what the administration announced publicly. But look what it was doing under cover: It was considering an application of this committee to do exactly that, exchange prisoners for tractors, only now they had changed their demand to dollars. Reading again from the letter:

This related back to the earlier Castro demands, and at no time from the filing of the original application to the tentative granting of the exemption on December 6 was there prior knowledge, as your letter suggests, of any new Castro prisoner trade offer.

Let me say that at the time I sent my letter, April 25, the demand was made, and this reply clearly shows, I repeat, that there was no intention on the part of the administration of changing its position now that a dollar demand had been made. Therefore the dollar demand would likewise be deductible.

Section 501(c)(3) provides that corporations and foundations which are—

And listen to this—

organized and operated exclusively—

For what?

For religious, charitable scientific * * * (and) educational purposes shall be exempt from taxation. Contributions to organizations which enjoy exempt status under section 501(c)(3) are deductible under the provisions of Code section 170. The application and supplemental evidence submitted by the committee indicate that its primary purpose—

And listen to this reasoning. Here is the fuzzy thinking, how far they are willing to go to squeeze this organization into the definition of "charitable organization." A charitable organization paying American dollars to Communists to keep them going is a charitable purpose under the interpretations of this administration, and here is how they bring in the definition of "charitable." If you have ever heard such false reasoning or anything comparable to it, I will be surprised:

The application and supplemental evidence submitted by the committee indicate that its primary purpose, on which its entitlement to exemption depends, is the liberation, relief, and rehabilitation of the prisoners.

Now listen to this:

Throughout history the redemption of prisoners has been regarded as a charitable activity.

I ask the Secretary, Since when? How can he equate charity with giving aid to the enemy? I ask this administration whether the ransoming of prisoners, enemies, which the President himself has so declared Fidel Castro to be by his invoking of the Trading With the Enemy Act—since when has the ransoming of prisoners from the enemy by this great, powerful, free country ever been considered a "charitable activity?"

I ask that question of the administration. I ask that question of the Secretary of State.

I ask that question of the Attorney General. I ask that question of the President of the United States himself. I ask them, Since when has the payment of dollars in ransom of prisoners held by the enemy been considered a charitable activity? And I ask further: When has it ever been considered a patriotic activity? Since when has it ever been an activity that would result in defeating communism?

I say never—I say never in the history of this country has this country at any time paid ransom for prisoners.

If they are going to pay ransom for Cuban prisoners, how about the American prisoners, U.S. citizens, many in uniform, who fought for their country in South Korea but are still being held prisoners in North Korea? If the policy is charitable to release these Cuban prisoners and pay ransom, is it not charitable to release American soldiers being held prisoner for years? Oh, no. Not American soldiers. But it is for Cuban exiles who invaded their country in an effort to win freedom, knowing full well what the risk was.

Let us look at the further reasoning as to why this is now considered a charitable activity.

Similarly, it has frequently been recognized that the relief and rehabilitation of persons in distress is charitable.

What has that got to do with it? What has that got to do with the ransoming of prisoners from a Communist stronghold, thus supporting the Communist government by paying American dollars? What has that got to do with it? Obviously, nothing.

Now, we have established a new precedent that is approved not only by Secretary of the Treasury Dillon but, as this letter shows later, has been approved by the Department of Justice and has been approved by the Secretary of State. So three of the Cabinet members of this administration have approved the policy.

"Throughout history the redemption of prisoners has been regarded as a charitable activity."

I challenge the administration to indicate one instance where the great, free, United States of America, fighting against its enemy, including atheistic communism, has ever paid ransom for prisoners, American prisoners, let alone exiled Cuban prisoners.

I read further from the letter:

Since the purposes for which the committee was formed fall within the exemption provisions of the code, the organization was tentatively granted exemption by the Service in a letter ruling dated December 6, 1961. The letter states that if the committee is operated in accordance with its stated purposes and in the manner indicated by the evidence submitted, it will be entitled to exemption from Federal income tax and contributions received by it will be tax deductible. Before the issuance of the December 6 ruling letter, we were advised by the Justice Department that the activities of the committee would not entail any violation of the Logan Act.

How about the Trading With the Enemy Act, Mr. Attorney General?

How about the intent and purpose of preventing any American money or goods from being used for the purpose of supporting an enemy Communist government which you, Mr. President, yourself, have stated is an enemy by invoking the Trading With the Enemy Act, even as it affects friendly other nations?

Mr. Attorney General, how about violation of other acts?

Mr. Attorney General, I ask you why is it you are not willing to invoke the statute that you have the duty to invoke that prevents aliens in this country from doing business with enemy foreign governments? When are you going to exert your responsibility and carry out your duties and enforce that act and advise the Secretary of the Treasury? This is a power properly executed by the great Treasury Department.

Listen to this:

Also, we were informed by the State Department that there were no objections to the issuance of a favorable ruling from a foreign policy point of view.

Mr. Secretary of State, I ask you how inconsistent can you be in cutting off all trade with Cuba, attempting to prevent the flow of all dollars to Cuba on the one hand, even if it means the unemployment of American citizens; and, on the other hand, you permit aliens in this country to raise American tax dollars that are tax deductible to do exactly the same thing?

You have requested that the ruling issued to the committee be rescinded. However, we believe that under a proper construction of the applicable provisions of the Internal Revenue Code and on the basis of the facts submitted to us, the committee is entitled to exempt status. Therefore, we can see no appropriate legal basis for the revocation of a tentative ruling issued to the organization.

Mr. Secretary of the Treasury, a tentative regulation or ruling is issued specifically for the purpose of determining in the interim period as to whether or not a permanent regulation should be issued.

I say to you the reasons I have pointed out otherwise fully justify the withdrawal of this tentative regulation.

And, Mr. Secretary of the Treasury, of State, and Mr. Attorney General, I wish to advise that I have today introduced a resolution which I trust will be sent to the proper committee, the Committee on Ways and Means, declaring it to be the sense of Congress that the distorting of the intended purposes of the exemption provisions of the income tax laws, specifically section 501(c)(3), referring to organizations for religious, charitable, scientific, and cultural purposes, is unjustified and, as a matter of fact, is illegal and that your ruling should be changed and the exemption withdrawn so that American dollars will no longer flow to Fidel Castro. And I hope that the resolution will receive the attention of the Committee on Ways and Means in the near future.

My resolution follows:

Whereas Castro's offer to ransom one thousand one hundred and seventy-nine Cuban prisoners for \$62,000,000 can be interpreted only as indemnification by this Nation, or

with its overt acts, consent to paying indemnity to a Communist country; and

Whereas this is blackmail; and
Whereas this is extortion; and

Whereas this is a demand for ransom reminiscent of the piracy on the high seas, and repugnant to every principle of decency and self-respect; and

Whereas this Nation, as a leading nation of the free nations of the world, would be kowtowing to the demands of a Communist dictator, as handed down by this kangaroo court, and thus give recognition to the court itself and indirect recognition of Castro's Communist government; and

Whereas the dollars could build airstrips and missile launching sites to be used against the free nations of this hemisphere; and

Whereas dollars comprise moneys negotiable with Red China or some other Communist nation and could be traded for war materiel; and

Whereas this Nation's prestige would sink in the eyes of the world; and

Whereas this is appeasement to communism; and

Whereas there are thousands more prisoners rotting in Castro's rathole prisons who could be traded, hundreds at a time, for further "indemnification" from this country; and

Whereas thousands of Americans lost their lives in two World Wars and Korea fighting to uphold the dignity of America and dying to affirm their dedication to her freedom; and

Whereas although there exists great sympathy for the Cuban freedom fighters, we must remember that soldiers of all nations have lost their lives willingly before bowing down to an enemy which raises question as to why the leaders of the Cuban freedom fighters would even agree to such a trade, knowing that it will only make stronger the enemy they are trying to defeat; and

Whereas in reality, the one thousand one hundred and seventy-nine prisoners Castro speaks of are not one thousand one hundred and seventy-nine prisoners of Cuba, but one thousand one hundred and seventy-nine more Cuban prisoners for, in fact, every Cuban in Cuba today is a prisoner of the Communist conspiracy and it should, therefore, be this country's goal to free all the people of Cuba and not only those who recently returned to their homeland; and

Whereas although it is being suggested that other nations of this hemisphere made token donations to this cause, it is this country, and not others, that is being forced to make this trade in the name of indemnity; and

Whereas negotiations by anyone in the United States with Castro appears to be a violation of the Logan Act and providing funds to the enemy a violation of the Trading With the Enemy Act; and

Whereas the President of the United States has recently invoked this Trading With the Enemy Act against third-country imports of Cuban tobacco to the United States from Cuba; and

Whereas the administration, acting through its Post Office Department, announced last month that postal money order exchanges between Cuba and this country were being banned; and

Whereas freemen have traditionally been willing to sacrifice both liberty and life in defense of principle; and

Whereas communism can never be defeated by governments or people too soft for sacrifice and who choose, instead, to pay or to condone payment of tribute to tyranny; and

Whereas despite the aforementioned considerations, the Treasury Department on December 6, 1961, granted tentative exemption from taxation under section 501(c)(3) of the Internal Revenue Code to the Cuban Families for the Liberation of Prisoners of

War, Inc., and thus making dollar contributions for the payment of ransom or indemnity to Communist Castro tax deductible under section 170, and despite the fact that the purposes of this committee are beyond the intent and purpose of section 501(c)(3) of the Internal Revenue Code: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the United States Government should refuse to permit gifts and contributions made for the trading of dollars for humans, as proposed by the Communist government of Cuba, to be tax deductible for income tax purposes, and that the Treasury Department should withdraw the tentative exemption granted on December 6, 1961, from taxation under section 501(c)(3) of the Internal Revenue Code to the Cuban Families for the Liberation of Prisoners of War, Inc., thus preventing the flow of American dollars to Communist Castro.

MENTAL HEALTH

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. CLEM MILLER] is recognized for 25 minutes.

Mr. CLEM MILLER. Mr. Speaker, I am today introducing a mental health bill. A preliminary draft of this bill, H.R. 10831, has excited much comment from mental health authorities and interested citizens throughout the country.

This revised bill has been the subject of a line-by-line study and comment. It is based on studies that I have received in the past month or so. Particularly it has been the product of joint conferences with the staffs of the mental health and retardation institutions in my congressional district. I went over the provisions of our bill with these staffs, the Mendocino State Hospital at Talmage, Calif., the Sonoma State Hospital at Eldridge, and the Napa State Hospital at Imola. I have also heard from the mental health authorities of the State of California and elsewhere. Keen interest was expressed in this bill, comment was lively, and the suggestions were serious and constructive.

It may well be asked, Why is there need on my part to introduce a bill on mental health? The answer is very simple. I have visited the mental health institutions in my congressional district, and what I have there seen with my own eyes convinces me that fresh, new, and constructive mental health legislation is not only in order but it is imperative.

Now, for example, I went through a compound of one of the mental health institutions in my district, housing several hundred men. It was a yard several tens of yards square. Abutting this yard are four brick barracks. The men in this compound shuffle aimlessly over the yard or sit idly staring into space. There were two attendants on duty for this number of men, barely enough to keep order. It is considered fortunate if a psychiatrist has time to simply look at the case file on a patient in the space of 2 or 3 months' time. The patients have lived in these quarters for 10, 20, 30, and 40 years. They are suffering from various mental disorders, schizophrenia and so on. Under conditions prevailing today these men are consigned to this life in this compound until they die.

In the same hospital I was then conducted to cheery, immaculate wards with individual rooms, where the men seemed engaged in activity, purposeful activity. There were attendants, cheerful in outlook, interested in what they were doing, who were engaged with these patients. They were working with them. They were talking to them, ordinary conversations, but talking and discussing. The doctors in our visitor group stopped and chatted with these patients. These patients, these men, will be out of the hospital in perhaps 5 or 6 or 8 weeks.

Mr. Speaker, these men, these patients, have the same troubles, the same infirmities visited upon the patients of the compound. The difference is that those in the compound are not cared for. In the ward, on the other hand, are people who do care. They show it in every move that they make.

And, what may the difference be ascribed to? Not in the quality of the attendants, certainly, because these caretakers in these institutions and in the compounds are the same men as those in the wards. They give the same devotion, they have the same regard. The difference could be in new advances in medicine, in the drugs that are being used. But this is only a part of the story, and in my opinion it is a lesser part. The real difference is in the personal attention to patients. This is the great and significant difference.

Mr. Speaker, mental patients are human. They are human beings. They respond to love, affection, and attention in the same way that all humans do, in caring and being cared for, or cared about. These patients get well and go out amongst us or they live a life of institutional despair. It is that simple. If these suffering, benighted patients in the compound could get enough professional attention and care, the loving affection of the people with whom they live, it is estimated that more than half, maybe 70 percent, could be returned to society within a given period of time.

Mr. Speaker, to have enough nurses, attendants, professional people, psychiatrists and doctors is the answer; trained people at all levels from the voluntary ward assistants right on up to the top. Good, well-trained personnel takes money. Training takes money. Rehabilitation rather than custodial care takes money. Getting patients out of hospitals and back home, or out into society with followup attention takes money.

Mr. Speaker, I might say it is cheap—dirt cheap—to have this patient out in society as a productive member of our community. This investment is worth every penny of it when viewed alongside the never-ending, ceaseless expense of custodial care.

Mr. Speaker, the States can no longer shoulder this burden alone. Even our wealthiest States are unable to bear this load. It is appropriate, therefore, that the Federal Government share this intolerable burden. It is particularly appropriate that we join with the several States in urging them to change the antiquated laws of a less perceptive age, to adopt the modern techniques, the

methods, and most important, supply the care which will put an end to custodial hospitalization, and open the gates for the patients and their families to a useful life in the communities of our country.

The means are at hand. Last year Congress received its "Action Report for Mental Health" which was authorized in 1955. This is a tremendous work. It has such portent for the future of mental health.

Mr. Speaker, armed with this report, and as a result of firsthand, eyewitness observation of the forces at work today in mental health, the introduction of a suitable bill was my first priority for 1962. The revised version which I am introducing today is a good bill. I hope it will be a better bill as the experts from the country over get a look at it. I know it is a good bill because the experts in my State have had a large hand in formulating its provisions. There has been tremendous interest in the encouragement of modern methods, and in the sensitive balance between the Federal and State responsibility. In each case we have sought general criteria and standards which would give full play to initiative and leadership within the States, the counties, and the communities. To me this flexibility is most important, more important than the temporary gains from the stricter standards of Federal control.

Mr. Speaker, I hope the Department of Health, Education, and Welfare will take a good look at this revised bill. I hope that our House Committee on Interstate and Foreign Commerce under the able leadership of the gentleman from Arkansas [Mr. HARRIS] and the subcommittee under the leadership of the gentleman from Alabama [Mr. ROBERTS] will be able to consider it.

In this day we are deeply concerned about our legislative priorities. We are keenly aware of the budgetary priorities. This bill fits into that picture. It conserves productive life, and in doing just this it becomes sound economics, and a continuing sign of our humanness. This combination of practicality and humanity are qualities which set our America apart and give to it its greatness. This bill is a step in that direction.

COMMENTS ON AMA NATIONWIDE TELECAST OPPOSING KING-ANDERSON HEALTH INSURANCE BENEFITS BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. KING] is recognized for 15 minutes.

Mr. KING of California. Mr. Speaker, on May 21 Dr. Annis, chief of the American Medical Association Speakers Bureau, appeared in Madison Square Garden in New York City on a nationwide television broadcast to present the reasons for the AMA's opposition to the King-Anderson bill. As usual, the major arguments against the bill were merely a restatement of the backward attitudes that have made organized medicine the traditional enemy of social

security. Indeed the same objections—compulsory financing—taxes and no means test—to the King-Anderson bill, would also argue against unemployment compensation, workmen's compensation, public schooling, and virtually any Government program for the public welfare that does not subject Americans to the humiliation of a needs test.

Perhaps the AMA's lack of sincerity in presenting its many irrelevant and unfounded arguments against the bill was best shown when Dr. Annis promised his audience that he would read from the bill itself to document his allegations.

Dr. Annis proceeded to read a few words from the short title of the bill—not even the full title—and then reverted to the AMA's own peculiar view of what the bill provides. Not another word did he quote.

This tactic of avoiding the actual language and intent of the proposal has been standard procedure in the opposition's strategy to becloud the true purpose of the King-Anderson bill.

Mr. Speaker, I wish to have my comments on 35 of the AMA's allegations included at this point in the RECORD:

1. Allegation: American medicine has increased longevity by 10 years in the last 20 years.

Comment: The problem is that older people as a group can neither afford the high-quality medical care that is available to most other Americans nor adequate insurance protection against health costs. Americans can take pride in the fine medical care that is available in our country, but this pride becomes conceit when it blinds people to the harsh economic realities that deprive aged people of the benefits of good medical care. (Incidentally, Dr. Annis is in error as to the rate of increase in longevity in the United States; life expectancy has increased 6.6 years over the last 20 and 10 years over the last 30.)

2. Allegation: People are now treated by doctors as individuals but if the bill is enacted they will have to "come to us as numbers."

Comment: The allegation is just another slap at programs like social security and unemployment compensation in an attempt to undermine programs that pay benefits without a means test. The AMA allegation is similar to the one made in 1935 that social security numbers would mean employers would look on their employees as numbers. This hasn't happened after a quarter century has gone by, and it never will. Blue Cross policyholders are numbered. Do doctors treat them as numbers?

3. Allegation: The Kerr-Mills law works.

Comment: Only 24 States (and 3 territories) have any program for the medically indigent and almost 90 percent of the money being paid under the Kerr-Mills programs is spent in just four States. (Annis counted a total of 38 States but included those making changes in old-age assistance medical programs for the destitute, which were begun in 1950 and in which changes are made continuously.) The typical aged couple can reasonably expect about 5 hospital stays after age 65. Few can pay for so much illness from their own resources. Practically all the aged face the threat of loss of independence growing out of catastrophic illness before they die. Should they have nothing to turn to but public assistance?

4. Allegation: 53 percent of the aged have private health insurance; 80-90 percent will have it by 1970.

Comment: Very few of the aged have really satisfactory protection; they can't afford it. The 80-90 percent prediction for 1970 is even

higher than a rosy estimate put out by the insurance industry. It seems to be Annis' own figure, although he credits it to actuaries. The figure is ridiculous considering that the aged who now have no insurance are the highest cost risks and those least able to pay for insurance. Half of those with insurance have Blue Cross, and Blue Cross says it can no longer afford to carry the aged at present prices. The proposed nationwide Blue Cross plans for the aged would raise premiums to \$12 a month—2 or 3 times what the aged now pay.

5. Allegation: The social security retirement test is a means test.

Comment: The fact is that social security has no means test. Dr. Annis fails to understand that there is a world of difference between a means test and the provision in the social security law that requires that a person be substantially retired in order to receive full social security retirement benefits. Is Dr. Annis claiming that retirement is degrading? Does he know—of course he does—that people who receive social security are not asked how much money they have in the bank, what property or other possessions they have, or whether their children can support them? By contrast, a means test program requires investigation of all income, assets, and personal needs, and acts to classify eligible applicants as unsuccessful and a drain on the community, a drain the community often resents. Remember Newburgh and the city manager's reaction to means test recipients? The allegation that the social security retirement test is a means test is just another slap at programs like social security and unemployment compensation.

6. Allegation: Three million of the aged would not be protected.

Comment: Some of the 3 million not covered under social security would have protection under other Government programs. The others would be aided under the Kerr-Mills programs that the AMA wants for all the aged. In effect, the AMA says it is concerned about leaving some of the 3 million to the Kerr-Mills law but then recommends that the only help with medical costs that aged people should have should come through Kerr-Mills. The AMA would not favor the tried and tested social security methods for meeting health costs even if the proposed program covered all the people, all the aged people, or all or any part of any other group. All the AMA would accept is a means-test program or nothing at all, and of course the AMA has a long record that suggests that they would just as soon see nothing at all.

7. Allegation: The bill would destroy private insurance.

Comment: Why should voluntary insurance give up its profitable business for the 90 percent of the population that is under 65 and an opportunity to sell supplemental insurance to the aged group? Our 25 years of experience with social security is that supplemental protection has been sold very successfully and the same experience can be expected with a basic social security health insurance program.

8. Allegation: The rich would be covered.

Comment: True. In a democracy you don't set up separate programs for the rich and the poor. But the rich would not gain much under the proposed program. In the top income tax bracket, 91 percent of medical expense is taken as a tax deduction. From the standpoint of administering the program, putting in a means test to eliminate the relatively few aged with sizable incomes would be costly. The means test under Kerr-Mills programs costs about \$40 per person each time it is applied, and some people must be tested several times. Covering the 5 percent or so of the aged with good incomes is a small price to pay to escape a means test. And, of course, the AMA's concern that social

security benefits the few wealthy aged people is just another expression of the AMA's opposition to social security.

9. Allegation: The bill calls for a 17-percent social security tax hike for \$5,200-a-year workers.

Comment: The fact is that the health insurance would cost an additional 10 percent for those with maximum covered earnings and still less for others. The rest of the increase is for higher cash benefits for the people who have annual earnings over \$4,800. Even the total maximum increase of 17 percent in social security taxes is only about \$2 a month—much less for people with lower wages.

The increase in contributions for health insurance is equivalent to 0.34 percent of covered payroll for employees (and employers). This amounts to \$17.68 a year for workers with maximum wages. The payment under present law in 1964 would be \$174—3% percent of \$4,800. The increase for health insurance is thus about 10 percent. There would be another \$10 increase in contributions—the total increase under the bill would be \$27.50—to cover the cost of the higher cash benefits payable because of the increase in the social security earnings base.

10. Allegation: The bill would establish special committees to approve stays in hospital.

Comment: Dr. Annis strongly implies a Government committee would have authority to pass on hospital admissions. This is false. The truth is that the only utilization review is by committees of doctors of the hospital providing the services. There would be no Government participation. Such committees have already been recommended by medical associations in West Virginia, Colorado, Pennsylvania, and elsewhere, and are now being considered by the American Hospital Association as a condition for accreditation. If the bill did not provide for such committees, Dr. Annis would no doubt object on that ground.

11. Allegation: Doctor bills and drugs outside hospital are not covered under the proposed program.

Comment: This is in line with Blue Cross coverage. The bill leaves plenty of room for private effort. Dr. Annis' argument is not a real objection; the AMA would oppose any package of benefits if they could be earned through social security.

12. Allegation: Government would move into the hospitals.

Comment: The bill gives Government no more authority over hospitals than Blue Cross now has. Doctors and hospitals will still decide what patients to admit and what patients to discharge. Physicians will still decide what treatment to give. All Government would do is meet the cost of the health services defined by the law after they are given to the patient.

13. Allegation: Kerr-Mills law takes care of the needy, and not the greedy.

Comment: The assertion implies that any program that has no means test is only for greedy people. Does Dr. Annis also believe that people getting the benefit of public education, social security, unemployment compensation, and many other programs for public protection are also greedy?

14. Allegation: No one will tell how the campaign for the proposal is being financed.

Comment: The Madison Square Garden rally was sponsored by the National Council of Senior Citizens and a \$1 admission charge was made. This organization is financed through contributions and gets no help from the Government.

Organized medicine has apparently spent much more for the full-page advertisements, radio spots, etc., that have been appearing throughout the country. I would imagine that this advertising campaign bulks quite large in the budget of organized medicine.

15. Allegation: Those who favor the bill are trying to convince Americans that it offers the only program of medical care for the aged.

Comment: The Kerr-Mills program of medical assistance to the needy owes what little success it now enjoys to those States with a leadership that favors the addition of health insurance to social security. This is shown by the fact that 90 percent of the Kerr-Mills payments are being made in just 4 States and each of these States has a Governor who favors health insurance for the aged under social security. The same people who favor the health insurance for the aged proposal favor good public welfare programs.

Dr. Annis' State (Florida) has not enacted medical assistance for the aged legislation and has a weak medical aid program for its old-age assistance recipients. His State has the most strict residence requirement permitted by Federal law—5 years out of last 9.

Why isn't Kerr-Mills more successful? The plain truth is that if public assistance programs were really to meet the health needs of the aged people who cannot pay their medical expenses, expenditures for health care would have to be increased to \$1.5 billion a year.

This is about three times as much as is now being spent on medical care for aged people under both the old age assistance and medical assistance for the aged programs. State and local taxes in many parts of the country seem to have already approached the outer limits of practicability and painful searches for new tax sources have met with frustration.

16. Allegation: To show how successful the Kerr-Mills legislation has been, Dr. Annis showed an interview with a woman from Michigan who told how she has been helped by Kerr-Mills medical assistance to the aged.

Comment: Michigan is one of the very few (not over six) States with a program providing anything like reasonable benefits. Only 24 States and 3 territories have programs, and even after satisfying a means test in these States a person may get almost no benefits. For example, only 6 days of hospitalization are covered in one State. Another State only pays for hospitalization where life-endangering and sight-endangering conditions are involved. Crippling disease isn't serious enough to be covered considering the financial difficulties facing that State.

17. Allegation: Further hospital benefits would not be paid for 90 days after a patient leaves the hospital or nursing home.

Comment: This is true only if the patient has just had many days of hospital and nursing care paid for under the program—e.g., 90 days of hospital care. Only about 5 percent of the aged people who are hospitalized stay more than 60 days. Even the rare one who stays 60 days in the hospital and then has a relapse can have an additional 30 days of hospital care paid for no matter how soon the relapse occurs. Of course, after 90 days outside the hospital the patient regains eligibility for the full 90 days of hospital coverage. The hospital coverage of the bill is more generous than practically all of the health insurance plans available to the aged and almost all the Kerr-Mills programs.

18. Allegation: The bill would only pay for the drugs the Government approves of.

Comment: This is not true; there would be no Government-approved list of drugs. The bill states specifically that payment would be made for any kind of drug that is listed in any of the three national, professionally controlled drug formularies. The medical profession adds new drugs to these listings and takes old drugs off the lists as well. Is there a better way to avoid Federal control and at the same time assure that quack drugs would be avoided?

19. Allegation: To get into a nursing home you would first have to go to the hospital.

Comment: Admissions to nursing homes will remain matters to be settled by the patient, doctor, and nursing home. It is true though that nursing home benefits would be paid only after transfer from a hospital. This is because the nursing home coverage is intended to provide a convalescence benefit. Most Blue Cross contracts do not cover nursing home services at all. Would the AMA support the bill if nursing home coverage were made broader, or narrower, or modified some other way? Of course not.

20. Allegation: The bill would bog hospitals and doctors down with redtape.

Comment: Redtape is an expressive term but, as in this instance, it is sometimes used to cover up one's fuzzy knowledge. Arrangements for administration would be much the same as those now accepted for Blue Cross. I might add that the social security program is now administered with far less redtape than many private insurance plans and the same is planned for a social security health insurance program. The means test programs that the AMA wants to substitute for social security get involved with complete investigations of all the applicant's personal affairs.

21. Allegation: The proposal would put Government into the teaching of medicine.

Comment: The proposed program would pay hospitals for the cost of the services that residents and interns furnish for beneficiaries when the residents and interns are under a teaching program "approved" by a recognized national body. The AMA is the only organization that approves these programs for future doctors now; the provision was drawn so that fullfledged salaried doctors would not be covered and so that the AMA could decide what doctors were in medical teaching programs. We will be glad to write out "AMA-approved" in big bold letters in the bill if the AMA is afraid a competing organization will some day be established. Would the AMA then approve the bill?

22. Allegation: There would be a Federal budget set up for hospitals.

Comment: The administration's bill would not give the Government authority to establish budgets for any hospitals. The Government would pay each hospital what it costs it to furnish covered services to beneficiaries, and the costs would be determined in accordance with principles developed by the American Hospital Association. No budgeting is involved.

23. Allegation: Voluntary insurance offers benefits to meet the full range of an individual's health needs.

Comment: It is regrettable that very few aged people can afford the extensive health insurance coverage that is possible under voluntary insurance. However, with basic health insurance coverage under social security, older people would only need to buy supplemental protection, and really adequate protection would no longer be wishful thinking but instead a practical possibility.

24. Allegation: The AMA has never tried to tell doctors how to think on issues not relating to health.

Comment: The AMA's irresponsible charges about the social security program of cash benefits for the retired, the widowed, disabled, and the orphaned have been drummed into doctors in the past in the same way the AMA now uses most of the same arguments in the desperate hope that it can defeat the President's health insurance proposal. The AMA has used similar one-sided presentations when discussing other social issues.

25. Allegation: Doctors now make decisions about patient care that are based on the patient's medical needs and nothing else.

Comment: This argues that patients are always referred to the best hospital and most

skilled specialist if the patient's condition calls for that without regard to income. Is it not obvious that poor people are sometimes treated by interns and residents and often in poor county hospitals and even in unsafe nursing homes? The reason many of these people are not getting the quality of care that they need is that they can't afford it. The President's health insurance measure would make older people better able to get the high-quality health care that is now available to most others.

26. Allegation: To get into a hospital you would have to apply in writing and get the certification of a doctor.

Comment: The hospital admission procedure would be the same after enactment of the bill as it is today. The doctor would refer you to the hospital and the hospital would admit you. The doctor's certification that the hospital care is needed is required for every health insurance policy on the market. It's just a statement that shows the insurer that you needed the hospital care for which health benefits are claimed.

27. Allegation: Social security isn't insurance.

Comment: This allegation is just another attempt to undermine confidence in the social security program. As the AMA knows, the Supreme Court stated (*Fleming v. Nestor* case, June 20, 1960):

"The social security system may be accurately described as a form of social insurance, enacted pursuant to Congress' power to 'spend money in aid of the general welfare.'"

"The interest of a covered employee under the act is of sufficient substance to fall within the protection from arbitrary governmental action afforded by the Due Process Clause."

The characteristics that make social security a form of insurance include: (1) the program spreads the risk; (2) the covered risks are insurable; (3) the timing of the occurrence of the risks, and the situations in which they occur, show wide variance among the insured group; (4) the cost of meeting the risks is actuarially evaluated; (5) contributions sufficient to cover this cost are provided for; and (6) benefits are paid from those contributions on a predetermined basis.

28. Allegation: Proponents of the administration's bill that would provide health insurance for the aged under social security have England's nationalized medicine in mind for the United States.

Comment: Does the AMA mean the President has this in mind? The President has nothing of the kind in mind. Does the AMA mean that the congressional sponsors of the bill have this in mind? Nothing could be further from the truth. Does the AMA mean the hundreds of Congressmen and Senators who are going to vote for the administration's bill? No. Whose minds has the AMA been reading? Not the President's certainly, not the Congress', either, and never the public's. The only way nationalized medicine could be provided in this country is through congressional action and Presidential signature.

29. Allegation: The bill wouldn't cover private duty nursing costs in a hospital.

Comment: That is true and I don't think you will find many Blue Cross plans that cover these services either. The reason is that private duty nurses serve special needs and are not an appropriate part of a basic benefit. If private nursing services were covered by the bill, the AMA would probably argue that they should not be covered. The AMA does not want health insurance for the aged under social security regardless of what services are proposed.

30. Allegation: The Government would stand between the doctor and his patient.

Comment: Absolutely false. There is nothing in the bill that would change the rela-

tionship between a doctor and his patient. The Government would pay part of the hospital bill of the patient and that's all it would do. The doctor and the patient would be free to deal with each other with less concern for economic consequences.

31. Allegation: There is a \$20 deductible on outpatient diagnostic services.

Comment: True. The idea is to give protection against expensive diagnostic work-ups and not pay for each small expense. Would the AMA be for the bill if this deductible were reduced or eliminated?

32. Allegation: The quality of medical care will be lowered.

Comment: The way doctors practice medicine would, under the King-Anderson bill and every other bill that is before the Congress, be left fully in their hands. Under the King-Anderson bill, hospitals and nursing homes would have to meet at least minimum requirements. If anything, the bill would encourage an increase in the quality of service provided the aged. Also, since it would provide more adequate financing of health costs, the bill would make possible better care in better facilities. There is no evidence or any reason to believe that anything but better care would result.

33. Allegation: The availability of hospital services will be lowered.

Comment: The more adequate financing of hospital care would permit an improvement in the availability of adequate services not only for the aged but for all. Many hospitals give free care; many are reimbursed by public assistance for only part of the cost of the services to hospitalized indigents. When services are not completely paid for, it is difficult for hospitals to make ends meet, much less finance improvements.

Overuse of hospitals would be no more of a problem than under Blue Cross. Care would be paid for only if a doctor certifies that the care is necessary; stays beyond 30 days would be paid for only if reviewed by a committee of doctors on the hospital staff. Further, reasonable substitute services—convalescent nursing home, hospital outpatient diagnostic services, and home health services—would be covered.

34. Allegation: Doctors are not set against the King-Anderson bill because of some fear of fee regulation; doctors aren't even covered by the bill.

Comment: It is clear though that the AMA's great fear—groundless though it may be—is that doctors' fees will be covered in the future. Perhaps a vested interest in their fees is the basis for the AMA's position. Dr. Annis protests too much to the contrary. The AMA's record on past proposals that were enacted for the public good makes it hard to believe that the AMA is as unselfishly devoted to public welfare as its propaganda suggests.

35. Allegation: The bill wouldn't cover people under age 65.

Comment: As has been clear from the beginning, the administration's proposal is one to provide health insurance for people age 65 and over. Those under 65 do not as a group have the health cost problem that older people face. The proposal would deal only with a group which has a serious problem. The aged have higher health costs—because they are in poorer health and require more care—than the rest of the population and therefore can get private insurance only at high cost. The aged have less income than younger people and they are much less able to meet their health insurance needs than are younger people. A much smaller proportion of the aged than the young have health insurance. There are no immediate prospects for substantial improvement in the income of the aged. A younger person may recover from an expensive illness and repay his debts for care. But once an older person is wiped out by an expensive illness, he can never expect to restore his finances. The

absurdity of the AMA position is clear when on the one hand they oppose the proposal because they are (unwarrantedly) afraid that the bill will be extended to cover people under 65 and on the other hand imply that the bill is unsatisfactory because it does not cover people under 65.

TRIBUTE TO HON. HALE BOGGS, OF LOUISIANA

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. WALTER] 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 Oklahoma?

There was no objection.

Mr. WALTER. Mr. Speaker, occasionally, it seems appropriate to single out one of our colleagues who through the years has been especially vigilant in protecting America against all her enemies. The United States owes an eternal debt to these Members of Congress who battle unflinchingly those attempting to destroy our Nation's dreams, her liberties, her unique way of life.

Such a man is HALE BOGGS, our distinguished Representative from Louisiana. For more than 20 years, he has fought unswervingly to halt the spread of Communist imperialism and to rid this Nation of Communist dupes and spies plotting to overthrow our Government. Since he first came to Washington in 1940, HALE BOGGS has recognized the inherent dangers of communism. His speeches and writings have warned us of Communist treachery; his efforts to secure adequate protective legislation have greatly helped the United States to defend herself; his vote in the House of Representatives has been cast against the Communists more than 150 times, while not once has he cast a vote that could be construed as "soft" on communism.

Let me briefly outline just a few of the highlights from the brilliant career of HALE BOGGS as it relates to his struggle against communism:

First. As early as 1941, when HALE BOGGS was the youngest Democratic Member of Congress, he was prophetic in warning against the United States becoming overly involved in the defense of Russia.

I believe the United States should act with care and caution before giving any aid to Russia under the provisions of the Lend-Lease Act.

He said:

The strange position of Communist Russia as an ally of democracy is hardly less ironic than the invasion Stalin has suffered at the hands of his erstwhile friend, Hitler. Russia today happens to be an ally of democracy only because Germany is invading her wheat and oil areas. Stalin and his stooges change their politics with lightning suddenness to suit the best interests of Russia.

Second. HALE BOGGS has always voted to maintain a strong U.S. defense and has supported all national security appropriations bills. In 1941, barely 4 months before the outbreak of World War II, it was his vote for the extension of the Draft Act which passed the House,

203 to 202, which kept the American Army intact. Upon returning to Congress in 1947, after 3 years in the Armed Forces, he cautioned Congress against imprudent disarmament.

It comes at a time when aggressive and expansionist Russian ideology directed by the Red rulers of the Kremlin is on the march everywhere in the world.

He said—

It goes out as a message to the world that we are back on the way to stupid, ill-advised, ill-conceived disarmament, and that the beautiful, hopeful dream of peace may not be realized.

Third. HALE BOGGS' well-known record in support of an economically strong Europe standing against communism dates back to the turbulent years following World War II. It was his work which pointed the way to the Marshall plan, to NATO, and ultimately to a united Europe which now stands as the greatest bulwark against communism outside of the United States. As early as 1947, he wrote:

As time goes by, the deterioration of Europe into a chaotic condition is bringing about just exactly the situation which will be most welcome to communism.

That same year, in addressing the House of Representatives, he stated:

If we decide that what happens in the rest of the world is of no concern to us, then the Communist rulers in the Kremlin, just as the madman in Berlin of 1939, will decide that the Western democracies are weak, and can be conquered by the same techniques of propaganda and boring from within as were employed by Hitler. To compromise with communism is to compromise with an essential evil. It is more possible to compromise with cancer or tuberculosis. While we must oppose Russian expansion and while we must fight communism on every front, we also must put forward a positive program of democracy.

Fourth. He has always believed the free world's best defense against the Communists is firmness and strength. Of Russian efforts to strangle us out of Berlin in 1948, HALE BOGGS said:

It is essential that we stay in Berlin. If we abandon Berlin, soon we must abandon Germany and then all of Europe.

Later he noted:

We will never achieve peace by appeasement * * * America's policy of firmness and preparedness is absolutely vital to the security of our Nation. * * * If the people get the notion that Europe is none of our business, they are inviting the suicide of our country.

He firmly supported additional U.S. aid to Korea in January 1950. Six months later the need for that aid was undeniably proved. When the Communist North Koreans poured into South Korea, Mr. Boggs commented:

Were we to abandon Korea, we would next lose Indochina, then India, the Far East, then all of Western Germany. We would be forced into a war with the resources of the world gathered against us.

Fifth. HALE BOGGS was among the first to recognize the danger of communism in Latin America. In one of his most eloquent speeches before the House of Representatives, in 1956, he outlined a plan for halting the spread of commu-

nism in Latin America—2 years before Fidel Castro came to power in Cuba. If enough people had heeded his warning, there would have been no Castro.

There is a clear pattern for the mode of Communist penetration [in Latin America]—

He said—

That pattern is the result of a combination of activities on the part of official representatives of Communist states and at the same time of local parties and front organizations. The whole apparatus of penetration is geared to the exploitation of national problems in such a fashion as to gain local support for some phase of Russian policy. The very real economic problems of the underdeveloped Latin American States, with their domestic and international implications, offer a fertile field for Soviet-directed activity. The Communists present themselves in the South American Republics as truly concerned with the national interest of each Republic, as truly "patriots" interested in forming broad coalitions against "foreign" imperialistic domination. Thus the Communists attempt to capitalize on two existing facts of political life in Latin America: strongly awakened nationalism and the not so latent historical antipathy to the Colossus of the North.

Sixth. As one who has long recognized the internal dangers of communism, HALE BOGGS has been a consistent supporter of the House Committee on Un-American Activities, of which I have the honor to be chairman. Ever since he has been in Congress he has voted for every extension of the life of the committee, and has voted for all the money needed for the committee to do its work effectively. As a freshman Member in 1941, he first sponsored the law to greatly curb subversive activities by Communists and Nazis. After the war he introduced legislation aimed at flushing the Communists from our labor unions. He was a sponsor of the law requiring the registration of Communist-front organizations, requiring the Attorney General to compile and maintain a list of subversive organizations, providing the detention and prosecution of Communists and former Communists and providing that peacetime espionage may be punished by death, which is the Subversive Control Act of 1950. He was a strong advocate of the Communist Control Act of 1954, which outlawed the Communist Party. He has staunchly opposed every suggestion that Communist China be admitted to the United Nations. He was one of the few Members of Congress who pointed out that Khrushchev would use his visit to the United States for Communist propaganda and opposed the visit. He sponsored the resolution condemning the Soviets for their bloody suppression of the Hungarian freedom fighters in 1956.

In 1954, the late Speaker Sam Rayburn, former Republican Speaker JOE MARTIN, and myself had occasion to say:

We are happy and proud to attest to the devotion to our country throughout his life of the Honorable HALE BOGGS, both in and out of the armed services; and to attest to his consistent and active record at all times against communism.

Seventh. In 1959 HALE BOGGS made an inspection trip of Asian and Middle Eastern countries where he was appalled at the success of Communist propa-

ganda. Upon his return, he warned the American people that they must counter this propaganda, and he sponsored a bill releasing counterpart funds in that part of the world to conduct a massive educational and informational drive promoting the free way of life.

Eighth. On February 12, 1962, the Honorable J. Edgar Hoover, Director, Federal Bureau of Investigation, wrote Congressman Boggs:

My associates and I are particularly grateful to you and your colleagues who have actively supported the work of the FBI in the field of internal security over the years.

Too many self-styled experts on communism, without valid credentials and without any access whatsoever to classified factual data regarding the inner workings of this conspiracy, have engaged in rumormongering and hurling false and wholly unsubstantiated allegations against people whose views differ from their own. This is dangerous business. It is divisive and unintelligent, and makes more difficult the task of the professional investigator.

In view of the long-continued fight of our colleague, HALE BOGGS, against the Communist conspiracy, I wanted to call his outstanding record for America to the attention of the House.

FDIC MEMBERSHIP FOR FOREIGN BANK BRANCHES

Mr. ALBERT. 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 Oklahoma?

There was no objection.

Mr. MULTER. Mr. Speaker, I have introduced today a bill to amend section 3 of the Federal Deposit Insurance Act to include within the definition of "State banks" branches of foreign banks authorized under State law to accept deposits.

I am confident that this proposal will meet with general approval. I can foresee no objection to it. Branches of foreign banks when permitted to operate in various States are subjected to the same laws and are regulated in the same way as are other banks in those States.

That being so, they should be permitted, if they can qualify, to insure their customers accounts under the provisions of the Federal Deposit Insurance Corporation Act. Insurance of their accounts will subject them to the supervision of a Federal agency which should strengthen the entire system. This will be accomplished without any expense to the taxpayer because FDIC operates without appropriated funds. The entire cost is paid by the private banks.

This is a good bill and I hope that the Congress will have the opportunity to act on it in the near future.

ADM. ALFRED C. RICHMOND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. ALEXANDER] 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 Oklahoma?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I am delighted to have the honor to commend my warm and personal friend Admiral Richmond upon his retirement as Commandant of the U.S. Coast Guard.

Under the leadership of Admiral Richmond, the Coast Guard has made great progress in all fields of their statutory responsibilities. The Coast Guard is the major maritime law-enforcement and safety organization of the Federal Government. The following represents brief summation of progress:

First. In the aids to navigation field modernization of aids and improvement in such areas as replacing lightships with permanent offshore structures as well as experimentation with use of nuclear power for buoys. Also in the aids to navigation field, the Loran program has been expanded.

Second. The enforcement of the Federal Boating Act of 1958 as well as education of the general public to the dangers inherent in small boating. Mobile boarding teams proved greatly advantageous in this field.

Third. The building program at the Coast Guard Academy is in the throes of modernization and improvement. A Reserve training center for the purpose of education and training of Coast Guard reservists has been established at Yorktown, Va.

Fourth. Coast Guard has been increasingly advancing in the international field particularly in the maritime area. Admiral Richmond has served as principal delegate to assemblies of the Intergovernmental Maritime Consultative Organization, at meetings of the Safety of Life at Sea Conventions, and the meetings of the International Association of Lighthouse Authorities.

Fifth. In summation, under Admiral Richmond's leadership, the firm establishment of the U.S. Coast Guard as the prime maritime safety and law-enforcement organization both in the United States and internationally has been firmly carried out.

Since Admiral Richmond's graduation from the Coast Guard Academy in 1922 as senior man in his class his accomplishments and service have been outstanding and are well known to all of us. Especially has Admiral Richmond been active since 1959 in international affairs particularly in the maritime field for which he has received worldwide recognition.

I wish for Admiral Richmond a long and continued successful and happy life and am proud to count him among my closest and dearest friends.

THE RUSK LETTERS—ADDITIONAL EVIDENCE FOR A SPECIAL HOUSE COMMITTEE ON CAPTIVE NATIONS

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] 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 Massachusetts?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, over the past year a heavy amount of evidence has been offered to show why the formation of a Special House Committee on Captive Nations is a necessity. But I believe there is no single piece of evidence that justifies more the necessary existence of such a committee than what has come to be called the now famous Rusk letters.

The incredible errors and misjudgments committed by the Secretary of State in his two letters to the distinguished chairman of the Rules Committee are about the most conclusive evidence that one could have in substantiation of the numerous resolutions calling for a Special House Committee on Captive Nations. Much is being written today about these injudicious letters, and I trust that the members of the Rules Committee have carefully studied these letters and the criticism made of them. The committee called upon the Department of State for an opinion on the captive nations resolutions and received a reply which betrays a fundamental lack of knowledge regarding the captive nations in the Soviet Union.

To our many Members who have been patiently awaiting a favorable report on this proposal from the Rules Committee, I strongly urge you to study these two Rusk letters and the analyses made of them. You will now appreciate more than ever one of our fundamental arguments for a Special House Committee on Captive Nations—that is the tremendous service we in this legislative body can make in behalf of our own Department of State and other executive agencies.

Mr. Speaker, the two Rusk letters are published in full in an editorial analysis which appears in the winter issue of the authoritative journal the Ukrainian Quarterly, and I wish to have this editorial, titled "The Rusk Letters," printed at this point in the RECORD:

THE RUSK LETTERS

The Rusk letters are now a topic of considerable interest and discussion in quarters concerned with the substance and directions of U.S. foreign policy. Officials in the diplomatic colony in Washington are attempting to assess the contents of these letters in terms of our relations with the Soviet Union. Scholars in our universities have been inquiring into their background and the causal reasons for their preparation and dispatch. And private citizens in many sections of the country have been writing directly to the Department of State in search for further explanations of the contents of the two letters.

Since the two letters sent by Secretary of State Rusk to the Rules Committee in the House of Representatives have stirred up this widespread interest, it can be safely held that much will be written and said about them. The letters bear on the subject of captive nations, and all Americans who are involved in this subject, will assess the administration's position regarding it in the light of these communications. They also affect the proposal for a Special House Committee on the Captive Nations. In this year of congressional elections the letters will inevitably be discussed if no such committee is established. The letters have been

instrumental in delaying positive action on this measure.

A BRIEF BACKGROUND TO THE RUSK LETTERS

In view of the effects and ramifications of the significant Rusk letters, a brief background to them is in order. The letters themselves came into being as a result of the concentrated action in the first session of the present 87th Congress for a Special Committee on the Captive Nations. In March 1961 the original measure proposing this was submitted by the Honorable DANIEL J. FLOOD, of Pennsylvania. Soon thereafter, 39 similar or identical resolutions were offered.

Two months later the chairman of the House Rules Committee, the Honorable HOWARD W. SMITH, called for hearings on the proposal. Proponents of the measure appeared in open hearing and accredited themselves with a strong case for approval. Those who for one reason or another oppose a special committee never made their appearance before the committee. Later in May the Republican congressional policy committee placed itself on record in full support of a special committee.

As popular support for the proposal grew, efforts increased in Congress for a favorable reporting of the measure by the Rules Committee. During the observances of Captive Nations Week in July, for instance, the formation of a Special Committee on the Captive Nations was highlighted as the first concrete official implementation of the Captive Nations Week resolution which Congress itself passed. Maneuvers were then resorted to in the hope of delaying any action on the proposal.

One maneuver was to plan for further hearings that would afford opponents the opportunity to state their case. Of course, they had previous opportunities to do this. These additional hearings never took place. Then, by the beginning of August, a second maneuver was initiated to table the measure. A motion was made to this effect in the Rules Committee and was defeated.

In this strategy of delay and postponement the third maneuver led to the first Rusk letter. The maneuver called for an opinion on the project by the Department of State. It was generally known that the Department looked upon the special committee proposal with a jaundiced eye, but in the interest of delay and postponement this step was urged. A counter-motion was offered and carried to have a departmental representative in person before the Rules Committee. This never came to pass. Instead, Secretary of State Dean Rusk chose to respond to the committee's invitation by way of a letter.

The first Rusk letter

Dated August 22, 1961, and addressed to the Honorable HOWARD W. SMITH, the letter reads as follows:

"DEAR MR. CHAIRMAN: I appreciate the opportunity offered in your letter of August 9 to comment upon the proposed establishment of a special committee on the Captive Nations as called for in House Resolution 211.

"I have carefully considered the possible role of such a committee in our continuing efforts to deal with the major foreign policy problem represented by the Soviet dominated areas. I have reluctantly concluded that the formation of such a committee would not be helpful.

"As a U.S. Government seeks to deal with the threat posed by recent Soviet actions concerning Berlin, it is of utmost importance that we approach any consultations with our allies or negotiations with the Soviet Union in an atmosphere which best lends itself to an acceptable settlement. In this context, I believe the establishment of such a committee at this time would likely be a source of contention and might be taken

as a pretext for actions by the Soviet Union which would interfere with the resolution of the present crisis concerning Berlin.

"The position of the U.S. Government in refusing to accept the status quo of Soviet domination over other countries within the Soviet bloc as a permanent condition remains clear and firm. This Government has consistently recognized and upheld the right of these peoples to national independence, to governments of their own choosing, and to the enjoyment of fundamental human rights and freedom. The interest of the U.S. Government in their cause is deep and abiding and the Department of State has given constant attention over the years to policies and courses of action designed to convey this interest to the peoples of these areas.

"The study of the problem of these peoples has long been a major preoccupation of both governmental and nongovernmental experts, and of the regularly constituted and other committees of the Congress.

"The President and I have both expressed the conviction that a final settlement of the problem of Berlin, of Germany and of Central Europe must take account of the right of self-determination of the peoples concerned. However, the U.S. Government's position is weakened by any action which confuses the rights of formerly independent peoples or nations with the status of areas, such as the Ukraine, Armenia, or Georgia, which are traditional parts of the Soviet Union. Reference to these latter areas places the U.S. Government in the undesirable position of seeming to advocate the dismemberment of an historical state.

"Let me emphasize that our judgment concerning H. Res. 211 is based upon thoughtful consideration in the light of the complex situation which we face and will continue to face in the coming months.

"I hope that you will let me know if I can be of further help to you.

"Sincerely yours,

"DEAN RUSK."

A careful analysis of this unusual letter serves only to reinforce the demand for a Special House Committee on the Captive Nations. Regardless of the actual authorship of this letter, the Secretary realized this when public disclosure of such an analysis prompted him to send a second letter to the chairman of the Rules Committee. As we shall see, this didn't help either.

The critical reader cannot but take serious note of the following points in this first letter. With the Berlin crisis underway the Secretary expresses concern over the prospect that Moscow would not react favorably toward the creation of a special committee. This would be true in any circumstance since the prime objective of such a committee would be to fix the spotlight of world attention on Soviet Russian imperialism and colonialism. It is strange, indeed, that even in the pursuit of facts and truth for popular enlightenment within the United States itself we have to predicate our supposedly sovereign actions on the feelings of colonial Moscow. Moreover, it failed to occur to the authors of this letter that our determination to investigate all the captive nations would be another effective weapon to deter Khrushchev from any rash deeds about Berlin. From every viewpoint the occasion was seized upon as an excuse for not acting "at this time."

Second, the Secretary's allegation that both governmental and private sources have long been studying this subject in the manner advocated by House Resolution 211 is simply not in accord with fact. Quite specifically, he was publicly challenged to produce any comprehensive study on Soviet Russian economic colonialism within the U.S.S.R. To this day he has avoided the challenge. The fact is there is none. The

same can be said for other fundamental topics bearing on the captive nations. In addition, his allegation missed one of the basic arguments for a special committee in this regard, namely a thorough, systematic study of every captive nation for popular consumption and understanding both here and abroad. What impact on the thought and consciousness of the average American, be he worker or student, have the intermittently written and oftentimes unknown studies of a few specialists? It would seem that the State Department is fearful of having methodic factfinding studies on the captive nations brought to the attention of the American people.

Third, there is good cause for this fear when one reads about our Secretary of State characterizing Ukraine, Armenia or Georgia as "traditional parts of the Soviet Union" and then, of all things, suggesting that a contrary thought would place "the United States Government in the undesirable position of seeming to advocate the dismemberment of an historical state." In this one statement the Secretary revealed a number of things. The well-substantiated independence drives of Ukraine, Armenia, and Georgia, not to mention other non-Russian nations in the U.S.S.R., are of no importance to State's policy planners. Moreover, on the face of this statement, we have the ridiculous notion expressed that the Soviet Union, barely in existence for 40 years, is "an historical state." If, logically, we give the Secretary the benefit of doubt on this statement, so that the U.S.S.R. is properly viewed as a continuation of the old Russian Empire, his difficulty is compounded. On this ground, what he in effect is saying is that the Russian Empire in its present guise must not be dismembered.

The dead alley into which the Secretary drove himself with this letter can be no one's gain except Moscow's. The letter contradicts President Kennedy's many declarations on supporting "the just aspirations of all people for national independence and freedom." It also contradicts the Captive Nations Week resolution passed by Congress. Not only this, his views are completely out of line with our own revolutionary American tradition. Also, when these views are compared with the position taken by the United States in the United Nations on the Portuguese Angola issue, the incongruities and inconsistencies of our official thinking become even more glaring.

THE STEVENSON INTERLUDE

In terms of time sequence it is most significant that soon after the incredible contents of Rusk's first letter were made public, our Ambassador to the United Nations, Adlai E. Stevenson, released a letter-memo to delegations in the U.N. which in every respect was unique and unprecedented. Dated November 25, 1961, this letter-memo bore heavily on Moscow's imperio-colonialism and cited fact after fact about this system in the Soviet Union itself. In short, the revealing contents of the Stevenson letter-memo also stand in sharp contradiction to the notions expressed in the first Rusk letter.

One need just scan some of these contents to appreciate the blatant contradictions. On the matter of national self-determination, Stevenson cites the record of Soviet Russian colonialism and imperialism. "An independent Ukrainian Republic was recognized by the Bolsheviks in 1917, but in 1917 they established a rival Republic in Kharkov. In July 1923, with the help of the Red army, a Ukrainian Soviet Socialist Republic was established and incorporated into the U.S.S.R." On the fate of Georgia, Stevenson observes, "In 1921, the Red army came to the aid of Communists rebelling against the independent State of Georgia and installed a Soviet regime." With regard to the other so-called traditional part of a historical state, Armenia, our U.N. Ambassador

remarks, "In 1920, the Soviet Army invaded, and Armenian independence, so long awaited, was snuffed out."

The Stevenson memo was a most welcomed one. On record, it was the best yet given by any of our Ambassadors to the United Nations. However, how does one account for the obvious discrepancies and disparities of thought and conception existing between Stevenson's memo and Rusk's first letter? If anything else, they show a lack of unity in expressions of U.S. foreign policy toward the U.S.S.R. They may also indicate the rivalry that is known to exist between Stevenson and Rusk. Regardless of the causal explanations, they substantiate further the need for a Special House Committee on the Captive Nations.

The second Rusk letter

Following these interesting developments, a second letter was sent by the Secretary of State to the Honorable Howard W. Smith, chairman of the House Committee on Rules. Dated December 27, 1961, the letter reads as follows:

"DEAR MR. CHAIRMAN: It has come to my attention that certain passages in my letter to you of August 22, 1961, concerning the proposed establishment of a special committee on the Captive Nations have been cited as evidence that this Government is reducing its support for the national aspirations of the minority peoples of the U.S.S.R.

"There is no change in the U.S. Government's long-established policy toward the peoples of the U.S.S.R. As in the past, the U.S. Government continues to support the just aspirations of all the peoples of the U.S.S.R., without attempting to prejudice the political arrangements which might be preferred by those peoples if they were free to choose them.

"My letter of August 22, 1961, did not signify any change in this policy, and the present letter is designed to reaffirm our continuing policy as set forth above. The Department plans to respond to any further inquiries about the matter by stating that the Committee has been informed to this effect.

"Sincerely yours,

"DEAN RUSK."

From a careful reading of this letter it appears that every new communication sent by State to the Rules Committee only furnishes more evidence and ammunition for the proponents of a Special Committee on the Captive Nations. One, the false notion that the captive non-Russian nations in the U.S.S.R. are merely "minority peoples of the U.S.S.R." again suggests a poor level of knowledge and understanding with respect to those nations. Stevenson's letter-memo validly recognizes them as nations with statehoods destroyed by imperialist Soviet Russia; Rusk sees them as "minority peoples," kin members of a given nation and country but in the minority.

According to Rusk's untenable logic, if—like Lithuania, Ukraine, Georgia, Armenia, and other non-Russian states—Poland were forcibly incorporated into the U.S.S.R., the Polish nation would undergo a transformation into a "minority people." By this reasoning even our own country would be converted into the status of merely a "minority people" if, by surrender or otherwise, we were forced into a World Union of Soviet Socialist Republics. The reductio ad absurdum of this line of reasoning is reached when one raises the pertinent question, "Who constitutes the majority?" On the level of national entities, not to speak of population statistics, the Russians are definitely in the minority in the U.S.S.R.

What is amazing, too, in this cold war of ours is the extent to which we accommodate the avowed Muscovite enemy by our falacious commissions or omissions. We are supposed to be winning the minds and

hearts of all peoples and nations in the cause of freedom and our own survival. Yet one finds colonial Moscow rarely, if ever, employing the fictitious term "minority peoples" with reference to the non-Russian nations in the U.S.S.R.; but our Department of State, as though seeking not to befriend the nations immediately bordering our enemy, would not recognize their nationhood, not to speak of their nominal statehood. If this isn't an irony, and perhaps more, that deserves investigation, one cannot find anything comparable to it today.

Moreover, it is a source of bewilderment to many observers that the Secretary of State should address himself to the Rules Committee on the subject of "the U.S. Government's long-established policy toward the peoples of the U.S.S.R." Such policy matters belong within the jurisdiction of the House Foreign Affairs Committee. This long-established policy bears no direct relationship to the proposal for a Special Committee on the Captive Nations now before the Rules Committee. Judging by the complete vagueness of the statement of this policy in Rusk's second letter, it may be most constructive to have an inquiry into it by the Foreign Affairs Committee.

From all of this it should be quite evident that the State Department fears the creation of a Special Committee on the Captive Nations. It fears the factual findings of such a committee which would throw a light on the limitations and fictions of the Department's research and other branches as concerns the U.S.S.R. It fears a congressional check on its policy thinking and policymaking with regard to the U.S.S.R. Above all, it seems to fear the impact such a committee would have on the American people. The Rusk letters certainly are the evidence of all this and more.

FOURTH MANEUVER: CONGRESSIONAL WHITEWASH

Currently a fourth maneuver is underway to sidetrack the issue of a Special Committee on the Captive Nations. Suddenly the subcommittee on Europe in the Foreign Affairs Committee decided to hold hearings on the captive nations. Witnesses are being called in at random to give testimonies on present developments in some of the captive nations. The obvious aim of this maneuver is to detract from the movement for a special committee and also, in this year of congressional elections, to rationalize before the electorate that, after all, something was done about the captive nations.

This maneuver won't work for several good reasons. First, one needn't play up the fact that the State Department has shown a most cooperative attitude toward the unexpected decision of this subcommittee by sending Assistant Secretary Foy Kohler to testify, although in response to the Rules Committee's invitation only letters were seen fit. The reasons are more solid than this. One is that the anticipated report of this subcommittee will in no way match the aims, objectives and envisioned work of a special committee. A conglomeration of haphazardly requested testimonies is no substitute for detailed, documented studies of each captive nation. In addition, a subcommittee on Europe could scarcely concern itself with captive nations in central and eastern Asia. Its purpose obviously negates the aggregative concept of captive nations, and one could hardly expect any results in terms of aggregative data covering vital religious, cultural, military, economic, and political subjects.

Also, the value that some attach to the subject of the captive nations is measured by the resources and means they employ to develop and utilize the subject. If a subcommittee dealing haphazardly with a vital subject as this is the means considered proportionate to the value of the captive na-

tions, then it should be obvious that we have nothing but a political football on our hands. In short, this constitutes an attempted congressional whitewash of the subject of captive nations. It is certainly not in accord with the spirit and intent of the Captive Nations Week Resolution which the 86th Congress passed. But, again, all this and more to come will provide only further evidence of the necessity for a Special Committee on the Captive Nations.

SALUTE TO U.S.S. "MASSACHUSETTS"

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] 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 Massachusetts?

There was no objection.

Mr. MORSE. Mr. Speaker, the Secretary of the Navy has announced that on June 1 the Navy will strike from its rolls the U.S.S. *Massachusetts*. It is with saddened heart that those from all over the Nation who served on this proud and mighty fighting ship as well as the people of the Commonwealth of Massachusetts, whose name it carried in the defense of our country, will hear of this action. This mighty ship has distinguished herself in some of the most famous naval engagements in this Nation's history. The men who served aboard her came to love her and respect her power in battle. They had come to rely on her, as the Nation did, for a job well done in the face of the enemy. The envious history of this ship deserves to be recounted before she is finally stricken from the service of the nation.

The keel of the *Massachusetts* was laid on July 20, 1939, shortly before the outbreak of World War II. She was finally launched on September 13, 1941, and commissioned on May 12, 1942. Shortly thereafter the *Massachusetts* was ready for battle.

On October 24, 1942, the U.S.S. *Massachusetts* sailed from Casco Bay with her task group which combined with the entire Western Naval Task Force. The initial mission of the *Massachusetts* task group was to cover the entire Western Task Force against a possible sortie by the ships of the French fleet in Dakar that had joined the Axis Powers. The *Massachusetts* group was charged with the responsibility of containing this fleet in Casablanca Harbor. On November 8, 1942, the *Massachusetts* engaged the *Jean Bart*, the newest battleship of the French Navy, and effectively silenced one of the proudest ships in the French Navy. Still not satisfied with her accomplishments, the *Massachusetts* returned again to the Battle of Casablanca. Skillfully maneuvering between enemy fire and torpedoes, the *Massachusetts* sent shell after shell against the enemy warships. Her exploits during the Casablanca engagement contributed greatly to the final defeat of the Axis forces in that area and to the surrender of the city to the Allied Powers.

After repairs and some refitting to make her more battle-ready, the *Massachusetts* next saw action in the Pacific

theater. With other great ships of the fleet the *Massachusetts* guarded the aircraft carriers which were supporting the landings at Makin, Tarawa, and Apamama in the Gilbert Islands—and she did a good job, too.

But the most significant engagements of her career still lay before her. The *Massachusetts* met some of its stiffest opposition in the naval battles around Leyte during the Philippine campaign, shelling enemy installations; checking Japanese naval forces; aiding sister ships in combating enemy forces; and picking up survivors from stricken vessels.

Following her exploits at Leyte, the *Massachusetts* engaged Japanese naval forces in Luzon, Iwo Jima, and Okinawa. Emboldened by her successes in these naval operations, she cooperated with elements of the 3d Fleet in hazardous raids against Japan itself. The effectiveness of her guns in battle earned for the *Massachusetts* 11 battle stars and the Philippine Republic Presidential Unit Citation Badge. This, indeed, was "the glory that was hers."

Her retirement from active service closes a long and proud history of one of the most powerful ships in the U.S. Navy. It is my sincere hope that the Navy Department will see fit to announce soon that a new and powerful unit of the fleet will continue to carry the name of the great State of Massachusetts so that the tradition, valor, and history of its predecessors will live on. The Minutemen of 1776 will ever be on the alert against those who would attempt to trample that liberty which has been purchased and kept by the blood and sweat of those who have served on the U.S.S. *Massachusetts*, her namesakes preceding her, those who will carry her great name, and in all the armed services.

HAROLD HUFFORD

Mr. HARVEY of Indiana. 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 Indiana?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, I am taking the well of the House on this occasion to pay tribute to a longtime, dedicated friend of mine, Mr. Harold Hufford. Mr. Hufford has served for many years in the Archives of the United States. He has rendered a distinguished service to the Congress for it was largely due to his efforts that many of the valuable records going back to the very first Congress were saved, preserved, and made accessible and usable for all posterity. He has been truly a dedicated servant of the people and a very valuable one as well.

CARE AND PRESERVATION OF VALUABLE PAPERS OF BOTH HOUSES OF CONGRESS

Mr. CONTE. 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 gentleman from Massachusetts?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, I would like to call the attention of this body to an accomplishment that is quite well known to a large percentage of the people on Capitol Hill, but the importance of which has not been fully realized by a majority of the membership of this House or by most others who enjoy its benefits. To the Congress as a whole, it is a matter of great importance. I refer to the care and preservation of the old and valuable papers of both Houses of Congress. I was not fully aware of all that was involved because my first appearance here was made long after the work began. So, in justice to the man most responsible for the fine condition in which the records of Congress now find themselves, I did some research as a result of bits of knowledge that kept coming to me from various sources, and I discovered that local and faraway newspapers and references to assistance given in the acknowledgments of many books and pamphlets yielded considerable information.

The real work of resurrecting and preserving old records of the Senate began in 1927. It was sparked by the discovery of priceless papers in the most obscure places that were rotting and being trampled underfoot by workmen or an occasional office employee who chose to store more records. As the records were gradually brought to light, the value of the work began to be emphasized in newspapers. In 1933, the Washington Times Herald, the Evening Star, the Christian Science Monitor, the Indianapolis News, and many other newspapers, and, more recently, the Indianapolis Star, were quite laudatory of the performance of a task that had consistently remained a thankless one. Col. Edwin A. Halsey, a former Secretary of the Senate, one time referred to the one performing the work as the "forgotten man." A Salem, Mass., newspaper referred to him as an "unsung hero." He did not just work at a job; he went far beyond that until his interest in preserving the old and valuable papers of Congress became almost a religion. This work was not a part of his regular line of duty; he undertook it voluntarily while he was preparing himself for a law career, yet he became so wrapped up in completing this self-assigned task that he neglected his law, even though he acquired a law degree and was admitted to practice back in his hometown where he had expected to make his future home.

Despite the facts that the records of Congress are important in determining the intent of our National Legislature in resolving ambiguities in the wording of Federal statutes; that some may establish the identities of persons for a multitude of purposes; that they are useful in Government cases against individuals and corporations; and are of great value to historians in compiling accurate histories; many records were so carelessly cared for that they were

lost, capriciously removed, or were so stored as to be almost wholly inaccessible. For lack of proper storage space, papers were sometimes destroyed while those remaining were left to deteriorate further. It was not uncommon for a research project to fail simply because it was too much trouble to look up the records or, if sought, could not be found. When it is considered that Members of both Houses of Congress use old and valuable records of executive agencies whom they expect to keep such records, and when it is also considered that no executive agency may dispose of any of its records without congressional authority, it does seem paradoxical that Congress, itself, should have been so negligent in the care and preservation of its own papers.

But, through the efforts of a former obscure Senate clerk, that picture gradually changed. For almost 9 years prior to the establishment of the National Archives, he toiled in hot, dusty attics; in cold, damp basement rooms; and anywhere else old records might be found. Capitol laborers and maintenance men became acquainted with his efforts and often came to him with information concerning the location of "lost" records that they had discovered upon opening up some long-forgotten part of the Capitol Building. Much of his time was consumed with more immediate matters such as indexing Journals, writing "histories of bills," or any one of many other duties that he may have been called upon to perform. The result was that he had to do much of the restoration work on his own time. He worked late at night, on Saturdays, and Sundays. He had no "ax to grind" save his determination to undo the damage as best he could that had been caused by decades of neglect. Countless hidden places yielded up their stores of valuable papers which were drawn together until the volume of known and stored Senate records multiplied tenfold. Many records that had long been given up as lost rejoined their brothers in orderly array.

When the records of the Senate were transferred to the National Archives in 1937, he became the wheelhorse of the legislative records section. Aside from properly organizing, carefully storing, and listing the records in rather detailed manner, another idea remained uppermost in his mind—that of fast and efficient service, especially to the two Houses of Congress. He always contended that misplaced or inaccessible records were no records at all and unless they were so kept as to be quickly available, they were not worth the space that they occupied. So, good service was paramount. Many times, upon receiving a request from the Hill, he located the desired records, ran into the street, hailed a taxicab and, at his own expense, delivered the records into the hands of those who requested them. Expressions of astonishment at such fast service were not infrequent. The result was that many on Capitol Hill said that they could receive faster service on records from the National Archives than they could by keeping and servicing the records themselves. Requests for in-

dividual records from among the millions of individual sheets of paper were often taken care of more swiftly than are requests for single books from some of the larger, well-organized libraries.

Such service had an important side effect. It played a great part in causing the insertion of a provision into the Legislative Reorganization Act for the transfer of the records of the House to the National Archives. This initiated the bringing of House records together from many widely separated places into one place as an integrated whole. So, when the House records were received into the legislative branch of the National Archives in 1946, he was just recovering from many months of serious illness that had resulted from overwork. Faced with a stupendous task and being physically unable to carry on as he had before, he made a drastic decision that unfortunate circumstances had forced upon him; he saw to it that the records of both Houses of Congress were manned by a staff sufficiently large and efficient to process the records in the foreseeable future and, at the same time, continue the type of service that he thought Congress should receive. In that, he succeeded.

He blames insufficient care of old records prior to 1927 on the lack of proper storage space and on politics. Clerks of the House and Secretaries of the Senate who are chiefly responsible for the care of old records were never afforded even partially adequate facilities. They did the best they could with small bits of space that were not, at the time, needed for someone's expansion. The result was that old records were gradually shoved farther and farther aside until many ended up in faraway places or in complete oblivion. Politics added its bit. It resulted in the frequent changes of custodial personnel who, because of uncertain tenures, did no more than was immediately necessary. To him, the preservation of old and valuable records of Congress is a matter of interest to the Nation as a whole, and is not one of any political concern whatsoever. He worked in complete harmony with all Clerks of the House, Secretaries of the Senate, committees, and other without reference to politics, personal likes or dislikes, and without reference to any other matter except the fact that they were representatives of a major branch of the Government and, as such, were worthy of the best service possible. I have learned that his relationships with officials of both Houses and their respective staffs were always congenial and mutually helpful and that he appreciated the confidence and cooperation that he received. Because of this, I am certain that he did more than any other one person or thing to make Congress considerably more record conscious.

This man was certainly no "archival comelately" although he did not claim to be an archivist. If he was not one in theory, he was certainly one in fact and one of the most basic and constructive sort. That view is shared by a vast majority of those on the Hill with whom he dealt. He had a job to do and he did it. He was never afraid to soil his hands

or bend his back in performing whatever work needed to be done. Neither did he believe in making it a serious drudge for those who worked under his direction most of whom entertained for him the highest respect. He was opposed to those whom he termed "periphery people"—people who bask in the light of others' accomplishments and who wear the signs and symbols of a profession without performance. He was opposed to frequent meetings that subtracted valuable time from the performance of urgent work. He was opposed to needless memorandums that but created more unneeded records, and which only contributed to the delinquency of accomplishment. He was quite fundamental, where necessary, in the objectives to be attained and in the manner of attaining them. He was no "fellow" in his professional organization, but his performance, the record thereof, and results achieved all speak for themselves. His contribution to the preservation of one of the most important groups of records of the entire Government was initiated by an unselfish desire to put the "record house" of Congress in order and not by personal ambition built upon feigned interest in old papers. This work resulted in his name and the term "legislative records" becoming almost synonymous. His almost 35 years of service resulted in the performance of what I consider one of the most important accessory services to the Congress that is possible.

The gentleman to whom I refer literally created the Archives' legislative branch, beginning long before the agency was established, and then he developed it and its personnel to a high standard of operation. Many have been the reports to the effect that the records of Congress comprise one of the best, if not the best, organized and catalogued groups of records in the National Archives. This is especially striking when the original condition of the records as compared to their present condition is considered. The records are now in the hands of a highly capable staff that was so trained as to permit his departure as Chief of the legislative branch without a ripple. So, on August 31, 1961, this man retired as quietly and unostentatiously as he entered public service 35 years ago—so quietly that, even now, many of his friends here on the Hill are still unaware of the fact that he is no longer an employee of the Government. As a man of diverse interests, talents, and abilities he has entered the "golden years" with the hope of catching up with many other long-neglected, but more personal pursuits. Rarely is a civil servant worthier of this opportunity.

To Harold E. Hufford, formerly of Greenfield, Ind., a small city in my district, the Congress of the United States owes a great debt of gratitude.

AMERICAN SYMPHONY ORCHESTRA LEAGUE

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. MacGREGOR] 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 Massachusetts?

There was no objection.

Mr. MacGREGOR. Mr. Speaker, I introduced today a bill to incorporate under a Federal charter the American Symphony Orchestra League. It seems most appropriate at this time to bring to the attention of my colleagues the statement which follows describing the activities and composition of the American Symphony Orchestra League. In the belief that the league's importance is nationwide and that a Federal charter would enable the league to make an even greater contribution to our cultural programs, I heartily support the enactment of the Federal charter.

The American Symphony Orchestra League is the only organization in existence devoted exclusively to the needs of symphony orchestras, their related organizations and arts councils. It is a nonprofit, research, service, and educational association. Its membership consists of symphony orchestras and arts councils, business firms, educational institutions, libraries, individuals representing women's associations and symphony boards as well as composers, conductors, concert artists, artists' agents, orchestra managers, and musicians—all representing 1,200 symphony orchestras. These range from the smallest college and community orchestra to the largest of the major orchestras. It is maintained solely for the purpose of assisting orchestras and arts councils to strengthen their work, stabilize their financial base, expand their cultural services within their own communities, and upgrade their artistic standards.

The league's activities and services are many and varied. Its official publication, the Newsletter, reports on the work, problems, research, and activities of orchestras, women's associations, arts councils, and other related arts activities. It issues special publications including authoritative studies of legal documents of symphony orchestras, governing boards of orchestras, survey of arts councils, summary of music critics workshops, conductor study and training opportunities, and report on recording projects. Other special memorandums are issued periodically, devoted to various aspects of orchestra work and research.

Each year, comparative financial and statistical reports are compiled and issued to participating orchestras within three budget categories—the metropolitan orchestras, the large budget community orchestras and the small budget community orchestras. Over 100 orchestras participate in the league's monthly exchange of information on concert attendance in relation to the type of concert and specific artist presented. Nearly 200 orchestras participated in a survey on support of orchestras by municipal, county, and State funds. The publication of the 1960-62 concert calendar includes concerts of 203 league member orchestras listing dates, orchestras, conductors, assisting artists, and world premieres.

The league talent pool serves orchestras, musicians, managers, and conductors, and is designed to assist organi-

zations in finding needed personnel. Its individual service program enables members to request and receive advisory service on employment and on special problems.

The league's study and training activities have provided opportunities to enter into cooperative projects with other organizations. For example:

The Rockefeller Foundation has assisted in many of its research and training projects with approximately one-half million dollars in grants over the last 6 years;

The U.S. Government selected the league to develop the work and organization of the music committee of the people-to-people program;

Broadcast Music, Inc., has assisted extensively in presenting musicians study projects at its national conventions. The American Society of Composers, Artists, and Publishers and other business firms have assisted in other projects;

The Avalon Foundation has made a grant to the league for the purpose of developing an in-service training program in orchestra management;

The Music Critics Association and Community Arts Councils, Inc., have selected the league to serve as their administrative agency. The World Music Bank is administered by the league;

The league serves as the coordinating agency for the Alice M. Ditson Fund whose orchestra awards this year were presented to conductors of only four orchestras; and

The league each year conducts an orchestra management course which is the only such training program offered on a professional level anywhere.

Its conductor study programs continue to be in such demand that it cannot accommodate the scores of conductors wishing to attend.

Its advanced conductors study has proved of enormous interest and help in making available the funds, background education, and training opportunities necessary to the advancement of talented young conductors.

Mainly as a result of the league alerting members and nonmembers of the possible discontinuation of the 1960-61 CBS radio broadcasts of the New York Philharmonic, CBS received 11,000 letters, and the programs were presented for the 31st consecutive year.

The league is represented on the advisory committee for the National Cultural Center for the Arts in Washington, D.C., by its president, Mr. John Edwards. Its executive secretary, Mrs. Helen Thompson, represents the league on the Council of Arts in Government, on the editorial board of Musical America, on the executive committee of the National Music Council and contributes to the forum lecture programs broadcast throughout the world by the Voice of America, and will be a judge for the Liverpool competitions.

The league has introduced to the orchestra world, a retirement income plan for conductors, orchestra, and arts council managers, and administrative employees. The plan was under study by the league board for 3 years, and is covered under a group annuity contract

issued by the Equitable Life Assurance Society of the United States. The plan, I might add, has been adopted by the Phoenix Symphony Association.

The league introduced a regional management project for orchestra operating on small budgets from \$20,000 to \$30,000 a year. This makes it possible for orchestras within a geographical area to obtain the services of a skilled professionally trained orchestra manager.

The league also concerns itself with the problems and solutions of full-time employment for orchestra musicians and conductors.

The league is being financed through the aid of Mrs. John D. Rockefeller, Jr., for a second year, in a plan to send leading critics to the home cities of younger American conductors. Their concerts are criticized on a strictly professional basis with special emphasis on the performance of the conductor. The reviews are printed as the lead article in Musical America.

The league's hope for a permanent headquarters establishment has become a reality. It has received many flattering offers and invitations from organizations and leading educational institutions across the Nation.

A short time ago, a gift was made to the league by Mrs. Jouett Shouse, of Washington, D.C., of 40 acres of beautiful, rolling woodland just 20 minutes from the Nation's Capitol. Edward Durell Stone, world-renowned architect, is preparing the plans for its national headquarters to be known as Symphony Hill.

The league's 17th national convention will be held this summer in Chicago, June 20 through June 23. Held simultaneously will be the fourth metropolitan managers conference, and the eighth Community Arts Council, Inc., conference. Every facet of symphony organization will be represented.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FLYNT (at the request of Mr. ALBERT), for the balance of the week, on account of official business.

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. PATMAN, for 45 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. RYAN of New York, for 10 minutes, today, and to include extraneous matter.

Mr. O'HARA of Michigan, for 1 hour, on Tuesday, June 5, 1962.

Mr. ALEXANDER (at the request of Mr. CLEM MILLER), for 30 minutes, today.

Mr. CRAMER, for 15 minutes, today.

Mr. CLEM MILLER, for 25 minutes, today.

Mr. DINGELL (at the request of Mr. HARDING), for 90 minutes, on Monday next.

Mr. KING of California (at the request of Mr. CLEM MILLER), for 15 minutes,

today, and to revise and extend his remarks.

Mr. HEMPHILL, Mr. WHITENER, and Mr. DENT (at the request of Mr. CLEM MILLER), for 1 hour each, on Monday, June 4, 1962.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MAGNUSON and to include extraneous matter.

Mrs. GREEN of Oregon.

Mr. SANTANGELO and to include extraneous matter.

Mr. BOLAND.

Mr. PATMAN.

(The following Members (at the request of Mr. CONTE) and to include extraneous matter:)

Mr. BARRY.

Mr. VAN ZANDT in three instances.

Mr. FINO.

Mr. SCHWENGLER.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. DOYLE.

Mr. BRADEMANS in two instances.

Mr. RODINO.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1264. An act for the relief of Capt. Dale Frazier; to the Committee on the Judiciary.

S. 1849. An act for the relief of Stephen S. Chang; to the Committee on the Judiciary.

S. 2107. An act to amend title 14, United States Code, entitled "Coast Guard," to extend the application of certain laws relating to the military services of the Coast Guard for purposes of uniformity; to the Committee on Merchant Marine and Fisheries.

S. 2208. An act for the relief of Su-Fen Chen; to the Committee on the Judiciary.

S. 2661. An act for the relief of John Joseph (also known as Hanna Georges Yousef); to the Committee on the Judiciary.

S. 2667. An act for the relief of Sebastiana Santoro; to the Committee on the Judiciary.

S. 2668. An act for the relief of Francellina Jorge Querido, Jose Jorge Querido, Luis Jorge Querido, Elizia Jorge Querido, and Izabel Jorge Querido; to the Committee on the Judiciary.

S. 2694. An act for the relief of Mrs. Jum Ak Marek; to the Committee on the Judiciary.

S. 2722. An act for the relief of Miss Livia Sernini (Cucciatti); to the Committee on the Judiciary.

S. 2729. An act for the relief of Hom Wah Yook (also known as Hom Bok Heung); to the Committee on the Judiciary.

S. 2751. An act for the relief of Susan Gudera, Heinz Hugo Gudera, and Catherine Gudera; to the Committee on the Judiciary.

S. 2760. An act for the relief of Yuk-Kan Cheuk; to the Committee on the Judiciary.

S. 2766. An act for the relief of Mrs. Tom Pon Shee (also known as Tom Pon Ma Cheung); to the Committee on the Judiciary.

S. 2777. An act for the relief of Arild Ericksen Sandli; to the Committee on the Judiciary.

S. 2803. An act for the relief of Julian Barboza Amado and Manuel Socorro Barboza Amado; to the Committee on the Judiciary.

S. 2804. An act for the relief of Sheu Chwan Shaiou; to the Committee on the Judiciary.

S. 2865. An act for the relief of Ferdinand A. Hermens; to the Committee on the Judiciary.

S. 2876. An act to extend the authority to insure mortgages under sections 809 and 810 of the National Housing Act, and to extend the coverage of section 810 to include persons employed at or in connection with an installation of the National Aeronautics and Space Administration or the Atomic Energy Commission; to the Committee on Banking and Currency.

S. 3016. An act to amend the act of March 2, 1929, and the act of August 27, 1935, relating to load lines for oceangoing and coastwise vessels, to establish liability for surveys, to increase penalties, to permit deeper loading in coastwise trade, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 3266. An act to amend section 2 of the act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes," approved March 3, 1925, as amended (2 U.S.C. 158), relating to deposits with the Treasurer of the United States of gifts and bequests to the Library of Congress and to raise the statutory limitation provided for in that section; to the Committee on House Administration.

S. 3327. An act to make certain federally impacted areas eligible for assistance under the public facility loan program; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1395. An act for the relief of Sydney Gruson;

H.R. 1404. An act for the relief of Mrs. Frances Mangiaracina;

H.R. 1712. An act for the relief of Elizabeth Rose DiCarlo;

H.R. 2103. An act for the relief of Antonio C. Ysrael;

H.R. 2672. An act for the relief of Sonia Maria Smith;

H.R. 2839. An act for the relief of Mildred Love Hayley;

H.R. 4783. An act to grant constructive service to members of the Coast Guard Women's Reserve for the period from July 25, 1947, to November 1, 1949;

H.R. 8368. An act for the relief of A. Eugene Congress;

H.R. 8570. An act to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force;

H.R. 9466. An act for the relief of Sfc. Jesse O. Smith; and

H.R. 11261. An act to authorize an adequate White House Police force, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 107. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the

Colorado River storage project, and for other purposes;

S. 971. An act for the relief of Salvatore Briganti; and

S. 3157. An act to repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on May 28, 1962, present to the President, for his approval, a bill of the House of the following title:

H.R. 1348. An act for the relief of William Burnice Joyner.

ADJOURNMENT

Mr. HARDING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 26 minutes p.m.), under its previous order, the House adjourned until Monday, June 4, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2118. A letter from the Secretary of State, transmitting an authoritative copy of an Agreement Between the Government of the United States of America and the Government of Belgium for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes, which was signed at Brussels on May 17, 1962, pursuant to the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

2119. A communication from the President of the United States, transmitting a plan for the transfer of responsibility for the operation and maintenance of the Alaska communication system from the Secretary of the Army to the Secretary of the Air Force; to the Committee on Armed Services.

2120. A communication from the President of the United States, transmitting a report to the President by the ad hoc Committee on Federal Office Space; to the Committee on Public Works.

2121. A communication from the President of the United States, transmitting drafts of five proposed bills relating to the contribution of money for political campaigns as follows:

(1) "A bill to allow a deduction or credit against tax for contributions to national and State political committees";

(2) "A bill to provide for the reporting and dissemination of information with regard to contributions and expenditures made for the benefit of persons who seek nomination and election to the offices of President and Vice President, and for other purposes";

(3) "A bill to promote the orderly transfer of the Executive power in connection with the expiration of the term of office of a President and the inauguration of a new President";

(4) "A bill to suspend for the 1964 campaign the equal opportunity requirements of section 315 of the Communications Act of 1934 for nominees for the offices of President and Vice President";

(5) "A bill to amend title 39, United States Code, to provide free mailing list services to election boards, registration commissions,

political parties, and for other purposes"; to the Committee on Ways and Means.

2122. A letter from the Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report on title I, Public Law 480 agreements concluded during April 1962, pursuant to Public Law 85-128; to the Committee on Agriculture.

2123. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "A bill to amend the Universal Military Training and Service Act"; to the Committee on Armed Services.

2124. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend the act entitled 'An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes'; to the Committee on the District of Columbia.

2125. A letter from the Comptroller General of the United States, transmitting a report on the review of the administration by the Forest Service, Department of Agriculture, of mining claims located on national forest lands reserved from the public domain; to the Committee on Government Operations.

2126. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to provide for the settlement of claims of certain residents of the Trust Territory of the Pacific Islands"; to the Committee on Interior and Insular Affairs.

2127. A letter from the executive director, the American Society of International Law, transmitting the annual audit by a certified public accountant of the financial transactions of the American Society of International Law for the period April 1, 1961, to March 31, 1962, pursuant to the act of September 20, 1950 (64 Stat. 869); to the Committee on the Judiciary.

2128. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to repeal the provisions of law codified in 5 U.S.C. 39, and for other purposes"; to the Committee on Post Office and Civil Service.

2129. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives pursuant to section 1(d) of the act of July 21, 1961, (75 Stat. 216), and submitted to the Speaker of the House of Representatives pursuant to rule XL of the Rules of the House of Representatives; to the Committee on Science and Astronautics.

2130. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to increase temporarily the amount of obligations, issued under the Second Liberty Bond Act, which may be outstanding at any one time"; 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. DAVIS of Tennessee: Committee on Public Works. S. 1742. An act to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters; without amendment (Rept. No. 1747). Referred to the Committee of the Whole House on the State of the Union.

Mr. OLSEN: Committee on Post Office and Civil Service. H.R. 11753. A bill to provide for the payment of certain amounts and restoration of employment benefits to cer-

tain Government officers and employees improperly deprived thereof, and for other purposes; without amendment (Rept. No. 1748). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works. H.R. 8214. A bill to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol Grounds; with amendment (Rept. No. 1749). Referred to the House Calendar.

Mr. POWELL: Committee on Education and Labor. 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; with amendment (Rept. No. 1750). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 10056. A bill to amend Public Laws 815 and 874, 81st Congress, relating to construction and maintenance and operation of public schools in federally impacted areas, to deny payments to school districts which are not in compliance with constitutional requirements that public schools be operated on a racially nondiscriminatory basis; with amendment (Rept. No. 1751). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 11888. A bill to improve the quality of elementary and secondary education; without amendment (Rept. No. 1752). Referred to the Committee of the Whole House on the State of the Union.

Mr. KITCHIN: Select Committee on Export Control. Report pursuant to House Resolution 403 pertaining to an investigation and study of the Export Control Act of 1949 (Rept. No. 1753). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Sixteenth report of the Committee on Government Operations on the national fallout shelter program (Rept. No. 1754). Referred to the Committee of the Whole House on the State of the Union.

Mr. HERLONG: Committee on Ways and Means. H.R. 7757. A bill to amend subsection (b) of section 512 of the Internal Revenue Code of 1954 (dealing with unrelated business taxable income); with amendment (Rept. No. 1755). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 1469. A bill for the relief of Mrs. Leslie M. Paterson, Janet Paterson, and Mary Paterson; with amendment (Rept. No. 1743). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 6833. A bill for the relief of Frantisek Tisler; without amendment (Rept. No. 1744). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 10371. A bill for the relief of Ferdinand A. Harmens; without amendment (Rept. No. 1745). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 10960. A bill for the relief of Rosina Luisi (Sister Mary Rosina) and Maria Fatibene (Sister M. Valentina); without amendment (Rept. No. 1746). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 11932. A bill to assure payment of just compensation for the use and occupancy of certain lands on Kwajalein and Dalap Islands, Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARING:

H.R. 11933. A bill to amend the act of April 22, 1960, relative to the transfer of certain public lands to the Colorado River Commission of Nevada; to the Committee on Interior and Insular Affairs.

By Mr. BOGGS:

H.R. 11934. A bill to amend section 72 of the Internal Revenue Code of 1954 to permit retired employees to elect use of either subsection (b) or subsection (d) to report income from employees' annuities; to the Committee on Ways and Means.

By Mr. BROOKS of Texas:

H.R. 11935. A bill to repeal certain laws relating to the procurement of advertising for the Government, and for other purposes; to the Committee on Government Operations.

By Mr. BUCKLEY (by request):

H.R. 11936. A bill to repeal a portion of the Second Supplemental National Defense Appropriation Act, 1943, approved October 26, 1942 (56 Stat. 999), as amended, and for other purposes; to the Committee on Public Works.

By Mr. CELLER:

H.R. 11937. A bill to amend the Internal Revenue Code of 1954 to reduce the rate of the tax on capital gains; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 11938. A bill to authorize the Secretary of the Interior to dispose of surplus real property for public park, forest, wildlife refuge, and recreation area purposes, and for other purposes; to the Committee on Government Operations.

By Mr. FARBERSTEIN:

H.R. 11939. A bill to amend the Internal Revenue Code of 1954 to increase from \$600 to \$1,200 the maximum amount of the deduction allowed a woman or widower for the expenses of providing for the care of certain dependents; to the Committee on Ways and Means.

By Mr. HOSMER:

H.R. 11940. A bill to amend chapter 15 of title 38, United States Code, to provide adjustments in the rates of certain pensions where income limitations are exceeded by small amounts because of social security benefits; to the Committee on Veterans' Affairs.

By Mr. JENSEN:

H.R. 11941. A bill to improve farm income for producers of wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flaxseed, by establishing a payment-in-kind program and increasing the resale price of surplus Government stocks of such commodities, and to amend the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Agriculture.

By Mr. KYL:

H.R. 11942. A bill to assure payment of just compensation for the use and occupancy of certain lands on Kwajalein and Dalap Islands, Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McVEY:

H.R. 11943. A bill to amend the Internal Revenue Code of 1954 to allow deductions from gross income for expenses incurred in the construction and maintenance of family fallout shelters of a type and design approved by the Office of Emergency Planning; to the Committee on Ways and Means.

By Mr. MACGREGOR:

H.R. 11944. A bill to incorporate the American Symphony Orchestra League; to the Committee on the Judiciary.

By Mr. CLEM MILLER:

H.R. 11945. A bill to amend the Public Health Service Act in order to provide a broadened program in the field of mental health and illness of grants for prevention, research, training, salaries, facilities survey, and construction of facilities for treatment of the mentally ill and mentally retarded; to the Committee on Interstate and Foreign Commerce.

By Mr. MOULDER:

H.R. 11946. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. MULTER:

H.R. 11947. A bill to amend section 3 of the Federal Deposit Insurance Act to include within the definition of "State banks" branches of foreign banks authorized under State law to accept deposits; to the Committee on Banking and Currency.

H.R. 11948. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. MURRAY:

H.R. 11949. A bill to repeal section 25 of title 13, United States Code, relating to the duties of supervisors, enumerators, and other employees of the Bureau of the Census, Department of Commerce; to the Committee on Post Office and Civil Service.

H.R. 11950. A bill to amend section 131 of title 13, United States Code, so as to provide for taking of the economic censuses 1 year earlier starting in 1968; to the Committee on Post Office and Civil Service.

H.R. 11951. A bill to provide for the transportation of mail by aircraft upon star routes within the Commonwealth of Puerto Rico; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of New York:

H.R. 11952. A bill to assure payment of just compensation for the use and occupancy of certain lands on Kwajalein and Dalap Islands, Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 11953. A bill to authorize the government of the Virgin Islands to issue general obligation bonds; to the Committee on Interior and Insular Affairs.

H.R. 11954. A bill to amend the Revised Organic Act of the Virgin Islands with respect to representation in the Legislature of the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. OLSEN:

H.R. 11955. A bill to provide that retired Federal officers and employees shall not be required to pay any fee for admission to national parks, forests, and monuments; to the Committee on Interior and Insular Affairs.

By Mr. ST. GERMAIN:

H.R. 11956. A bill to amend the District of Columbia Alcoholic Beverage Control Act to exempt from taxation certain alcoholic beverages; to the Committee on the District of Columbia.

By Mr. SAYLOR:

H.R. 11957. A bill to assure payment of just compensation for the use and occupancy of certain lands on Kwajalein and Dalap Islands, Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SPENCE:

H.R. 11958. A bill to amend section 3552 of the Revised Statutes, as amended, to provide that the proceeds from the distribution and sale of uncirculated coins shall be reimbursed to the appropriation from which the expenses of manufacture and distribution were paid; to the Committee on Banking and Currency.

By Mr. TRIMBLE:

H.R. 11959. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. WESTLAND (by request):

H.R. 11960. A bill to authorize the government of the Virgin Islands to issue general obligation bonds; to the Committee on Interior and Insular Affairs.

By Mr. BOW:

H.J. Res. 723. Joint resolution to provide for the appointment of William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Mr. SIKES:

H.J. Res. 724. Joint resolution to determine the need for extension of the channel along the dock area at Carrabelle, Fla.; to the Committee on Public Works.

By Mr. CRAMER:

H. Con. Res. 479. Concurrent resolution to express the sense of the Congress in opposition to the proposed exchange of American dollars for Cuban prisoners; to the Committee on Ways and Means.

By Mr. DENTON:

H. Res. 671. Resolution expressing the sense of the House of Representatives with respect to non-Federal installation of electric generating facilities at Hanford, Wash.; to the Joint Committee on Atomic Energy.

By Mr. PATMAN:

H. Res. 672. Resolution to investigate the stock exchanges; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Louisiana memorializing the President and the Congress of the United States, relative to urging the Louisiana congressional delegation to vigorously oppose and vote against the enactment of the administration's 1962 farm bill in its present form, or any legislation which would further impair the income or freedom of farmers in this State and the American free enterprise system, which was referred to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 11961. A bill for the relief of Mariano L. Villadolid and his wife, Magdalena Oliva Villadolid; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 11962. A bill for the relief of John C. Garand; to the Committee on the Judiciary.

By Mr. CORMAN (by request):

H.R. 11963. A bill for the relief of Yeghsa Ketenjian; to the Committee on the Judiciary.

By Mr. DOWDY:

H.R. 11964. A bill for the relief of Dr. Antonio A. Moure; to the Committee on the Judiciary.

By Mr. FARBERSTEIN:

H.R. 11965. A bill for the relief of Benjamin Netkin; to the Committee on the Judiciary.

By Mr. NIX:

H.R. 11966. A bill for the relief of Yu Guey Mah; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H.R. 11967. A bill for the relief of Tasia Dimakis; to the Committee on the Judiciary.

By Mr. RYAN of New York:

H.R. 11968. A bill for the relief of Emerico Soccolich, his wife, Giovanna Soccolich, and their minor child, Miro Soccolich; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 11969. A bill for the relief of Sophie Ezman; 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:

361. By the SPEAKER: Petition of E. Frederick Blen, city administrator, Norwalk,

Calif., relative to the taxation of municipal bonds by the Federal Government; to the Committee on the Judiciary.

362. Also, petition of the president, Davao Junior Chamber, Davao City, Philippines, expressing the sense of the Davao Junior Chamber of Commerce on the disapproval of the Philippine war damage claims bill by the U.S. House of Representatives; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Results of Poll on Legislative Issues in Third Congressional District of Indiana

EXTENSION OF REMARKS

OF

HON. JOHN BRADEMAs

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. BRADEMAs. Mr. Speaker, in late April and early May I mailed questionnaires which reached more than 190,000 registered voters in the Third District of Indiana. My constituents were invited to give their opinions on major issues facing this Congress. Last week I had the more than 19,000 replies which had been received, tabulated on machines by an independent data processing firm. This represents a response by more than 1 in 10 persons polled. Because voters of the Third District of Indiana are regarded as providing a representative cross section of public opinion, I believe the tabulation may be of interest to my colleagues.

A news release describing the results of the poll follows:

BRADEMAs ANNOUNCES QUESTIONNAIRE RESULTS

A majority of Third District voters who responded to a poll by Congressman JOHN BRADEMAs, Democrat, of Indiana, favor hospital and nursing home insurance for the aged under social security, reduction of U.S. tariffs if other countries reduce theirs, and stricter controls on farm crops to cut surpluses.

BRADEMAs said 19,138 replies from Democrats, Republicans, and independents, which were tabulated, represent about a 10-percent return on questionnaires sent to all voters on registration rolls in the Third District counties of Elkhart, La Porte, Marshall, and St. Joseph.

Nearly 57 percent favored hospitalization and nursing home care for the aged through social security, while 39.1 percent opposed it, and no answer was indicated on 4 percent of the questionnaires.

GRANTS AND LOANS FOR COLLEGES

The question on the complex farm problem drew the top percentage of blank answers, 15.2 percent. Over 55 percent favored stricter controls on farm production, and about 30 percent opposed them.

Voters indicated substantial approval for Federal programs of loans and grants to colleges and universities to help them build classrooms, laboratories and libraries, 64.3 percent to 31.3 percent. Favored also were standby public works programs to combat

unemployment in case of a recession, 67 percent to 29.2 percent.

Commenting on the poll, BRADEMAs said, "With a number of pieces of major legislation now moving to the floor for action, it is very helpful to have these results."

Third District voters registered strong opposition to a program of community fallout shelters, with 63.1 percent voting no and 30.5 percent, yes.

FOR RESUMPTION OF TESTING

The biggest majority recorded on any question involving Federal policy favored resumption of nuclear testing in the atmosphere if efforts failed to get the Soviet Union to accept arms control with effective inspection. The results were 80.1 percent for testing, 15.4 percent against.

Some 194,000 questionnaires mailed in April and early May reached the homes of registered voters in the Third District, BRADEMAs said.

The returns were machine tabulated by Data Management, Inc., an independent Washington data processing service.

Mr. Speaker, I here include the questions in the poll and the percentages of "yes," "no," and "no answer" for each:

RESULTS OF THE 1962 CONGRESSIONAL QUESTIONNAIRE OF CONGRESSMAN JOHN BRADEMAs

1. Do you favor legislation to discourage discrimination in hiring on grounds of age, sex, religion, or race?

	Percent
Yes.....	69.0
No.....	27.7
No answer.....	3.3

2. Do you favor a standby public works program to combat unemployment in case of a recession?

	Percent
Yes.....	67.0
No.....	29.2
No answer.....	3.8

3. Do you favor a program of community fallout shelters?

	Percent
Yes.....	30.5
No.....	63.1
No answer.....	6.4

4. Do you favor broader authority for the President to reduce tariffs if other countries reduce theirs?

	Percent
Yes.....	57.0
No.....	37.8
No answer.....	5.2

5. Do you favor loans and grants to colleges and universities to help build classrooms, laboratories, and libraries?

	Percent
Yes.....	64.3
No.....	31.3
No answer.....	4.4

6. Do you favor the resumption of nuclear testing in the atmosphere if efforts fail to get the Soviet Union to accept arms control with effective inspection?

	Percent
Yes.....	80.1
No.....	15.4
No answer.....	4.5

7. Do you favor stricter controls on production of surplus farm crops to reduce Government spending for price supports?

	Percent
Yes.....	55.2
No.....	29.6
No answer.....	15.2

8. Do you favor purchase by the United States of \$100 million of special United Nations bonds, provided that any nation which fails to contribute to repaying the bonds would be denied a vote in the U.N.?

	Percent
Yes.....	57.1
No.....	35.0
No answer.....	7.9

9. Do you favor including hospital and nursing home insurance for the elderly under the social security program?

	Percent
Yes.....	56.9
No.....	39.1
No answer.....	4.0

10. Do you favor having your Representative in Congress poll you for your views in this way?

	Percent
Yes.....	83.0
No.....	14.4
No answer.....	2.6

Address by the Honorable James E. Bromwell at the Annual Teachers' Appreciation Dinner, Johnson School Parent-Teacher Association, Cedar Rapids, Iowa, May 14, 1962

EXTENSION OF REMARKS

OF

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. SCHWENGEL. Mr. Speaker, my esteemed colleague, the Honorable JAMES E. BROMWELL, of Iowa's Second Congressional District, delivered an address on May 14 at the annual teachers' appreciation dinner, sponsored by the Johnson School Parent-Teacher Association, in Cedar Rapids, Iowa, which sounds an alarm as important today as those sounded by Thomas Paine and Samuel Adams at the time of the American Revolution. At that time, the danger was from another system of government

directed from outside our shores. The danger to which Congressman BROMWELL refers, "the deadly growth of power in the executive arm of the Federal Government," is a threat within our own system, within our own shores.

I commend this address to my colleagues. I urge them to read it, to talk about it, and to circulate it among their constituents so that all of us can have their help in seeing that we do not pass the point of no return in this situation.

The address follows:

ADDRESS BY THE HONORABLE JAMES E. BROMWELL, ANNUAL TEACHERS' APPRECIATION DINNER, JOHNSON SCHOOL PARENT-TEACHER ASSOCIATION, CEDAR RAPIDS, MAY 14, 1962

I must tell you at the outset that I intend to speak very seriously tonight, more seriously, maybe, than a gathering of neighbors might seem to require. We are here, however, because of a common interest in our children and when they are involved, middle ground fades from the range of subject matter. We either visit in warm detail, or we talk very soberly indeed. Their future is so important, and so long, perhaps light-years long.

I have been reading "The Coming Fury," the splendid first volume of the centennial history of the Civil War which Bruce Catton has written. It opens on the Democratic Convention of 1860 at Charleston—some days, weeks, or years too late. The most persistent impression one carries from the book is this: long before Sumter was fired upon events had passed beyond the control of the ablest persons then living. Chattel slavery, sometime before had ceased to be an issue between men, between North and South, between owners and nonowners, and had become a matter between God and all the American people. Some would merely survive it; some like Mr. Lincoln writing to Mrs. Bixby would see it clearly as a violent atonement for monstrous evil. None, not even Lincoln, could control it, and he tried.

Some historian may some day name the month of the year in which things got out of hand; someone bolder may do better and tell us the early symptoms of a breakdown in popular control of our national affairs. So far he or she has not been generally recognized and proven sound and until these things happen we shall feed on fear.

It has happened more than once since Sumter and it can happen again. A chain of events begins, effect follows cause with acceleration, the point of no return is passed, the tide becomes irreversible, then unchangeable and we come to a time of troubles in which even the best of us can only make the best of it.

We shall feed on fears and we are feeding on them this May. The progressive development of weaponry and technology applied to outer space make them particularly acute in international relations. But the very acuteness of our fears, like pain in a tooth, is hopeful because it has demanded action. No matter how we despair at the headlines America is making its best effort in this area. Enormously over half the treasure spent on National Government goes into it. In our weapons we have raw force. In our system of foreign trade we have economic strength. In the principles of the Constitution we have moral force. In our programs of foreign aid we have a blend of the latter two with the added recommendation of altruism. In the Disarmament Agency, the Peace Corps, the Alliance for Progress, we have new ideas. In space research we have a vigorous search for incredible new developments which will certainly bear on future events. Most importantly, with its very soul, the American people has willed peace with justice. Expression is lively. I for one am

convinced that every action which would be supported by a consensus of reasonable Americans is being taken or formulated. Criticize any portion of this effort as harshly as you wish (and I personally believe that such criticism is owing for the good of us all), America's presently asserted world leadership belies the real fear that the forces of international anarchy are beyond control.

At least in tonight's frame of reference I am willing to set it aside because of another matter currently most serious in which instruments of control are at hand. We have hurled our strength against the winds of chaos and war; in this other matter we have done nothing and said pitifully little. And herein, of course, lies the danger of losing control and being swept away by events.

I am speaking of the deadly growth of power in the executive arm of the Federal Government and in particular of power in the Presidency.

Note that I refer to the Presidency, not the President. One is an office; the other is a man. This is of the absolute essence of what I have to say. The Presidency is a center of power over us created by laws of our own making or acceptance, a complex of constitutional and statutory functions; a President is a creature like you and me who is born, suffers, procreates and dies, and when he itches, scratches. The President here is to the Presidency as the Queen in England is to the Crown.

I am not of the President's party nor of the executive branch. I was of the party of the former President but not of the Government at all. This has precious little to do with anything of real importance because long after our generation, you and the President and I, are gone, and the children who have brought us here tonight are facing the problems of their times, the Presidency and the Congress and the freedoms of all the people will remain if—and it is a poignant if—we have been good stewards now.

No violence should be done to this distinction between the President and the Presidency and I believe that the failure to recognize the distinction has caused trouble lately, and the kind and amount of trouble raises anxiety and wonder about where we are, and where we have been, and where we are going, and whether we still have our control.

Here is the trouble: beyond any doubt the most important domestic actions of the present President since he assumed the Presidency were those he took with respect to the declared increase in steel prices. He acted swiftly and effectively. By some he was praised for the result with good reason; by others he was blamed, but here lies the failure to make the distinction, the failure not yet generally recognized, our real weakness and real worry. Remove the personality of John Fitzgerald Kennedy from these actions so that your attachment or antipathy to the man is idled, conceptually place a faceless anonymity in the office—in the Presidency if you will—analyze the body of action down to the skeleton of power exercised and you will, I suggest, be properly disturbed.

In the early morning hours of April 13 in Philadelphia the rest of an American citizen was disturbed by a knock on the door. The knockers were Federal police, acting without the knowledge of their immediate superior, without writs or warrants, with no claim of wrongdoing against the citizen, investigators with no questions to ask that could not have been as well or better asked in the morning and with no right, constitutional or otherwise. They had a personal mandate from the Nation's highest enforcement officer, the Attorney General of the United States, a servant and not the master of the sleepy and perhaps frightened citizen, and one who took an oath to support not to violate the laws of the United States. In New York a similar event took place.

In the following hours a grand jury was impaneled in New York to investigate the possibility of criminal collusion in connection with the increased price of steel. This was a second grand jury. Another had been busy for a year with the same prospective defendants.

In the following hours, committees of the Congress undertook investigations, one of the stated ends being punishment.

In the Department of Defense companies which had raised their prices were denied Government business regardless of price, regardless of the public interest otherwise considered.

All this and much more. And why? Because the President did not wish steel prices increased. And what has this to do with the President? Simply this: so great is the present power of the office that the question has been raised as to whether the written law, Congress, the courts and the American people will longer restrain it. We recall Andrew Jackson's crack about letting the Supreme Court enforce its own decision. This, I can assure you, is a vastly more advanced case.

"We have," a citizen wrote shortly ago, "lost our capacity for moral indignation." I am not sure he is right. I do believe, however, that in our swift drive toward desirable ends we are losing our respect for means. The genius of this Republic is still human liberty, the genius of liberty is law, and good law is a system of means by which all of us can freely and equally seek our individual or our common ends.

Press this steel situation a little further. What in fact did the companies do? They raised prices. In all freedom some of them raised their prices. I was personally astonished. I felt it to be unwise at that time. Yet it was, questions of collusion aside, a lawful act. There is no law, State or Federal, against raising the price of steel or toothbrushes or grass seed. We have a free domestic market. Admit the possibility, which we must, that the action was taken in good faith.

Now, if a citizen acting in good faith commits a lawful act and in return has applied to him unlawfully the utmost coercive power of the strongest government on earth, where are we?

We are in a quandary, that's where. We are in a quandary because we thought we were safer than we are. For over 300 years we understood that the range of lawful acts was infinite and that so long as we honored them we would not be hurt. We knew where the fences were, because we had knowingly built them. We were born with an intuitive understanding of Lord Coke's cry to King James, "not under men but under God and law." We understand Mr. Justice Holmes when he said, in effect, "If a fellow wants to build a slaughterhouse and I look in the book and find nothing that says he can't let him build the slaughterhouse."

We are in a quandary. The price of securities has fallen and fallen. Over \$70 billion in value has been sacrificed. Organized labor is querulous or mute. The Congress is more closely than ever scrutinizing those bills which would increase the Executive power and a number have been quietly shelved. And all this is disquieting because as a nation we are feeding on fears we haven't had since our founding. In a quandary we wonder whether we are indeed relying on the certainty of laws or the uncertainty of men.

Where have we been? Over a long road this President did not take us. In this I defend him. The President is presently being criticized, seemingly for his acts when fairly we should bear the criticism for what we have permitted to be done to the Presidency over the years. We have asked the Presidency to do many things we should

have done for ourselves. We have not kept the available instruments of civic achievement, municipal government, State government, congressional responsibility sharp and clean and bright. We have tolerated the multiplication of laws, by loose construction of our Constitution we did not understand or inquire into, by regulations we never knew of and still do not, by liberal grants of general powers, by acquiescence in the exercise of implied powers, by forgetting that power corrupts and absolute power corrupts absolutely, by forgetting that a system of checks and balances means internal checks upon and balances between the three great branches of Government, and between the Federal Government and the States, by forgetting that unchecked and unbalanced power directed against our enemies today may be directed against us tomorrow.

Where are we going? The answer lies in the future and is speculative. As your Congressman I shall give you my opinion. Unless citizens act by public opinion and the franchise we shall continue to surrender rights to the Government, unchecked and unbalance its powers, and grant power to the Presidency until we shall have reverted to despotism. Mr. Lincoln's word is good enough for me. The tyrant will not come to America from across the seas. If he comes he will ride down Pennsylvania Avenue from his inauguration and take his residence in the White House. We have, in the last 15 months in the Congress, inadvertently and carelessly we must assume, moved at a hellish rate to establish preconditions of dictatorship. There will be no coup d'etat. Rather, at the worst, there will be an extension and vigorous exercise of the powers we have granted.

Is the matter beyond control? I do not know and you're not sure. In all sadness I say I do not know. The ancients tell us that democracy degenerates into tyranny. We are the longest-lived experiment in freedom and its ultimate success is not guaranteed. In my heart—with my faith—I do not believe we have passed the point of no return. I know that I would not have traveled 1,000 miles to say these things if I thought it were. But I know it could happen here and I am dedicated to seeing it does not.

Is National Lottery a Means To Raise Revenue, and If So, How Much?

EXTENSION OF REMARKS

OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. SANTANGELO. Mr. Speaker, in recent weeks I have exposed the failure of sponsors of national lottery legislation to request hearings on the national lottery bills. On May 24, I demonstrated the lack of knowledge of the sponsor of H.R. 2007 as to the revenue to be derived from a national lottery if that proposal were enacted. I demonstrated that not one dime could or would be legally collected because the provisions of H.R. 2007 render impossible the sale of lottery tickets in the United States without a violation of law. The provisions of H.R. 2007 on page 3, lines 9 through 11, read as follows:

No ticket of participation shall be sold in any State or in a political subdivision of a State where such sale is illegal.

In my remarks I detailed the statutes and constitutions of every State in the union which outlawed lottery. Every State in the United States and also the District of Columbia make lottery illegal. While the State of Nevada permits gambling, it does not specifically legalize lottery. Where then could tickets be sold in the United States? Nowhere.

Sponsors of lottery claim fantastic and exaggerated revenue can be derived. Unrealistic estimates of \$10 billion and upwards have been repeatedly made by the sponsors. Congress has been spoon fed periodically with 1-minute speeches about government-run lotteries in small countries. The sponsors have laded out information almost weekly as if the Na-

tion were hungry for this bread and sustenance. Full information has not been forthcoming.

I have indicated that I would favor a lottery if operated by a State or a local subdivision provided safeguards were made protecting against immorality and corruption, such as minors gambling or welfare recipients gambling their welfare benefits, thus denying their children food, medicine, and shelter.

Consequently, my research into the operation of lottery by foreign governments discloses the following information: The gross income, the net revenue to be derived, percentage which the respective governments exact, and the population of the Nation:

Country	Population	Yearly donation per person	Gross receipts	Government's share	Approximate percentage of gross
Argentina	26,956,000	\$0.95	\$19,630,265	\$10,464,003	50.0
Australia	10,398,170	7.04	71,578,409	24,981,419	30.0
Austria	7,049,000	1.81	14,300,000	4,100,000	38.0
Belgium	9,104,000	1.84	16,800,000	5,872,437	35.0
Bolivia	3,462,000	.21	727,905	112,771	15.0
Brazil	68,000,000	.27	17,465,000	6,090,000	35.0
Chile	7,627,000	2.50	18,700,000	5,250,000	28.0
Colombia	14,132,000	.25	3,506,283	194,592	5.0
Costa Rica	1,171,000	8.50	9,437,036	2,874,897	30.0
Cuba	6,743,000	5.60	35,420,000	11,125,304	31.0
Czechoslovakia	13,649,000	.81	11,000,000	9,000,000	82.0
Denmark	4,581,000	1.33	6,042,000	280,000	4.7
Dominican Republic	3,014,000	10.90	31,870,306	6,984,988	22.0
Finland	4,477,300	.88	3,867,200	1,314,800	33.0
Ecuador	4,298,000	.76	3,152,300	1,045,597	31.0
France	45,730,000	2.72	123,700,000	41,500,000	33.0
West Germany	55,577,000	4.40	240,000,000	48,000,000	20.0
Greece	8,327,000	1.74	15,000,000	3,700,000	24.0
Guatemala	3,759,000	.80	2,954,080	458,976	16.0
Haiti	3,505,000	.46	1,628,800	100,000	6.0
Honduras	1,950,000	.62	11,977,807	1,282,950	10.0
Ireland	2,834,000	15.80	46,059,080	19,500,040	42.0
Israel	2,114,000	1.40	7,111,111	3,666,666	52.0
Italy	50,763,000	1.40	71,200,000	58,100,000	80.0
Japan	93,600,000	.12	11,467,000	4,366,000	38.0
Mexico	34,625,903	1.60	55,120,000	14,160,000	25.0
Netherlands	11,417,254	.85	9,654,204	2,500,000	26.0
New Zealand	2,403,488	.74	1,684,145	617,747	37.0
Norway	3,587,000	3.30	12,000,000	3,700,000	30.0
Panama	1,053,000	27.29	27,289,919	4,522,005	10.0
Paraguay	1,760,000	1.00	1,363,934	279,738	20.0
Peru	10,857,000	.24	2,460,800	465,200	19.0
Philippines	27,456,000	.76	17,827,335	7,554,778	43.0
Poland	29,731,000	1.70	53,364,417	17,236,958	32.0
Portugal	9,124,000	2.32	20,749,400	6,943,727	30.0
Puerto Rico	2,349,544	19.60	45,000,000	9,970,060	22.0
Spain	30,128,000	2.75	82,803,000	22,590,000	29.0
Sweden	7,498,770	6.80	51,200,000	9,970,060	19.0
Switzerland	5,298,000	1.30	5,916,353	1,549,367	25.0
Turkey	27,829,000	.30	7,513,880	3,251,242	44.0
Uruguay	2,700,000	3.40	8,779,215	3,251,242	37.0
Venezuela	6,709,000	10.30	67,300,000	13,700,000	20.0
Yugoslavia	18,512,805	.76	13,960,000	3,500,000	25.0

Mr. Speaker, what conclusion can be drawn from the foregoing information? At best, if lotteries were legalized on a national scale, there would be collected approximately \$200 million and not \$10 billion as the sponsors claim. While this sum of \$200 million is sizeable, it represents only one-fifth of 1 percent of our national budget of approximately \$90 billion. To obtain this small percentage, Congress must pass legislation which will set aside the criminal statutes of every State and thereby destroy the Federal-State relationship. It is preferred, in my opinion, that those States which want lottery to take the initial step and legalize lottery in their States or in their municipalities.

For years now the people have been bamboozled into the belief that billions could be raised and income taxes could be reduced. The white light of truth and factual information shrink the exaggerated claims and expose the hypocrisy,

fakery, and quackery of claims to reduce taxes through national lottery bills hitherto presented.

The Thailand National Lottery

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the Thailand national lottery which has been very productive.

Last year the total gross annual receipts from running a lottery amounted to almost \$34½ million. After payment of expenses and prizes the net income to

the Government came to almost \$14 million, most of which is used for public charity.

Mr. Speaker, a national lottery in the United States could produce over \$10 billion a year in new revenue which could be used to relieve our heavy tax burdens and help reduce our gigantic national debt. Are not the American taxpayers entitled to a break?

**Citizen Defenders Day, American Legion
Post No. 318, Greensburg, Pa., May
30, 1962**

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. VAN ZANDT. Mr. Speaker, one of the most unique programs as part of the observance of Memorial Day 1962, was the Citizen Defenders Day program on May 30, 1962, at Greensburg, Pa., when awards were presented to the outstanding reservists of the military Reserve units of the Westmoreland County area. The event which is sponsored annually by Greensburg Post No. 318 of the American Legion attracted a cross section of the citizenry of the Greensburg area. It was my privilege to deliver the following address in connection with the program:

ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE SECOND ANNUAL AWARDS DINNER IN OBSERVANCE OF CITIZEN DEFENDERS DAY SPONSORED BY AMERICAN LEGION POST NO. 318 AT GREENSBURG, PA., ON MAY 30, 1962

After more than 40 years of service in the U.S. Naval Reserve—It is my opinion that there are few events in the calendar year so typical of the American spirit as this one—Citizen Defenders Day.

This I believe because of the nature of the American fighting man—who stands today, as always, a unique figure in the military sense—a genuine citizen defender.

Far be it from me to criticize the military traditions of our allies—nor belittle the fighting ability of any nation.

Indeed, it would be foolish to suggest that we alone have found an effective method of military preparedness superior in all respects to the methods employed by other nations.

We have, however, developed a military system congenial to—and consistent with—our other traditions and one that has served us remarkably well since first we entered the family of nations almost 200 years ago.

A primary goal conceived by our forefathers—was the establishment of a strong national government free from the need for a large standing army.

Our forefathers were idealists—not impractical or “fuzzy-minded” idealists, you understand, but reasonable idealists.

To them—it appeared that a large standing army would serve as a constant threat to their concept of a republic—that military men, with too much power at their command, might prove intolerant of the ballot box whenever the election results were not to their satisfaction.

The ideal they sought was genuine representative government devoid of military interference.

In this regard I should point out that the founders of the American Republic had no conception of the American military class as it exists today.

They were thinking not in terms of forward-looking persons such as Col. John Glenn or Adm. Hyman Rickover, but of masters of terror such as the emperor-militarists—Peter the Great, Louis XIV, Louis XV, Frederick the Great, and above all, George III.

Representative government had existed as a political theory since the beginning of civilization—but was yet to receive any more than token expression as the result of military interference.

This the Founding Fathers realized—and consequently sought to minimize the importance of the American Army.

On the other hand—they were also well aware of the fate befalling nations without adequate facilities for defense.

They, therefore, arranged a compromise between the extremes of supermilitarism and abject weakness.

Neither extreme was acceptable. Only the compromise would do.

In this way the American military tradition was born—a tradition based upon the citizen soldier, the citizen defender, a civilian most of the time but a man with military skill, trained in the art of war.

The citizen defender idea had its origin in the State militia system.

Militias were formally organized into an overall defense force in 1775 by the Committee of Safety of the Continental Congress.

They supplied almost half the troops raised for General Washington's command in the Revolutionary War.

When the Constitution was drawn up in 1787, a special provision was made enabling the Congress to call out, organize, and oversee the operations of the militia of the several States in all cases requiring the use of force in the name of law and order.

President Washington regarded the militia as a second line of defense nullifying the need for a large standing army.

In his Farewell Address of 1796 he cautioned the people as follows: “Avoid the necessity of those overgrown military establishments which, under any form of government, are inauspicious to liberty—and which are to be regarded as peculiarly hostile to republican liberty.”

Concurring in Washington's belief, Congress enacted a law in the year 1808 providing for annual Federal payments to help the States support the militia.

The move was to pay off in four great military contests—before the close of the 19th century.

It is not too surprising that there was for many years a tendency on the part of professional militarists to presume that the militia could not fight.

During the war with Mexico Adj. William Tecumseh Sherman observed to a friend that the militia units in his vicinity were composed of the least likely looking bunch of soldiers he had ever laid eyes on.

But the men fought so well that Sherman had to write his friend later in the war, taking back his criticism.

Some years later—during the Civil War when Sherman held command over the Department of the Cumberland, he again protested against the militia, apparently forgetting his past experience in Mexico. And again, toward the close of the Civil War, he was obliged to retract his critical remarks.

When Sherman stormed Atlanta and cut through Georgia to the sea, the men who blazed the way for him were, for the most part, citizen-soldiers of the sort he was inclined to denounce.

No, they probably didn't look much like soldiers.

After all, they were not so much soldiers as they were farmers, bakers, shopkeepers,

politicians, butchers, blacksmiths, and cobblers.

But many of them had militia training and those who did not nonetheless received the benefit of the experience of those who had.

When the Confederate Army was driven from Georgia into the Carolinas where it finally surrendered, Sherman, the professional soldier, was required once more to admit that the citizen-soldier was in fact an asset to the Nation—much as it surprised him to say so.

Growth of oversea responsibilities following the Spanish-American War of 1898 brought a more serious attitude toward military affairs. It also produced the realization that it was necessary in time of peace to recruit and train a larger number of citizen soldiers for combat.

To this end an act was passed in 1903 providing the militia, by then referred to as the National Guard, with both State and Federal support.

The States were assigned responsibility for furnishing personnel and armory facilities and the Federal Government became responsible for training, equipping, and paying the men.

While constituting an organized reserve in peacetime, the State militia or National Guard was to become a part of the Regular Army in time of war.

Again the need for a Ready Reserve was made manifest when America entered World War I in which 11 National Guard divisions saw combat as components of the American Expeditionary Force.

This was a new kind of warfare in which the French and British officers had become what they preferred to regard as expert in the 3 years preceding the Americans' arrival.

In consequence of this they looked with scorn upon the raw American recruits fresh from civilian life.

How, they wondered, could civilians in uniform be expected to face the withering fire of that deadly innovation, the machine-gun, or avoid fleeing in panic from the tank?

Well, they found out—and quickly.

The Americans, with National Guard units leading the way, broke the German attack at Cantigny, Chateau-Thierry, and Belleau Wood and in a counterstroke drove them from the field at St. Mihiel and Argonne.

To the astonishment of everyone concerned, except perhaps the Americans, it appeared that not only could the German juggernaut be held at bay but chased home as well. Once again the American citizen defender had proved his mettle on the firing line.

Enlightened by the experiences of World War I, in which the National Guard units performed especially well, Congress decided in 1920 to extensively amend the National Defense Act of 1916 in order to create an entirely new kind of military policy with increased emphasis on the Reserves.

A new law established the Army of the United States with the Regular Army, the National Guard, and the Organized Reserves as its three basic components.

In 1916 a system of Reserve Officers Training Corps had been established in colleges and universities throughout the country. Expansion of the ROTC system after World War I made about 150,000 Reserve officers available by 1940 when mobilization for World War II began.

This reservoir made it possible to build the active duty forces from a few hundred thousand to nearly 11 million in a period of only 4 years.

Immediately after World War II, a joint committee of the War Department General Staff drew up policies expanding the mission of the postwar National Guard—to establish a quicker means for large-scale action in the face of any conceivable national emergency.

But the Korean crisis came along before the new policy was fully in effect. As a result—it was necessary to redraft a great many World War II veterans in order to hold our own in Korea while many nonveterans stayed at home.

It thereupon was determined in Washington that there had to be a way of preventing this kind of double jeopardy arrangement. That is to say, there had to be a large enough Reserve to prevent, if possible, the redrafting of veterans.

Out of this determination evolved the Reserve Forces Act of 1955—with which all of you are so well acquainted.

Here, at last, was a truly comprehensive plan designed for the purpose of procuring enlisted Reserves.

We are gathered here to honor not only that plan but also the men involved in it, represented here tonight by members of Westmoreland County Reserve units from each branch of the service.

It is a great pleasure for me to be present on such an occasion arranged for such a purpose.

The members of the Reserve perform two major services. We are mindful that, first, they contribute to the national security at a time when the Nation stands threatened as never before and, secondly, they are helping provide an answer to what has been a long search for a fair and equitable distribution of military responsibility, in line with American traditions.

Indeed, from my observations and experience over the years, the Reserves have become far more than a second line of defense. For through their strength in numbers and their numerous skills and abilities they are equipping this Nation to face up to any conceivable emergency. In truth they are fast becoming the very backbone of our national defense.

To return for a moment to the question of American military tradition, so different in many respects from the military traditions of other nations, I might say that the American soldier overseas remains to this day a puzzle to the foreigner.

Divorced as he is from the idea of professional militarism, wanting merely to get the job done, insure the safety of his country, and get back to civilian life as quickly as possible, the American citizen defender is inclined to take a far lighter view of some matters than the professional military man.

A European who witnessed the first arrival of American troops in Berlin, described a scene to me which, he said, baffled the European onlookers. In one of the U.S. Army trucks was a bunch of battle-weary veterans all spruced up and decked out in new uniforms. When the truck screeched to a halt, everyone expected to see the men pour out onto the street, in wehrmacht fashion, I suppose.

But the streets had mud puddles all over the place, there was actually no need for speed, and the troops were in no mood to foul up their new uniforms.

Therefore—the first man to disembark, a tough-looking sergeant, did so with pretended concern for the fate of his uniform followed by the hoots and jeers of the other men in the truck.

The crowd in the street was amazed. They had expected the clicking of heels and the flash of bayonets, instead they seemed to be getting an American version of slapstick comedy. From the point of view of the American soldiers the mission was accomplished. Berlin had fallen.

The shooting was over and the American troops were tired of military precision.

In this moment of nonviolence they were reverting to their natural civilian-mindedness, a dislike for the drama of war.

Another example of the same American spirit was reported to me with hilarity by

a Berlin resident who witnessed the "Yankee go home" demonstrations of a few years ago.

You recall the scene, the Communists painting that phrase, "Yankee—Go home" all over the walls and store fronts in an effort to suggest that the German population as a whole wanted no more of the American occupation forces.

Well, on this occasion with all those Communists running around, splashing that phrase on the walls, "Yankee—Go home," there stood an American soldier with a paint bucket and a brush adding a phrase of his own: "Fly American airline."

The Germans got a big laugh out of it and the Communists were said to be rather confused.

They had expected outraged indignation on the part of the American troops. But the troops knew that the Communists did not, in fact, represent the views of the majority and this was the way one of them saw fit to handle the situation.

These incidents represent no more than the lighter side of American military participation in world affairs. But they also serve to illustrate the basically civilian-mindedness of the American Army, a civilian-mindedness stemming from the fact that a large majority of our men-at-arms are, in fact, citizen defenders as opposed to professional military men.

Their traditions are mixed—glorious on the one hand, hilarious on the other. But their purpose is singular and serious in nature. They intend to stand by their country and their flag at every turn and to uphold American principle at all times.

This their forbears have managed to do with heroic persistence—in the manner of true citizen defenders.

The American fighting man of this era is well aware of that tradition—and has claimed it as his own.

Finally, it is the citizen defender, who in time of national emergency, stands shoulder to shoulder with the regulars of our Armed Forces in defense of American ideals. Together they are prepared to present again to the world, if necessary, the military might this Nation has mobilized with electrifying speed in three global wars since the turn of the century.

Tonight, by means of this second annual Citizen Defenders Day awards dinner, we pay a well-deserved tribute to the Reserve Forces of the Nation and particularly those from the Westmoreland County area.

I warmly commend the officers and members of Greensburg American Legion Post No. 318 for sponsoring this second annual awards dinner—in observance of Citizen Defenders Day.

It has been a great privilege to participate in this evening's program and I thank you sincerely for your kind invitation.

Power and Eggs

EXTENSION OF REMARKS

OF

HON. DON MAGNUSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. MAGNUSON. Mr. Speaker, it is proposed that the Washington Public Power Supply System, made up of various public utility districts of the State of Washington, construct generating facilities to utilize waste steam from the Hanford plutonium reactor, now under construction. The generating plant would be built and operated by W.P.P.S.S., without cost to the U.S.

Government, under contractual arrangements with the Atomic Energy Commission and the Bonneville Power Administration, which would distribute the output.

I append an editorial on the subject from the Tri-City Herald, Kennewick, Wash., of May 28.

The editorial follows:

POWER AND EGGS

Some eggs never hatch no matter how long the hen sits on them.

When the treaty for joint Canadian-American development of the upper Columbia River was "laid" there was much cackling on both sides of the border. The treaty was hailed as a new landmark in international relations.

And so it was—or, rather, it would have been had the Canadian Parliament ratified the treaty as speedily as did our Senate. But the treaty almost immediately became embroiled in Canadian politics and has been heavily engaged since, despite some subtle—and not-so-subtle—efforts both in Washington and Ottawa to disengage it.

Now the treaty is an issue in the Canadian national election campaign and opponents of the party in office are stumping the country denouncing the treaty as a "sellout" of Canadian power. Aiding and abetting these attackers is the highly respected Gen. A. G. L. McNaughton, who headed the Canadian team that negotiated the treaty.

Meantime, in the Pacific Northwest people who were hoping the upper Columbia development would get started in time to head off an imminent power shortage are realizing the shortage may be unavoidable and that the best we can hope for is to ease the blow. To do this, more generators must be brought on the line as rapidly as possible and since it takes 5 to 7 years to build a dam there's too little time to fill the gap with hydropower.

Which makes the Hanford steamplant a godsend. It would generate 800,000 to 900,000 kilowatts and it could be in operation by the time the power shortage is expected.

There is good reason to hope Congress will approve the plan, and speedily, of Washington Public Power Supply System to build and operate the plant.

But nothing must be left to chance. This "egg" which is vital to the future of the Northwest, must be tended carefully, lest it, like the Canadian treaty, fail to hatch.

Mr. Speaker, under leave to extend my remarks, I include a speech which I delivered Saturday, May 26, 1962, in Seattle, as the keynote address at the King County Democratic convention:

SPEECH OF HON. DON MAGNUSON, OF WASHINGTON, BEFORE THE KING COUNTY DEMOCRATIC CONVENTION

We of the Democratic Party have much of which we can be proud—our legislative and administrative record, our philosophical approach to public affairs, the devotion and enlightened outlook of our public officials, and our party at every level.

Here in King County, however, we have work to do, serious work. This is not a time for congratulations, but rather a time for rededication to the American system of government, to democratic institutions. We must begin today a reconsideration of our party, of its objectives and processes, of our moral obligations within a democratic society. We must evaluate our success, but with greater intensity we must evaluate our needs.

Political parties, although not an end in themselves, are clearly an indispensable element in the functioning of democratic government.

What are the functions of a political party? Generally, to provide the personnel and philosophy for effective government; and added to this, while yet an integral part, is perhaps the most vital function of all, the function of education. Have we, as Democrats and as responsible citizens, been doing enough to meet our obligations both to our party and to society? The answer is clear; we have not. The responsibility of a political party far transcends the indiscriminate election of men and women to public office.

We of the Pacific Northwest are extremely fortunate. We are a young area, richly endowed by nature. These assets, however, are not attributable to any peculiar virtue of the northwesterner. Rather, they are the blessings of nature and of youth. We have not as yet had time to destroy, to waste, and to desecrate our natural heritage, nor to amass the human problems which plague other parts of our Nation. We are not, as yet, afflicted with the ills of the East in their more severe forms.

Travel posters show Washington, D.C., during cherry blossom season, with the beautiful Potomac River and the public monuments. However, they don't explain that the Potomac River is polluted by industrial waste and raw sewage which for generations have emptied into it within a mile of the beautiful blossoms. At night, the stench of the Potomac blankets the Washington slums. But just a moment—our own pollution problems are closing in on us.

Unless we learn from the mistakes and experience of the East, water and air pollution will become commonplace, our wild areas violated and commercialized. Our Western cities will become congested, wracked with slums.

Suburban and rural areas will become increasingly subject to urban sprawl. Open space and park lands, through lack of planning and foresight, will give way to the disordered scramble of factories, housing projects, shopping centers, freeways and service areas. Our schools will become increasingly overcrowded and understaffed.

Basking in Federal expenditures in defense and related industries, we have failed to diversify our economy, relying ever more heavily upon Federal spending and continued international tension as a basis of our economic prosperity. How easily we could become a vast depressed area with massive unemployment, should we attain our goal of world peace, thus eliminating the need for defense contracts.

Seattle is a city enchanted. A new star illuminating the heavens, the World's Fair, is today its animating force. We are in the process of being discovered. But stardom can fade. Nineteen hundred and sixty-two will see the close of a truly magnificent World's Fair; but what shall we see in 1964, in 1974, and in 1984? Streams flowing crystal clear, or hopelessly polluted? People employed or unemployed? People adequately housed, or the denizens of slums? A people free and happy or a people politically and economically enslaved?

Time is running out fast for the Pacific Northwest. In many cases, we have failed to see; in other cases, seeing, we have failed to act. Report after report after report, studies, surveys, consultations, extended debates, excessive devotion to minutiae but precious little action. We have traveled at a leisurely pace, congratulating ourselves upon being the heirs to God's country, while inch by inch we have alienated our legacy.

To speak of a party's failure in a State where both Senators are Democrats, as are the State elective officials and a majority of both legislative chambers, may seem odd. Success and failure, however, are relative. The question is not "Are we doing anything?" but rather, "Are we doing enough?"

Washington is a State of political paradox. For 8 years, we were represented in the U.S. Senate by only one Democrat, the able and distinguished WARREN G. MAGNUSON. Then in 1952, HENRY M. JACKSON entered the Senate. Six years ago, the Democratic Party swept the Pacific Northwest. Albert D. Rosellini was elected Governor. The Democratic Party captured both houses of the legislature and won all partisan statewide races. Senator MAGNUSON was reelected by an overwhelming margin. But, that same year, we Democrats lost six out of seven congressional races to the Republicans. And we lost the majority race in Seattle.

Two years later, in 1958, Senator JACKSON swept to a record-shattering reelection victory. But the Republicans again carried six out of seven congressional races. The Democrats, in 1960, reelected Governor Rosellini to a well-deserved second term. But in spite of the prestige of the then newly appointed Democratic national chairman and the efforts of dedicated party workers, the State of Washington fell to Richard Nixon.

However, an important break occurred that year. JULIA BUTLER HANSEN was sent to the Congress. The six Republican seats in the House were cut to five. JULIA BUTLER HANSEN is becoming one of the outstanding women in American politics, serving ably on the Committee on Education and Labor and the Committee on Interior and Insular Affairs.

Why do the Democrats win statewide while losing not only House elections, but, equally important, the vital county and municipal elections?

There are several answers. The Democratic Party in the State of Washington—and the same thing can be said of the Republican Party—has failed to distinguish itself philosophically. Knowledgeable people are prone to ask, "Is there really any difference, fundamentally, between the Democratic and Republican Parties?" We must answer emphatically, "Yes." But people fail to distinguish between a smiling Democratic Swede name Anderson and a smiling Republican Swede name Anderson. The essentials of party philosophy have not been made clear beyond the confines of party membership.

The party platform and the philosophical position of a candidate have less impact upon the voter than name familiarity and personality. This has been demonstrated repeatedly, and is most obvious in the facility with which Washingtonians split the ticket.

Given the philosophical orientation of the majority, the vast majority, of Washingtonians and the philosophy of the Democratic Party of our State, there is every logical reason to expect that Democrats would fill every elective position in western Washington.

And yet, many public offices are filled by officials whose avowed political philosophies are directly opposed to those of the voters they represent and who elected them to public office.

What is the logic that impels a voter to send a U.S. Senator to Washington to fight for public power development, while sending a Congressman to fight against it? Why does a citizen vote at one level for an official committed to the support of medical care for our senior citizens under social security, of Federal aid to education, and of pollution control, while voting at another level for men who are equally committed to opposing these vital steps in progress?

The answer is obvious. The voter is just not accustomed to a consideration of candidates for public office on the basis of philosophical approach to Government and to specific issues.

In part, in large part, this curious inconsistency is the result of the cult of personality in American politics: physical appearance, personality, and considerations of

national origin, no matter how far removed; of religious affiliation, no matter how superficial; and of standard creed, no matter how perfunctory and lightly worn. If he's a Scandinavian, if he's for freedom and against communism, he's our man. His position on specific issues of domestic and foreign policy, regrettably, are treated as unimportant.

The tendency to separate the man from his philosophy results to a great extent from political naivete, from a failure to understand the functioning of government, properly to appraise its importance, and accurately to comprehend the degree to which each public official is dependent upon each other official and upon the public.

There exists a tragic misconception of a division of power, the feeling that the election of a Democratic Governor and a Republican legislature somehow will result in a mutual check of authority in favor of the public. More often, it merely makes difficult the teamwork and mutual confidence essential to the cooperative functioning of government and produces stagnation.

In any case, whatever its cause, the failure to relate the candidate and his political party to a set of philosophical concepts is culpable ignorance. The political parties of our Nation are often negligent in their obligation to inform, but to a greater degree, the voter has been derelict in his moral responsibility to inform himself.

Not enough Americans are politically active. A small core of party members is devoted and well-informed. This informed activity, however, does not extend to the grass roots. The average citizen is thoroughly unacquainted with his representative in government, on whatever level. This is incompatible with the moral responsibilities of the citizen in a democracy.

One of the most significant issues confronting our party, both here in King County and nationally, is the battle against political dropouts.

The young democratic organizations are in a remarkable position to attract to active participating membership in our party young men and women of high idealism and vigor. Year after year, both collegiate and non-college clubs draw into their ranks persons whose qualities of leadership and academic or professional training would make them assets to our party, and whose intellectual gifts are vitally needed in councils such as this one.

What happens to these young people? Some continue their party activity and assume positions of leadership, but the majority disappear into the sea of humanity, voting perhaps, but having no more active association with the party of their choice. These are the political dropouts.

In the two political parties, there arise periodically young men and women whose capabilities are readily apparent to long-time party workers. Sometimes they are active to the point of becoming candidates for public office. And then one day they are gone. They fade into the ranks of business, industry or private practice, while their talents are lost to formal party organization. They, too, are political dropouts. Our Nation, our State, our political parties can ill afford this constant and expensive loss.

We must study cautiously the entire question of the political dropout. We must develop programs for recruitment, establish training institutes, a program of political apprenticeship, probably informal, which will transform the dilettante into an informed and responsible party worker.

The exact formula for the prevention of dropouts we will develop with time. The need for action in this area, however, is immediate. The luxury of the dropout we can afford no longer.

In Washington State politics, every candidate is on his own. There is no official slate of candidates, nor does anyone ride free to

public office on the record of another. We know every candidate must win or lose on his own merits. However, in the field of applied politics the case is not that simple. The fight for the improvement of social organization is not alone a matter of voting right, nor is it limited to one branch of government. It is a team effort. It necessitates the cooperation of every level of government and the informed participation of society.

If we believe in the issues which compose our platform, we must fight for them at every level. There are times when passively voting is not enough, times when one must come dynamically forward to lead. This burden of leadership, which rests most heavily upon public and party officials, includes the quest for men and women of quality to fill posts of public responsibility.

It is the responsibility of the permanent party organization not to select a specific candidate, but to create through whatever means a milieu in which individual political activity can be meaningful. In this, the educative function, we have made our most grievous failure.

The educative function is sharply divided. On the negative side the parties face a major task: That of destroying the unpopular public image of the politician. We must ventilate the smoke-filled room.

The public must be made aware of its moral responsibility for the actions, right or wrong, corrupt or honest, of its government. The erroneous concept of the government as a moral entity apart from the people must be dispelled.

The positive side of the educative function of a party is much broader and much more rewarding, the obligation of creating an informed, responsible, and politically aware electorate. This involves a program of public information, presenting issues in an intelligent and frank manner through whichever media are most effective. Part of the educative function of the parties must be directed to the exposure of the records of incumbent officials to the light of intellectual scrutiny. This cannot be a transient effort, put forward for one campaign. We must fight for the development of permanent machinery through which factual information can be carried to the most isolated citizen.

A tyranny of words has developed in America which the public speaker must avoid for fear of evoking an emotional response wholly destructive of rational processes. So great has this philological oppression become that certain areas of public discussion are no longer meaningful and often are politically dangerous.

In no area is this more apparent than in discussion of the international Communist conspiracy. A vocabulary, weakly defined and indiscriminately applied, has been developed by the extremists of the right and of the left.

The challenge of international communism is certainly one of the more significant problems facing the American people. Unfortunately, the heat generated by the extremists of the right largely has obscured the really vital issues of our conflict with communism. Dealing almost exclusively in unsubstantiated charges, they have appealed to jingoistic emotionalism and have triggered an equally emotional and often unrealistic reaction from the radical left.

We have moved from the era of McCarthy to that of the John Birch Society and General Walker. They are equally dangerous. Emotion and unreasoning partisanship are no substitutes for factual and rational consideration of issues on their merits.

Most dangerous, perhaps, is the element of unofficial censorship which impels public officials to a careful middle-of-the-road position, inconsistent with fact but politically safe, arbitrarily excluding from considera-

tion solutions which otherwise might be advisable and desirable.

There must exist an atmosphere of intellectual freedom, freedom from tyranny either of the left or of the right, in which issues, no matter how controversial, may be granted a judicious hearing. In this regard, the educative function of the party can be a determining factor.

One hears constant complaint about the encroachment of the Federal Government into local affairs. This situation could be defined more correctly as the abdication of responsibility by local agencies and by the citizens behind them. In the search for a broader revenue base, increasing demand is made for Federal aid.

Local government officials are severely underrated. Their positions are extremely difficult, and are made increasingly so because of the irresponsible attitude of certain political leaders and citizens' groups. If a street is in ill repair, if traffic is congested, if urban renewal is needed, if schools are overcrowded, there is complaint and an accusing finger is pointed at the officeholder.

Immediate action is demanded by the citizen while the political opposition makes reference to a "do-nothing" mayor, a "do-nothing" legislature, or a "do-nothing" Congress. The public is urged to "throw the rascals out." When taxes are raised to pay for the desired improvements and services, citizens and political opposition alike charge the harassed officials with being "spenders," increasing the national debt, engaging in "backdoor spending."

The Democratic Party especially is accused of offering something for nothing, and is labeled the party of big public spending. No responsible politician offers something for nothing, whether Federal aid to education, medical care for the aged, unemployment compensation, manpower retraining, urban renewal, or what-have-you.

You and I pay for every benefit received. Hopefully, we do so willingly, with a full understanding of the reasons for so doing. I suggest it is time the public and the politicians grew up.

In this area, major political parties could do a tremendous job of public education. Both could build understanding which would serve our area well in dealing with the challenges of the public sector. We as Democrats have a duty in this regard. Ours is a rare opportunity.

The growing significance of local government is apparent to any student of the national scene, the drive for a Department of Urban Affairs, the growing emphasis on city planning, the birth of the megapolis, the flight to suburbia.

Yet, it is in the area of local government where the political parties have failed. To the citizen-voter, a Senator or a governor is easily identifiable both by party and accomplishments. They are recipients of praise or the targets of criticism, but what of the county commissioner, the city councilman, the State legislator?

On the ballot, generally, positions below mayor and attorney general melt into a sea of names. Have you perhaps said: "I vote Democratic in the important races, but in the local races, I vote for the man." Have you left part of the ballot blank because you were uninformed?

Regrettably, we as a party have nourished this tendency. We, too, tend to regard local races as unimportant. If we elect a Governor or a Senator, if our man is in the White House, we are satisfied.

We forget that county, city, legislative and congressional seats, if held by Republicans, are held by men whose philosophy of government is different from our own. The teamwork required by the democratic system of government permits no first citizen, no prima donna, only men and women who are dedicated to hard work in the public

service. Municipal, county, State and Federal Government are separate professional areas of public service, each with its own area of responsibility, but each equally important, equally honorable, in the composite of American Government.

The concept of political teamwork is nowhere more apparent or more necessary than in Congress. The Constitution divides legislative responsibility equally between the Senate and the House of Representatives. The two Houses are equal and coordinate. To become law, general legislation must pass both Houses of Congress; neither the Senate nor the House is complete without the other.

The congressional balance of power has alternated periodically between the two Houses. Sometimes this alternation has resulted from strong and dynamic leadership. The absence of a directing force, however, can be equally powerful, generally in a negative way. The House, to a far greater degree than the Senate, is responsible to public opinion, but it can also be far more provincial, depending upon the degree to which public opinion is enlightened and the electorate responsible.

Power in the 87th Congress has fallen to the House, and in this instance it appears to be more nearly a negative power wielded by the chairman of a few committees and strongly influenced by the Republican-southern Democratic coalition.

Evidence of this is not difficult to find. The Senate, last year, passed the administration's aid-to-education bill. Further consideration of this vital legislation is virtually impossible without the consent of the House Rules Committee.

This consent has not been forthcoming, largely as a result of a Republican-southern Democratic coalition among Rules Committee members.

The important King-Anderson proposal for medical care for the aged under social security is presently before the House Ways and Means Committee, and in spite of the efforts of the northern and western liberals it may stay there. It was in the House that the minimum wage bill was weakened by crippling amendments.

Five more liberal, Democratic Congressmen from the State of Washington, not only voting, but working in committee and fighting in defense of our democratic philosophy, would have been of inestimable value in projecting these critical legislative programs for which JULIA and I fought.

Seniority is a major consideration in the House, involving committee assignments, prestige, power, and to a high degree the capacity of a Member to serve his district effectively. Because of seniority, the South dominates many of the committees.

Rapid rotation in congressional office has cost the far West dearly in this regard. Among Democratic Congressmen from the 12 Western States, excluding California, only three Members have served more than five terms. This can be critical.

On the House Foreign Affairs Committee, for example, only one Democrat, Congressman SAUND of California, is from the West. On the Agriculture Committee, the first 10 Democrats are from the South. On Banking and Currency, there is only one western Democrat, CLEM MILLER of California, and he is in 13th ranking position.

Seniority is a gift of a congressional district to itself. It is an investment which can return major dividends.

We desperately need in the House men and women of quality who are devoted to House service, who will study hard, gain a certain expertise in their respective committee and area interests, and stay in the House long enough to become effective Members.

How is it that we as a party are willing to content ourselves with the election of two Democratic Members of a seven-man congressional delegation?

Through the years, we have had some extremely able men seek congressional seats under the Democratic banner. Too often, competent men have lost bids for public office because they fought alone, without a helping hand from incumbents, without the benefits of effective party organization, in an intellectual atmosphere untouched by the educative function of the party. In some instances, the failure was within their own organizations. Regardless, their considerable talents have been lost to us. As century 21 approaches, this waste is a luxury we can ill afford. It is insensibly irresponsible.

Have we come enough? If the answer is "No," then we must proceed along a more vigorous path and face squarely our moral obligations as citizens, our more specialized obligations as members of a political party.

We must expand the educative function of the party to create a better informed and more responsible electorate, creating a great fund of understanding.

We must strive to create new and more effective media of communication with the public and encourage debate of public issues.

We must establish permanent facilities for research, a party archive and library, perhaps in each congressional district. We need to conduct studies and build a backlog of support material to aid public officials and precinct and district workers.

We must, in our consideration of public issues and of the opposition, assume a more temperate posture, substituting reason and fact for ridicule and derision.

We must urge our opposite numbers of the Republican Party to raise campaign standards and to create a more intellectual and respectable milieu for political activity. This can be done in part through example. We must clean up our public image. We must avoid extremes of political partisanship so that politics can hold, as a profession, the honored place it deserves.

We must battle against political dropouts, encourage political awareness among students, work devotedly with young Democrats. We must encourage young people to enter politics, either as a profession or as an avocation, and to stay.

We must build closer cooperation among all levels of Government, working together as a team, without jealousy, without rancor, the public betterment our common objective.

We, the American people, are entering a period of dynamic and incredibly complex change. The next decade well may see the alteration of our entire way of life. Scientific advance beyond conception and technological change fill our forward path with exhilarating expectations.

We must face destiny with courage and determination, and yet with care that the prophecy of Orwell is not our fate. Progress must be used to aid mankind, not to enslave him. With full awareness of potential dangers, we must think positively. Technological change should represent freedom from unnecessary labor, not unemployment. Atomic energy should inspire power for peaceful uses, not instruments of war. Growth should be thought of in terms of opportunities, not of burdens. The choice is ours to make.

Our strivings for world peace must be ceaseless. We can afford to leave no avenue unexplored in searching for ways to ameliorate man's relations with man. We must strengthen realistically U.S. support for the concept of world peace through the rule of law. We aspire to world moral leadership by word and by deed. We dedicate ourselves as individuals and as a nation to the ideas of human dignity and individual worth.

We can do no less than applaud the practical idealism and imagination which inspired the creation of the Peace Corps. We are awed by the spectacle of Americans of all races and persuasions, of all ages, of diverse skills and backgrounds, going forth

hand in hand with the people of the developing nations in united battle against poverty, disease, ignorance, and hunger.

We are proud of the food for peace administration, an agency devoted to the elimination of hunger by extending the blessing of our agricultural productivity throughout the world. We hope that means speedily will be found to translate our food surpluses into strong and free bodies.

We are pleased that the United States is in a position to extend a helping hand to the newly emerging nations as they grow in freedom. This is a glorious opportunity. We propose to continue assistance to the developing areas, directed toward self-help and self-sufficiency, and we look forward eagerly to the day when the state of the world so shall have improved that foreign aid will be no longer necessary.

We applaud President Kennedy's Alliance for Progress, and, more significantly, his commitment to democracy and freedom for the Americas.

We are pleased by the increase of non-governmental international contact, educational, and cultural exchange, overseas programs of private groups, and by the increasingly enlightened attitude of the U.S. companies operating abroad. We are encouraged by the international trade-union exchange programs which extend the hands of American labor to the workers of the world in a nonpolitical effort to raise working standards and strengthen industrial democracy and freedom. This greater emphasis on the private sector of international contact is indeed a hopeful sign.

To a high degree, the foundation of our future, both as a people and as a world leader, is our American system of education. We must devise means of raising standards of education without endangering academic freedoms. We favor long-term, low-interest loans to academic institutions. We must encourage increasing numbers of students to seek advanced degrees, while cautiously avoiding an over-emphasis of either the social or the physical sciences. It is essential that our moral and intellectual posture be at least on a par with scientific advance.

In natural resource development, in social and humanitarian areas, in labor, and in business, it is the privilege and the duty of the Democratic Party to lead.

In so leading, let us remember always that our primary objective is not the success of the Democratic Party. Political victories are empty unless used to advance the common weal.

Our primary objective is a Nation and a world in which the dignity of man is sacred, and from which fear and hate and hunger are banished into limbo. Let us get on with it.

The Republic of Italy: 16 Years of Progress

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. RODINO. Mr. Speaker, since we shall not here be assembled on Saturday, I wish now to speak about an anniversary that will fall on that day—an anniversary of monumental significance to America and all the free world, as well as to the country wherein it is observed as a national holiday.

It was 16 years ago, on June 2, 1946, that a people tired and exhausted from

the consequences and ravages of a war, cast their lot in a free election—to live under the Republic of Italy.

Italy—a nation of freedom-loving people—from that day when the Republic had its birth has never faltered in her pursuit of the cause of democracy. And, under the wise and dedicated leadership of the Christian Democratic Party—Italy moved forward. And a miracle of recovery took place.

Yet the cause of Italian democracy has had to withstand great pressure. Not too many years ago Italy seemed a country whose problems were insoluble. There was chronic poverty and unemployment. There was the underdeveloped south of Italy, an area of hunger and blight, so movingly depicted by Carlo Levi in "Christ Stopped at Eboli." Thousands of Americans formed their impressions of Italy on the basis of a cycle of realistic Italian films, films which no matter how sympathetically they treated human beings, depicted an environment seemingly harsh and hopeless. It is no wonder that the siren song of communism lured many Italians.

Yet communism was never able to claim the allegiance of the majority of the Italian people. This was graphically illustrated in the late forties, the era of communism's greatest power in Western Europe. In 1948, when the first elections were held under the newly completed constitution, and when Italy was deep in economic gloom, the Italians gave an absolute majority to the Christian Democrats, the first time that a single party had been given such a majority anywhere in a European parliament in a long, long time. Despite Italy's poverty and unemployment, despite popular distress, the Communists could not gain control of the Government. This was due not only to the promise of Marshall plan assistance, but to the sympathy and bonds of affection which so many Italians have for America. These ties should prove a pillar of strength in the upcoming Italian municipal elections, and in future elections as well.

Working under great handicaps, the early governments of postwar Italy made only slow headway. But their achievements should not be underestimated. The currency was stabilized. A start was made toward agrarian reform. The domestic disorder, so often fomented by the Communists, was met and mastered. And Italy was brought into the Atlantic community as a respected equal partner. The foundations were laid for the booming, dynamic Italy of today. Looking backward, I should say that these were no small accomplishments.

But it is the Italy of today with which we are concerned. I had the good fortune to be in Italy only last year, in connection with the celebration of the hundredth anniversary of Italian unity. I had occasion to observe the Italian miracle at first hand, and it is fantastic, simply fantastic. But do not take my word for it. Just examine the facts. First, Italy has doubled her industrial production in the past 10 years. Her enterprise, expansion, and rate of growth are tops in Europe. The final gross national product growth rate for 1961 was 7.9 percent in real terms. This was

higher than in any other country in the Common Market, and far higher than right here in the United States. Second, Italian trade has grown at a prodigious rate. Exports increased between 1955 and 1961 not by 25 percent, not by 50 percent, but by over 155 percent. Imports increased for the same period by over 114 percent. Third, this has given Italy one of the strongest currencies and one of the strongest gold and foreign currency reserve positions in the Western World. What more dramatic proof of Italy's sound financial position can there be than the fact that twice during 1962 the United States has borrowed lire from the Bank of Italy in a total of roughly \$75 million, to help our own foreign payments position? Furthermore, the Inter-American Development Bank floated a 15 billion lire bond issue in Rome last April. The proceeds of this issue, freely convertible into any other currency, will be used to finance development projects in 19 Latin American countries that are members of the IADB. Truly the bread we cast upon the waters in the Marshall plan now helps sustain the giver.

How has this Italian miracle been wrought? Well, of course, generous U.S. help was part of it. So was the discovery of huge reserves of methane gas in the Po Valley in 1946, which gave Italian industry, at a crucial time, a cheap source of power. But there were also the vital ingredients of imaginative management and plain hard work. These are qualities which we Americans have always admired and indeed which we have always possessed in abundant measure. We admire them no less when they are found abroad.

None of this is meant to imply that all of Italy's problems are solved. Of course this is not the case. The new prosperity has not radically changed the traditional poverty of the Italian South. Although the government has attacked the problem, there is a tremendous amount yet to be done. In addition, success has brought problems of its own. There is beginning to be, in Italy of all places, a shortage of labor, although this is currently confined pretty much to skilled workers. Rising wages could have a serious effect on production costs and hence on Italy's power to compete in foreign markets. This can be especially important in view of Italy's new dependence on exports. As a nation so heavily committed to exports, Italy is rendered peculiarly vulnerable to the fluctuations of world trade. Finally, the Italian tax and pension systems are in overdue need of reform.

The present Italian Government, reconstituted a short time ago in the so-called opening to the left, aims to embark on a program of social reform. It wants to adopt modern tax and pension systems, build schools and hospitals, make loans to sharecroppers, and generally reduce the gap between the north and the south, the rich and the poor. If it displays the resourcefulness and resolution that has characterized so much of Italian policy these last years, its chances of attaining those objectives should be good. If its efforts are success-

ful, the hard core of Italian communism should suffer further defections.

All the while, Italy has remained a loyal member of NATO. If tremors of neutralism sometimes agitate the Italian political landscape, it should be remembered that Italy has long accepted NATO missile bases on her territory, an action which some of our prominent allies have refused to take. In addition, Italy has been a loyal participant in the drive for an integrated Europe. If Italy would like to play a more active role in the Western alliance, her loyalty to the alliance and her economic performance have certainly earned her that right. If Italian claims to be consulted are pressed, we may be sure they will be pressed with dignity and without petulance.

In short, my friends, Italy has been transformed. In the 16 years of the Republic she has passed from a nation seemingly overwhelmed with insuperable problems, a liability tottering on the brink of communism, to a major asset of the West. Bold and confident, her businessmen look to the new horizons of Asia, Africa, and Latin America. Her government displays a mature self-assurance in domestic and foreign affairs. If it is true, as President Kennedy has recently reminded us, that the United States could learn a few things from a revitalized Western Europe, surely Italy can furnish an instructive example. We in America rejoice at Italian progress, for Italy holds a high place in our hearts. It is one of the gratifying facts of international life that those sentiments are reciprocated.

On this memorable day in the history of a free and great nation, I salute Italy and her brave people.

The Italian Republic

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. BOLAND. Mr. Speaker, due giugno—June 2—is an anniversary of lasting significance in Italian history. It does not mark the beginning of an armed uprising or the end of a war but the date of an election. On the 2d of June 1946 the Italian voters went to the polls to make two choices. First, they voted for members of the constituent assembly. And, secondly, they voted on whether or not to continue the institution of monarchy.

Although the results of the assembly election have passed into limbo the outcome of the referendum on monarchy made June 2 a high water mark in Italian history. For that reason the circumstances of the election are worth recounting here.

When Rome was liberated in 1944, King Victor Emmanuel withdrew from public life. He had been identified too closely with the Fascist regime. During the 2 years before the June 2 refer-

endum Crown Prince Umberto took his place.

The 2-year period was marked by deliberations within the Italian parties on the whole question of monarchy. The Christian Democrats moved to a position favoring a republic. There they joined the socialist parties which had been adamant in their opposition to monarchy for years. The Liberals remained divided, but their leadership from the north was republican in sentiment.

Three weeks before the election the King abdicated and Crown Prince Umberto became King automatically. The 11th hour abdication was interpreted by the republican strategists as an attempt to influence the outcome. Whatever effect it had, the election was a close one. The results announced on June 18 showed 12,717,923 votes in favor of a republic and 10,719,284 in favor of a monarchy.

The Italian Republic born that June of 16 years ago has grown in strength.

The overthrow of the Fascist regime left the new Republic with serious economic problems unresolved—overpopulation, unemployment, and extremes in the distribution of wealth. Generous American aid under the Marshall plan helped the Italian Government to start on a program of domestic recovery. The majority party—the Christian Democrat—was able to put through a program of economic reform by astute parliamentary maneuvering.

Italy rose quickly from the status of a defeated enemy nation to an active partner in the Atlantic Community. In February 1947 the peace treaty was signed to end Allied occupation. Italy is now a member of the North Atlantic Treaty Organization. In 1955 she was admitted to the United Nations, and in 1957 the Italian Government entered the European Common Market.

Today the Italian Republic has earned an honored place at home and abroad. Italian fashions and industrial designs have revolutionized established patterns. In the arts, Italian films and novels have earned the respect of international critics. But the most significant achievement of the postwar years has been the emergence of democratic government. It is a pleasure to salute the Italian Republic in its 16th year.

Temporary \$8 Billion Increase in Debt Limit Would Not Be Necessary Were It Not for Increase in Interest Burden Federal Government Has Borne Since 1952 Because of Hike in Interest Rates

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. PATMAN. Mr. Speaker, under permission previously granted, I wish to insert in the Record my testimony today before the Ways and Means Committee in connection with the hearings

to increase the temporary debt limit of the Federal Government by \$8 billion:

STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. Chairman, my name is WRIGHT PATMAN, representing the First Congressional District of Texas in Congress since 1928. I am a member of the Joint Economic Committee, the Small Business Committee, and the Banking and Currency Committee.

Your invitation to comment on the proposal to increase the debt limit is most appreciated. You have been very courteous to me, Mr. Chairman and members of the committee, in my numerous appearances before you. As long ago as February 1943, the committee afforded me an opportunity to be heard on one of the first debt increase bills necessitated by World War II. At that time I urged that money needed to finance the war be raised to the fullest extent possible through taxes, and that necessary debt increase be financed from savings and not from bank-created money. Nearly two decades later, I am of the same view on these points.

May I reiterate my general philosophy on the debt question? It is my belief that the Federal debt should be reduced in good times when a budget surplus is being achieved. It is recognized, of course, that when business is in a recession and unemployment is large, debt retirement is difficult and, indeed, might have an adverse effect on the economy. However, although we have great demands on the budget for essential programs, such as national security, and so on, there is one way in particular by which enormous savings could be made. I refer to the excessive interest burden which the Government bears at this time.

INTEREST CHARGES TAKE 10 CENTS OUT OF EVERY BUDGET DOLLAR

As this committee well knows, in the 1962 budget 10 cents out of every dollar goes for fixed interest charges. This is one of the major budget items—an item larger than agriculture, which requires 7 cents out of the budget dollar, and an item larger than veterans' payments, which take 6 cents out of the dollar. In fact, a chart in the 1962 budget review shows that the largest budget category is major national security, international, and space expenditures—which takes 62 cents out of the budget dollar. Fixed interest charges are second, with 10 cents out of the budget dollar.

HALF OF 1963 INTEREST ON DEBT DUE TO HIKE IN INTEREST COST SINCE 1952

In the course of the recent Joint Economic Committee hearings on the President's Economic Report, several members of the committee expressed concern over the effects of the upward trend in interest rates over the postwar years on the cost of carrying the Federal debt. Since the budget for fiscal 1963 estimates interest costs for the year at \$9.4 billion, I asked the Director of the Budget if he would estimate what this cost would be on the same amount of debt, at interest rates prevailing during the two previous administrations. According to the estimates submitted, the interest cost for fiscal 1963 would be \$6.6 billion at the average rates prevailing in the period 1946-53; and the cost would be \$7.1 billion at average interest rates prevailing in the years 1954-57.

I think these estimates submitted by Mr. Bell are conservative. My own estimate is that for fiscal 1963 nearly half of the over \$9 billion interest cost is due to the increase in interest rates since World War II.

Annual interest burden to the Federal Treasury amounting to over \$9 billion is a tremendous sum, but the tragedy is that it is a sum of money which is nearly double what it would be if interest rates had not been boosted so sharply during the past 15 years.

As a matter of fact, Mr. Chairman, the \$8 billion so-called temporary increase in the debt limit being considered today would not be necessary were it not for the increase in interest burden which the Federal Government has borne since 1952, because of the hike in interest rates.

ADDITIONAL FEDERAL INTEREST BURDEN \$8.5 BILLION SINCE 1952

With your permission, Mr. Chairman, I would like to offer for the record a tabulation prepared from Department of Commerce data

showing the amount of the Federal debt, the actual interest paid on the Federal debt, the computed average interest rate paid on the debt, and the additional interest paid in each of the years 1953 through 1960 over and above the amount of interest that would have been required at the 1952 interest rates paid by the Federal Government. Let me highlight this by pointing out that over this period, 1953 through 1960, there has been an additional burden of interest amounting to \$8,457 million.

Computed additional interest cost on Federal debt, 1952-60

Year	Average total Federal debt ¹	Actual interest paid	Computed average interest rate	Estimated interest based on computed 1952 rate	Difference	Cumulative difference
	Billions	Millions	Percent	Millions	Millions	Millions
1952	\$274.8	\$6,290	2.289	\$6,290		
1953	284.3	6,637	2.335	6,508	\$129	\$129
1954	291.9	6,887	2.359	6,682	205	334
1955	298.1	6,863	2.302	6,824	39	373
1956	301.2	7,596	2.522	6,895	701	1,074
1957	301.1	8,354	2.775	6,892	1,462	2,536
1958	306.2	8,021	2.620	7,009	1,012	3,548
1959	316.3	9,212	2.912	7,240	1,972	5,520
1960	321.3	10,292	3.203	7,355	2,937	8,457

¹Includes categories of debt not subject to statutory debt limit.

Source: U.S. Department of Commerce: Debt figures represent averages of beginning and end of year totals shown on p. 388, "Statistical Abstract of the United States, 1961"; interest paid secured from national income supplements, Survey of Current Business.

In other words, if interest rates on the Federal debt had not been increased between 1952 and 1960, the debt would have been smaller by nearly \$8½ billion. Complete figures on interest payments for the year 1961 will not be available until next July. However, we know that the figure of \$8½ billion will be boosted by several billions more.

ADDED INTEREST BURDEN ON TOTAL PRIVATE AND PUBLIC DEBT NEARLY \$49 BILLION SINCE 1952

Again based on Department of Commerce data, it is possible to estimate the additional

interest burden that the whole economy has had to bear because of the sharp increase in interest rates since 1952. In 1960 total public and private debt reached the astronomical magnitude of more than \$1 trillion. On the total of public and private debt, the additional interest paid because of the rise in interest rates since 1952—cumulated for the years 1952 through 1960—reached the enormous sum of \$48,542 million.

With your permission, Mr. Chairman, I offer statistical documentation for that statement.

Computed additional interest cost on total public and private debt, 1952-60

Year	Average total public and private debt	Actual interest paid	Computed average interest rate	Estimated interest based on computed 1952 rate	Difference	Cumulative difference
	Billions	Millions	Percent	Millions	Millions	Millions
1952	\$626.7	\$19,523	3.115	\$19,523		
1953	665.0	21,732	3.268	20,715	\$1,017	\$1,017
1954	699.0	23,489	3.360	21,774	1,715	2,732
1955	750.3	25,808	3.440	23,372	2,436	5,168
1956	808.8	29,487	3.646	25,194	4,293	9,461
1957	850.1	33,616	3.954	26,481	7,135	16,596
1958	893.4	35,517	3.976	27,829	7,688	24,284
1959	951.9	40,275	4.231	29,652	10,623	34,907
1960	1,006.4	44,984	4.470	31,349	13,635	48,542

Source: U.S. Department of Commerce: Debt figures represent averages of beginning and end of year totals shown on p. 388, "Statistical Abstract of the United States, 1961"; interest paid secured from national income supplements, Survey of Current Business.

Mr. Chairman, I appreciate the enormous burdens this committee bears with so many serious matters to be considered, and I wish to be very brief today. Therefore, with your permission may I include in the record at this point my testimony on increasing the debt limit in the hearings of January 17 and July 30, 1958:

[From hearing before the Committee on Ways and Means, House of Representatives, 85th Cong., 2d sess., on H.R. 9955 and H.R. 9956, bills to provide for a temporary increase in the debt limit of the United States, Jan. 17, 1958]

STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. PATMAN. Mr. Chairman, my name is WRIGHT PATMAN, and I represent the First

Congressional District of Texas, and I have been serving in Congress since 1928. I am a member of the Joint Economic Committee, the Small Business Committee, and the Banking and Currency Committee.

The CHAIRMAN. You have been the chairman of committees in Congress for quite some time, particularly the Committee on Small Business, and you have done a good job, as we all recognize.

We are glad to have you with us today. You are recognized to proceed in your own way.

Mr. PATMAN. I am here to discuss the increase in the debt limit. I am tempted to comment on what Mr. Brundage, the Director of the Budget, has said, but I shall not do so in view of the hour. I feel it would be an imposition on the committee.

I will say only that Mr. Brundage dug up a lot of snakes to kill, and I doubt very much that he will be able to kill those snakes during this session of Congress.

This resolution, H.R. 9955, by Chairman MILLS to raise the debt limit by \$5 billion is the matter I desire to discuss. Naturally, I do not believe any Member would oppose an increase in the national debt if it is needed for national defense. If this committee, in its wisdom, sees fit to increase the national debt, I have a condition which I hope that you will place upon the authorization.

Secretary Anderson mentioned that we have a law now which permits the Secretary of the Treasury to sell securities in an amount up to \$5 billion, directly to the Federal Reserve banks. If that were done in this case, it would save the Government, it is estimated, about \$163 million a year.

The condition that I would like to ask the committee to consider, in the event this raise is granted, is that you make the requirement that this \$5 billion be sold directly to the Federal Reserve System.

In other words, this is the language:

"All Federal debt in excess of \$275 billion must be in securities held by the Federal Reserve System on direct purchase from the Treasury."

In addition to saving a large amount of money, this will cure situations that have been complained about by the Secretary of the Treasury and many people in business, banking, and finance.

While Secretary Anderson is appearing before this committee in support of the resolution to raise the debt limit by \$5 billion, he also has a letter filed with the Banking and Currency Committee asking for continuance of the authority in the Federal Reserve Act whereby the Federal Reserve System can purchase up to \$5 billion of securities from the Treasury. This authority has been extended every 2 years, and there has never been opposition to it.

Up until 1935, there was no limit of \$5 billion and the authority was without a time limit. Since 1942 it has been \$5 billion, and the time limit has been 2 years, but the authority has always been extended each 2 years.

Now, in the letter that Secretary Anderson wrote to the Banking and Currency Committee asking that this authority be extended, I submit, he gives reasons in support of the argument that I am making now which is that you should attach a condition to this increase of \$5 billion to the national debt.

I will quote from a letter signed by Robert Anderson, Secretary of the Treasury, dated January 3, 1958:

"We recommend that the temporary authority be extended an additional 2 years. The direct purchase authority is of important assistance to the Treasury in smoothing out the effect of short-run peaks in Treasury cash receipts and disbursements so that the disturbing effect of their flow through the banking system may be held to a minimum. Also, if the Treasury did not have the authority, it would be necessary to maintain larger cash balances than is now the case. The authority is only used occasionally, primarily immediately preceding periods of heavy tax payments. However, it is an essential fiscal mechanism in avoiding unnecessary strains on the money market at such times, and in handling the distribution and utilization of Treasury cash balances and holding them to a minimum. Any borrowing under the authority is, of course, subject to the statutory debt limit.

"There is attached a table showing the holdings of the Federal Reserve banks under the direct purchasing authority from 1942 to the present time."

Now, then, in connection with Mr. Anderson's statement to the press when he announced he was going to ask for this increase in the debt limits, he was quoted in

last Tuesday's Washington Evening Star as follows:

"As we seek to manage the debt of the great proportions that we have, we ought to have the ability to use the best and most efficient mechanisms that we can, and some consideration has to be given to a sufficient flexibility that will allow us a capacity to do as good a job as we can in the management of the debt."

I suggest that the purpose for which he is asking for an increase in the debt ceiling is the same purpose that he has given in his letter to the Banking and Currency Committee asking that the Federal Reserve purchase authority be extended another 2 years from June 30, 1958.

Mr. Burgess testified the year before last in support of extending the Federal Reserve purchase authority. Mr. Burgess was, of course, Under Secretary of the Treasury under Mr. Humphrey. I will quote here what he said:

"The primary purpose of this direct borrowing authority has been to help the Treasury and the Federal Reserve System work together in minimizing the disturbing effects on the economy of short-run peaks in Treasury cash receipts and disbursements, particularly around the time of quarterly income tax payments.

"Short-run movements of funds are large and precise estimates of their day-to-day pattern are often difficult. This direct borrowing authority is a useful mechanism for the Treasury and the Federal Reserve and its use avoids unnecessary strains on the money market on a number of occasions."

That is the reason for this \$5 billion authority.

Mr. EBERHARTER. Was that testimony before our committee.

Mr. PATMAN. It was before the Banking and Currency Committee on February 29, 1956, nearly 2 years ago. That was when the question of renewal of this \$5 billion authority was up. Every 2 years it is up, and we always have a short hearing, but no objection to it.

Now, in the same hearing there was the testimony of the Honorable William McChesney Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System, who also endorsed the bill for the continuance of this \$5 billion authority. Mr. Martin described the purpose of this authority as follows:

"This is an operating convenience under which the borrowing is always of a strictly temporary nature and occurs primarily in tax payment periods. The authority has made it possible around such times for the Treasury to bridge temporary gaps between the Treasury's payment needs and its tax receipts, and in this way to smooth out some of the uneven flows of funds through the banking system and the money market that would otherwise result from the Treasury's operations.

"Avoidance through this method of Treasury borrowing of the sharp strains on the banking system that would otherwise arise from the sudden strains on the Treasury accounts with banks is equally as helpful to the Federal Reserve in carrying out its parallel responsibilities in the field of monetary and credit policy as it is to the Treasury in administering its fiscal responsibilities effectively."

So, as to the Federal Reserve purchase authority, we have the endorsement of not only two Secretaries of the Treasury, but we have the endorsement of the Federal Reserve.

Now this point is unmistakably clear: The purpose for which Secretary Anderson has explained he needs the \$5 billion increase in the debt ceiling is exactly the same purpose which has been repeatedly given for the Federal Reserve purchase authority. The purpose is to absorb temporary increases in

the Federal debt which are needed because of seasonal and other mechanical factors affecting the flow of revenues into the Treasury. And the seasonal factors have been demonstrated.

If you will turn to one of the charts that Secretary Anderson has presented, chart 5, you will find that every year there is a deficit at a certain period of the year and a surplus at another period of the year. So the object of this \$5 billion is to smooth that out.

It is for these reasons, then, that I ask the committee to consider attaching to the \$5 billion increase in the debt ceiling a requirement that, if and when any part or all of this authority is used, it will be used by selling securities directly to the Federal Reserve System under the authority now provided for this purpose in the Federal Reserve Act. None of this latter authority is in use at the moment, so the full \$5 billion is now available. Direct purchase by the Federal Reserve System is best suited for handling the problems which the Secretary has described as making necessary this \$5 billion increase in the debt ceiling, and it will save the Government about \$163 million a year in interest charges.

That concludes my recommendation for specific action at this time, Mr. Chairman, but, if I may, I would like to offer several general suggestions which I think the committee might consider at some future time.

I personally feel, Mr. Chairman, that this committee should give serious consideration to setting up a policy of debt retirement that is more satisfactory than at present. We should have a scale of set-asides that would apply at different levels of prosperity—say with a minimum of 2½ percent in periods of general prosperity. This debt retirement budget can then be included as a part of the general budget, and Congress should then stay in session each year until we balance the general budget.

We must have debt retirement. There are all kinds of clamor for more and more debt. It is piling on the American people all of the time.

There are no plans for retirement of debts. You very seldom hear anything said about retirement of debts. Debts should be retired.

We ought to pay them off, and, if necessary, go into debt again, but we should have a definite plan for the retirement of our national debt. We should not let it go up this way.

Now, there are two or three other suggestions, Mr. Chairman, that I would like to add. There are other ways to save. We have a fine Federal Reserve banking system. We have a fine commercial banking system. It is great because it is operating in a capitalistic economy, the kind we all agree that we should have. It is the best in the world.

It is not perfect, but there is nothing wrong with the Federal Reserve that a couple of good amendments would not cure. It is the same way with the commercial banking system. It is as good as any system on earth. We want to encourage it.

Now, the Federal Reserve System has been used in the past, not so much by the Government, but by others. We are fortunate that we have the Federal Reserve banking system. It is subject to the orders of Congress. It is an agency of Congress. It is a servant of Congress.

Of course, all of its assets and all of its powers and privileges are subject to the call and the will of the Congress of the United States. No one questions that. The Federal Reserve System can be used now to a better advantage than it has ever been used in the past.

The Government owns the Federal Reserve System. It owns it entirely—lock, stock, and barrel. I know there is sentiment around over the country saying, "Well, the banks own the Federal Reserve System."

Of course the banks do not own the Federal Reserve System. Over the years I have interrogated Mr. Eccles, and Mr. Martin and different people about it, and I think that Mr. Martin has finally come up with an appropriate and correct phrase that explains it. When I ask him now about the ownership of the Federal Reserve System, he always says that the banks have a "nonproprietary interest" in the Federal Reserve System.

That is correct. It is a nonproprietary interest, and no other. The Government owns it and should use it. Now is the time to use it. So in the future when these securities come up for issuance, in addition to this \$5 billion we have been discussing today, the Treasury should be asked by this committee to consider offering these securities first to the people. Encourage individuals to buy and encourage corporations and partnerships and insurance companies to buy them.

But say, "After you have sold, Mr. Secretary of the Treasury, all of the securities you can to people who have the money to pay for them, then instead of selling them to the commercial banks that create the money to buy them, sell them to the Federal Reserve." When the commercial banks buy Government securities, they create the money for this purpose, on the credit of the Nation, and then collect interest from the Government.

The Treasury could sell them to the Federal Reserve and pay the same rate of interest, but the money will flow back over into the Treasury.

Last year the Federal Reserve had earnings aggregating approximately \$600 million. And \$542 million of that money flowed over into the Treasury at the end of December 1957.

In that way we would pay the interest, but it would come back to the benefit of the taxpayers.

The latest figures, Mr. Chairman, for the year 1961 show that the Federal Reserve had current earnings of \$942 million, from which current expenses of \$161 million were deducted, leaving net earnings of \$780 million. Of that, \$687 million was paid to the U.S. Treasury.

There are other ways of saving money. I shall briefly discuss one, since Mr. Anderson mentioned it, and it is almost a challenge to me. He said he wants to keep on deposit with the commercial banks and the Federal Reserve banks an average of \$3.5 million a year. Three million dollars of this will be in deposits with the private commercial banks. This is according to the way the Treasury is now operating.

Now, I like Secretary Anderson, and I think he is a great man. I do not think President Eisenhower could have selected a better man to be Secretary of the Treasury. But I think he is clearly wrong about that. Why should he keep idle an unused \$3 million in the banks of this country? Do we owe them that obligation?

We have been keeping from \$3 billion to \$6 billion in the banks at all times, and I do not think it is justified, because it has been costing the people from \$120 million to \$240 million a year. The people pay their money for these bonds, and then the money is put in the banks and kept there idle and unused. Official records disclose, and I have the official records here, that for the last 8 months of last year we averaged \$4 billion in the banks at all times.

To bring this up to date, Mr. Chairman, as of May 24, 1962, tax and loan accounts of the Treasury on deposit with commercial banks amounted to \$7,039 million, to which should be added another \$463 million of other Treasury accounts in commercial banks. Incidentally, the so-called class C banks—the largest banks, of which there are

only 51—held \$3.7 billion of the Treasury tax and loan accounts as of May 24, 1962—a very high proportion of the total. On the average throughout the year the Treasury has some \$5 billion idle and unused on deposit with commercial banks.

Now, I do not object to paying the banks for their services. If they do any service, let us pay them for it. But let us not just keep billions of dollars on deposit with the banks, receiving no interest on the money while the people are paying a high interest on it. That would save at least another \$150 million a year.

This morning when Secretary Anderson mentioned this matter of deposits, I sent out and got the New York Times. The New York Times and the New York Herald Tribune are two papers, I know—possibly there are others—which every Friday issue a New York Clearing House statement. This shows the amount of Government deposits in the banks in the New York Clearing House Association.

There are certain banks that keep over \$100 million, almost invariably, of Government money that the Government receives nothing for, that the people are paying interest on. That just does not seem right to me.

This morning's statement is lower, I will admit. Secretary Anderson said it is lower than it has been for a long time. It is so low that one New York bank that normally has \$150 million had only \$72 million last night. Another one has \$45 million. Another one has \$36 million, and so forth.

All over the country the Treasury normally keeps from \$3 billion to \$6 billion in the banks.

Now, remember, gentlemen, these deposits in the private banks are not within the reach of the checkbook of the Treasury. The Treasury does not give checks on these banks. The Treasury cannot pay bills by checking on these accounts, the Treasury writes checks only on the Federal Reserve banks. So another operation is necessary before that money can be used by the Government. It has got to be brought into a Federal Reserve bank before it is possible for the Treasury to use it. So why should we keep idle and unused \$3 billion in banks away from the reach of the Treasury? It just does not make sense, common, book, or horse.

I am not trying to undermine the banks. I like the banks, and I want them compensated for everything they do. I want a profitable commercial banking system, the kind that makes our country stronger. I am all for that. But things like this just don't make sense.

The banks get pretty good support from the Government in other ways. The banks benefit by over \$100 million every year from Government funds for the cost of clearing their checks and things like that. In other words, the Government is paying for their private business.

Now, \$100 million a year ought to be enough without giving them the use of \$3 billion to \$6 billion of Federal funds at all times without interest payments. I hope I am not unreasonable about this, and I hope you gentlemen will consider this along with these questions of the public debt and other monetary and fiscal matters.

I want to thank you very much, Mr. Chairman, and may I be allowed to extend and revise my remarks?

The CHAIRMAN. Without objection, you may extend and revise your remarks. Mr. PATMAN, we appreciate very much your coming to the committee this morning, and the information that you have given to the committee.

Mr. IKARD will inquire.

Mr. IKARD. Mr. Chairman, I have no questions. I want to compliment my distinguished colleague from Texas, who is recog-

nized as one of the authorities on fiscal and monetary affairs, for a very fine and interesting statement, which I know the committee found to be very informative.

The CHAIRMAN. Mr. Eberharter will inquire.

Mr. EBERHARTER. I echo the sentiments expressed by Mr. Ikard, but I also want to ask you one question. Is it your contention, Mr. PATMAN, that, if the Congress were to adopt your recommendation for amending H.R. 9955, the Treasury would have the authority to borrow \$10 billion?

Mr. PATMAN. No; \$5 billion. This comes under the National Debt Act, too. To the extent they use this increase, I want it to be used through this authority of \$5 billion from the Federal Reserve.

The CHAIRMAN. The point is that the \$5 billion referred to in the amendment you suggested to this committee is contained within the overall limit of the debt, whatever that may be.

Mr. PATMAN. Yes, and it is tailor made to fit this case. That is, the \$5 billion asked for by the Treasury and \$5 billion allowed under this authority, and it would save the Government \$163 million.

Mr. KEOGH. May I join in commending our very distinguished and capable colleague for his statement here today.

The CHAIRMAN. Mr. PATMAN, we again thank you, and this brings to a conclusion our public hearing on the bills before us this morning. The committee will adjourn, to reconvene at 2 o'clock in executive session.

(Whereupon, at 1:15 p.m., the committee recessed, to reconvene in executive session at 2 p.m. the same date.)

[From hearing before the Committee on Ways and Means, House of Representatives, 85th Cong., 2d sess., on H.R. 13580 and H.R. 13581, bills to increase the public debt limit, July 30, 1958]

STATEMENT OF REPRESENTATIVE WRIGHT PATMAN, OF TEXAS

The CHAIRMAN. We are pleased to have you with us, Mr. PATMAN. All of us know you quite well and you are recognized, sir, to proceed.

Mr. PATMAN. Thank you very much, Mr. Chairman. My name is WRIGHT PATMAN, and I represent the First Congressional District of Texas. I have been serving in Congress since 1928. I am a member of the Joint Economic Committee, the Small Business Committee, and the Banking and Currency Committee.

I thank the committee for its courtesy in hearing me.

The committee is considering the President's request for authority to increase the "temporary" Federal debt from \$280 billion to \$288 billion, and to increase the "permanent" debt ceiling from \$275 billion to \$285 billion.

Why is the committee giving such serious consideration to this proposal to put the Federal Government further into debt?

Obviously, the answer is that the committee believes that increasing the Federal debt may have important effects on the American people, on the functioning of our economic system, and on the value of the dollar.

I respectfully suggest, however, that the way the proposal is put before you, you cannot make a sound estimate of what its effects will be. You are in the position of a man who is handed a loaded gun without a safety catch.

Many different methods can be used for increasing the national debt, and the effects of the increase will depend upon what methods are used.

Increasing the Federal debt by even the best methods is of course, a serious thing. It is debt any way you look at it, and whatever amount is outstanding creates an interest burden on which all of the taxpayers

must pay, although a relatively few taxpayers reap substantially all of the benefits of these interest payments.

As a Nation, we have been repeatedly remiss in our duty to follow methods which would keep the debt down, and remiss in our duty to pay off some of this debt in periods of great prosperity.

The peak debt of World War II was reached in February 1946, when it reached \$279 billion. Much of that could have been avoided. Substantial reductions were made following World War II but with the Korean hostilities it rose again and was back up to \$259 billion at the end of fiscal 1952. In the prosperous years that followed, it was allowed to rise to \$281 billion by the end of 1955, and it is approximately at that figure now.

The purpose of my appearance is not to oppose the authority asked for, but to oppose the granting of such authority without safeguards against using this authority in imprudent ways which will have unnecessarily bad effects. In my opinion, unless the committee adds some needed specifications and limitations into the bill, this increase in the Federal debt will have enormously bad effects.

It will be enormously inflationary. In fact, a mountain of inflation is involved in this.

It will add huge and unnecessary interest burdens on the taxpayers.

It will bring about conditions which make it unlikely that any substantial amount of the debt will be paid off in the future, and thus unlikely that the taxpayers will ever be relieved of the tremendous interest burden they already carry.

I respectfully ask, therefore, that the committee give most serious consideration to putting four specifications and limitations in the bill, as follows:

(1) Require that the securities issued under the increased debt authority be sold insofar as possible to individuals, corporations, and to savings-type institutions; and that the portion which can be sold only by the creation of new money be sold to the Federal Reserve rather than to the commercial banks.

Now, the reasons for this are quite simple: To the extent that additional securities are purchased by individuals, by corporations, and by savings-type institutions, there will be little inflationary effect.

By savings-type institutions we mean, of course, the savings banks, the savings and loan associations, the credit unions, the life-insurance companies and other such organizations which, unlike the commercial banks, do not create money.

The first objective should, therefore, be to finance all of the new debt it is possible to finance out of savings, both corporate and personal. To the extent that the new securities can be absorbed out of savings, the effect will at least not devalue the dollar.

Selling the new securities either to the Federal Reserve System or to the private commercial banks will mean that the purchasers will create the money with which to buy the securities. In either case, the result will be inflationary, but there is at least one important difference. The interest payments made to the Federal Reserve will automatically come back to the Treasury, which will help to keep the debt down.

What sense is there in allowing the private commercial banks to create the money to buy Government securities, and burdening the taxpayers with interest charges on that money? The commercial banks perform no necessary service whatever in buying Government securities. They perform no service in creating money, on the credit of the Nation, which the Government cannot perform for itself without burdening the taxpayers with interest charges.

To avoid any misunderstanding, let me state, as I have many times before, I am not unfriendly to the private banks. The fact

is, however, that the private banks are the most prosperous segment of our economy today; they do not need more Government subsidies at the expense of the taxpayers. So, it seems to me idiotic for the Government to pay these banks to create money to purchase Government securities. The Government can do this for itself, and for the good and justifiable purpose of keeping the debt down.

(3) Require that all securities sold by the Treasury be sold on competitive bid.

The reason for this is also self-evident.

The Treasury is now selling certain of its securities on competitive bid, and it has an established machinery for this. Each week it sells between a billion and \$2 billion of 91-day bills on the regular Monday bill auction. This auction method leaves no question about what money market rates are, and no guessing about what interest rate must be offered in order to sell the securities. After the Treasury receives all the bids, it knows how much has been bid for, and at what prices, and it then decides what the highest price is it will pay for the hire of the money.

But in contrast, the Treasury issues the greater proportion of its securities at fixed and predetermined interest rates. In deciding what arbitrary rates it will fix on these securities, the Treasury leans heavily on the advice which it solicits from the big bond dealers and other big purchasers of Government securities. Based on the advice of interested parties, the Treasury officials then make a guess at what the interest rate should be. What they are guessing at, presumably, is the lowest interest rate which they can fix on the securities in order to sell them. There is some doubt whether all of the Treasury's guesses in recent years were intended to be low, or intended to help bring about a general increase in interest rates.

(2) Prohibit the Treasury from leaving any of its funds on deposit with the private banks.

The recent practice of the Treasury is to keep funds on deposit with the private banks in amounts ranging from \$3 to \$6 billion during the year, not just during this administration, but long before this administration. Its daily average deposits with the private banks throughout the year runs to about \$3½ billion. The taxpayers are paying interest on this \$3½ billion, while the Treasury is lending it out, interest free, to the private banks. What do the banks do with these funds? They lend them out and draw interest on them. So the taxpayers are paying interest on \$3½ billion of debt which benefits only the private banks, and on which the banks are making a profit.

When the Treasury leaves its funds on deposit with the private banks, there are two bad effects:

(1) The effect is inflationary; by leaving its funds in the private banks, instead of calling them in the Federal Reserve banks, it is adding to the money supply.

(2) The taxpayers are paying interest on money which is idle, insofar as the Treasury is concerned. The money could be used by the Treasury to buy in some of its own short-term obligations and thus save the interest on these obligations.

As had been pointed out many times, the Treasury is in no position to use funds left on deposit with the private banks. The Treasury must first call these funds into the Federal Reserve banks before it can write checks on them to pay its bills. Keeping the funds in the private banks is no convenience to the Treasury. Obviously if the Treasury can maintain an average balance of \$3½ billion in deposits with the private banks, then the Federal debt is \$3½ billion higher than it need be.

In any case, the record shows that beginning in February of 1953, the Treasury has

engaged in repeated "giveaways." Time after time it has fixed rates so high on new securities that the securities were immediately reselling in the open market at prices higher than the Treasury got for them.

As I see it, the Treasury has all to lose and nothing to gain by guessing what the market is. When it guesses too high, it burdens the taxpayers with unnecessary interest charges. But when it guesses too low, there is no offset; it does not sell the securities; and so has to guess again.

So issuing securities at fixed prices and at fixed interest rates is one more factor which makes the Federal debt higher than it need be, and one more factor which diverts the taxpayers' money to meet unnecessary interest charges, rather than going to pay off some of the debt.

(4) Set a fixed percentage by which the Federal debt is to be reduced each year.

For some years now, the debt ceiling has been fixed by law. There have been many times when the ceiling had to be raised, of course. But we still have a ceiling and go through the process of raising it only after a specific review of the conditions which require raising it, on the theory that this tends to hold the debt in check. There is no other reason for having a ceiling. If this procedure does not serve to check unjustified increases in the debt, then the procedure is not only worthless to its purpose, it also involves a waste of time and effort. Few of us doubt that having a ceiling fixed by law does help to keep the debt in check.

But this procedure is one sided. If it is a good procedure for helping to keep the debt from going up, then it should be an equally good procedure for helping to bring the debt down. A fixed schedule for reducing the debt would my opinion help to assure that reductions are made in those periods when reductions reasonably could be made.

Certainly, we have got to do something to stop this process of meeting each emergency by piling new debt on the peak of the previous emergency. And the procedure I suggest is at least worth a try.

Furthermore, this seems as good a time as any for the committee to write into the law a definite schedule for paying off the Federal debt. I would suggest a target of 2 percent per year. There will, of course, be times when no reduction can be made, and an exception to the schedule will be asked for and granted. But at other times such deficiencies should be made up.

As the committee knows, at the beginning of each year the President submits to Congress his Economic Report which sets out the Nation's economic budget for the year ahead. At about the same time the Treasury submits a budget which is drawn up in the light of the President's economic budget. The Joint Economic Committee makes a careful review of these budgets and then tries to inform the whole Congress what the range of economic policies is that can be adopted consistently with the President's economic budget and with the broad objectives set out in the Employment Act of 1946.

There should then be a definite requirement to review the possibility of reducing the Federal debt at this time, along with the review of the other elements in the economic budget. And there should be a definite requirement for a fixed reduction within the year ahead which can be amended only by a specific request and with persuasive reasons for amending the requirement.

Now to summarize. The suggestions which I have made are, of course, not new to this distinguished committee.

In February of 1943, the committee was then holding hearings on one of the first debt-increase bills necessitated by World War II. The first year of World War II had then just ended. The committee was good

enough to hear me on that bill, and I then urged the main suggestions I am making today.

I urged, first, that the money needed to finance the war be raised to the fullest possible extent through taxes. And second, I urged that to the extent that it was necessary to issue interest-bearing debt, this should all be financed from savings, and none with bank-created money. In fact, I proposed that if it did prove necessary to use any bank-created money, then a non-interest-bearing security be issued to secure any money borrowed either from the commercial banks or the Federal Reserve banks. That was a long time ago, and I ask the committee's indulgence for quoting from my testimony of February 13, 1943, as follows:

"The plan proposed will retire a definite amount of the debt each year, thereby reducing annually any inflationary condition that has been brought about because of the war, and more effectively retard inflation than the present system.

"INFLATION IS OUR GREATEST DANGER * * *

"In this emergency, it is necessary that we sell all the interest-bearing bonds that we can to the public, including corporations who have the money to buy them. This is necessary to retard inflation, and it is very helpful to that end. I favor the levying and collection of all the taxes it is possible for the people to pay, in order to reduce the national debt as much as possible each year. After the Government has collected all the taxes it can collect, and has sold all the bonds to the public that can be sold, there will remain 50 percent or more of the funds to be raised which must be obtained from the Federal Reserve banks or the privately owned 14,000 commercial banks of the country that accept deposits, or from both.

"It is this money that must be obtained from the Federal Reserve banks and the commercial banks that I insist can be secured by the Government without an annual interest charge" (hearings before the Committee on Ways and Means, House of Representatives, on Debt Limit of the United States, Jan. 29, and Feb. 13, 1943, 78th Cong., 1st sess., pp. 36, 39).

In the calendar year then just completed, 1942, we paid interest charges of \$1.5 billion for carrying the Federal debt then in existence. The Federal debt had recently risen to a high of \$108 billion, and the bill then before the committee was one to increase it to \$122 billion.

Last year, 17 years later, the interest charges on the Federal debt had jumped to \$7.6 billion, and the debt is now nearing \$280 billion.

In the meanwhile, commercial banks have acquired huge amounts of Federal securities, and the inflation which seemed to me to be our greatest danger in 1943 has greatly undermined the value of the dollar.

Again, 6 months ago, on January 17 of this year, this distinguished committee was again considering a bill to make what was called a temporary increase in the debt ceiling, amounting to \$5 billion. At that time, the committee was good enough to hear me make these same suggestions again. I pointed out, for example, that, if the \$5 billion of new securities were purchased by the Federal Reserve, the interest savings to the Government would amount to \$163 million a year.

I appreciate that the committee in its wisdom did not adopt these suggestions, but may I call attention to some of the events which have taken place since that time?

Since January of this year, the Federal Reserve has reduced required reserves of member banks sufficiently to allow those banks to create, free of charge, \$9 billion of new money. And these banks have increased their holdings of Federal securities enor-

mously. Since the end of January, the weekly reporting member banks of the Federal Reserve System alone have increased their holdings of Federal securities by \$6 billion.

Yet the Federal Reserve had in its surplus reserve account at the beginning of this year some \$800 million. These funds were idle and unused then; they are idle and unused now, \$800 million. There is no conceivable need which could arise in the Federal Reserve System for these idle and unused funds. This money should be used now to pay on our huge national debt.

Finally, it may be of incidental interest that, even in this period of recession, with between 5 and 6 million unemployed, the consumer price index has continued to advance, and was still advancing as of the last report we had.

I appreciate the committee's extreme courtesy in hearing and listening to these suggestions from me again. I do hope that the committee will again give serious consideration to them.

Now, Mr. Chairman, with your permission, I would just like to invite your attention to the Federal Reserve Bulletin which came out this morning. On page 816, you will notice that the country banks—there are 6,051 country banks in the Nation, and they have capital of \$5½ billion—increased their holdings of Government securities in the past year by only a quarter of a billion dollars, or \$250 million.

Now, then, compare that with the Reserve-city banks whose reserves were reduced, which reductions gave them free reserves upon which they could expand \$6 to \$1. Their holdings of Government securities increased from \$16.8 billion to \$19.8 billion in the same length of time, although they have approximately the same capital as the country banks. These 281 Reserve city banks have the same total capital as the 6,000 country banks.

Further, the 14 Chicago banks, central reserve city banks, increased their holdings of Government securities. Having been given free reserves by the Federal Reserve, these banks used them to buy Government securities; they increased their holdings from \$1.8 billion to \$2.4 billion. These banks have only 15 percent of the capital of all of the country banks, but they increased their holdings of Government bonds twice as much the past year.

There is one other illustration. The New York City banks, central reserve city banks, 18 of them, have a capital savings equal to about 60 percent of all the 6,000 country banks, but they increased their holdings of Government securities from \$5.7 billion to \$7.5 billion, an increase of \$2 billion, or 8 times as much as the increase of the country banks.

In other words, reserves were given to the central reserve city banks, and to the Reserve city banks, free of charge, costing them nothing, and they used these to buy our Government securities, and we pay interest on these.

Thank you very kindly.

The CHAIRMAN. Mr. PATMAN, we thank you for coming to the committee, and again giving us the benefit of your thinking on this matter.

Are there any questions of Mr. PATMAN?

Thank you, Mr. PATMAN.

Are there any questions of the Secretary and the Director?

Mr. BYRNES. First, I wonder, Mr. Secretary, if you could furnish us with your comments on the four restrictive proposals contained in Mr. PATMAN's statement, not at this point, but I mean if you could furnish us with a statement with respect to those four points that he made.

Secretary ANDERSON. I will be glad to, Mr. BYRNES.

(The Secretary's comments are as follows:)

"LIMITATIONS THAT REPRESENTATIVE WRIGHT PATMAN WISHED TO ADD TO THE LEGISLATION INCREASING THE PUBLIC DEBT LIMIT, JULY 30, 1958

"1. Require that the securities issued under the increased debt authority be sold insofar as possible to individuals, corporations, and to savings-type institutions; and that the portion which can be sold only by the creation of new money be sold to the Federal Reserve rather than to the commercial banks

"The Treasury has at all times attempted, within the framework of economic conditions, to secure as large an ownership of the public debt by individuals, corporations, savings institutions, and other nonbank investors as possible and has tried to limit the participation of the banking system in the issuance of new public-debt securities. However, to require that securities not sold to nonbank investors be issued only to Federal Reserve banks and not to commercial banks is to substitute high-powered inflationary dollars for low-powered dollars. Every dollar of Federal securities acquired by the Federal Reserve banks provides reserves of an equal amount to the commercial banking system and this in turn forms the base for a multiple expansion of credit of about six times that amount.

"2. Prohibit the Treasury from leaving any of its funds on deposit with the private banks

"The Treasury over the years has found that it is able to offset the impact of heavy seasonal tax collections and the proceeds of new security issues by leaving on deposit in the private banks as much as possible of its collections and making calls on these deposits only to the extent that funds are needed in the Federal Reserve banks to meet regular Treasury expenditures. To have funds transferred immediately to the Federal Reserve banks would create serious problems in the money market as large sums were drained from the private banks into the Federal Reserve banks. Such transfers have the effect of shrinking bank reserves. In practice the tax and loan account balances of individual banks fluctuate widely. Because such balances remain in the private banks only a short time they must also be invested only in highly liquid and low-yielding securities.

"A further point should be made that the balances held by the banks are not free of any costs to the banks. True, they can be invested and the banks do earn money on these balances until the calls are made for transfer of these funds to the Federal Reserve banks. But the commercial banks are also performing numerous services for the Government for which they are not otherwise paid: the sale and issuance of U.S. savings bonds; the handling of withholding social-security and excise-tax deposits; the furnishing of confidential information to the Internal Revenue Service regarding large currency transactions and interest payments; issuance of bank drafts and the cashing of Treasury checks. Beyond these services and perhaps the most important of all are the functions performed by the commercial banks in the Government securities market. Their own buying and selling contributes greatly to the creation of an efficient market. In the distribution of about \$50 billion of certificates, notes, and bonds each year plus \$1¼ billion of weekly bills the commercial banks are of considerable help to the Treasury in securing a quick and effective market response. All this is done without the payment of commissions as is commonly done for corporate and municipal issues. If it were not for the earnings banks make on the balances that are left with the banks until

needed the Treasury would quite likely have to pay certain service charges to the banks for the work performed for the Government.

"3. Require that all securities sold by the Treasury be sold on competitive bid.

"Basically the Treasury needs a good deal of flexibility in the management of a public debt of over \$275 billion. For each new issue, the Treasury has to evaluate the needs of the Treasury for funds, the state of the economy, and conditions in the money market before deciding on what type of issue should be offered either on a refunding or for new money. Each issue has to be carefully analyzed and no fixed formula can be determined in advance. Considering these factors, the Treasury has found it practicable over the years to offer a wide variety of securities to meet changing conditions and to secure a widespread distribution of the public debt. The auction device of selling securities on competitive bid has a number of useful features, particularly in the issuance of short-term Treasury securities and has been and is used regularly. However, the device is suitable only for a sophisticated market and if it had to be used for all securities it would seriously interfere with the Treasury's objective of encouraging a widespread ownership of the public debt. The effect of this provision would be to impose an undesirable inflexibility upon the Secretary of the Treasury in carrying out his public-debt functions.

"4. Set a fixed percentage by which the Federal debt is to be reduced each year

"Legislation such as suggested here has a certain appeal but really does not get down to fundamentals. Regardless of what is enacted into law, the debt can be reduced only when there is an excess of receipts over expenditures. Thus to set a specific annual rate of reduction does not meet the problem. Consideration of a reduction in the public-debt limit is appropriate only when a surplus of receipts over expenditures is evident in the foreseeable future and when it is consistent with the then existing economic conditions."

Finally, Mr. Chairman, let me recall some highlights in the trend of interest rates in recent years. As I have indicated, during World War II when inflationary pressures were at their greatest, the Federal Government was able for a period of 6 years, 1942-1947, to hold the average rate of interest paid on the Federal debt at less than 2 percent. Since that time, the average computed rates have increased steadily and sharply, and in 1960 average 3.2 percent.

With your permission, Mr. Chairman, I include herein a tabulation showing the average computed interest rate on the Federal debt, together with the average on total public and private debt, for the period 1933-60.

And in conclusion, Mr. Chairman, let me say that we must support this request for an increase in the debt limit—for not to do so would be to assume the position of the demagogue who would vote for all appropriation bills but would vote against all taxes. I hasten to remind the committee, however, that for 12 years, from 1939 when the war emergency period commenced, until 1951, no obligation issued by the Government bore an interest rate in excess of 2½ percent, and no bonds fell below par. Under the law, the Secretary of the Treasury fixes the interest rate on all long-term obligations. The Federal Reserve can establish and hold any interest rate on Government obligations it desires. There is nothing wrong with our budget and the high interest burden the Government bears that the Federal Reserve System could not correct with a sincere desire to do so translated into action.

Thank you very kindly.

Computed interest rates on total public and private debt, total Federal debt, and total private debt, 1933-60

Year	Interest rates on total public and private debt (percent)	Interest rates on Federal debt (percent)	Interest rates on private debt (percent)
1933	4.662	3.340	4.938
1934	4.579	3.096	4.964
1935	4.326	2.575	4.846
1936	4.192	2.447	4.740
1937	4.190	2.667	4.721
1938	4.042	2.433	4.615
1939	4.059	2.436	4.674
1940	3.966	2.501	4.536
1941	3.729	2.087	4.374
1942	3.128	1.796	3.917
1943	2.611	1.601	3.502
1944	2.315	1.481	3.332
1945	2.302	1.587	3.414
1946	2.476	1.847	3.477
1947	2.611	1.930	3.560
1948	2.735	2.029	3.590
1949	2.879	2.141	3.722
1950	2.948	2.179	3.766
1951	3.007	2.235	3.753
1952	3.115	2.289	3.862
1953	3.208	2.335	4.086
1954	3.360	2.359	4.210
1955	3.440	2.362	4.338
1956	3.646	2.522	4.470
1957	3.954	2.775	4.784
1958	3.976	2.620	4.871
1959	4.231	2.912	5.085
1960	4.470	3.203	5.273

Increased Support for Medicare

EXTENSION OF REMARKS OF

HON. EDITH GREEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mrs. GREEN of Oregon. Mr. Speaker, I want to report what is to me an encouraging sign—the increasing support from my constituents as evidenced by their repeated pleas urging passage of the King-Anderson medical care bill that utilizes the technique of financing through social security taxes. I think President Kennedy's recent televised speech has awakened latent support for this measure.

It is, as I have said before on the floor of the House, the single most important domestic issue that concerns my constituents. I gather from talking with many of my colleagues that the same is the case with them.

I am encouraged, Mr. Speaker, because the facts speak overwhelmingly to me of the need of adopting a better approach than now exists. The recent proposal of the American Hospital Association bespeaks a break in the traditional hostile front generated by the American Medical Society.

Now these are statistics showing that persons over 65 need nearly 3 times as much hospital care as those in younger age groups; that 2 out of 3 will be hospitalized twice or more; that the average hospital stay for the aged is 15 days. On a national average, hospitals charge \$32.33 a day. It seems to me that most aged persons simply cannot withstand such a drain on their finances.

An economist once characterized present-day United States as the "af-

fluent society." Well, we know that there are pockets of economic poverty in our land; that hundreds of thousands are ill housed; several millions are unemployed—in fact there has been almost no reduction in the unemployment of those without jobs for 6 months or more.

And this condition applies to medical care for the aged whose incomes are sometimes almost nonexistent and whose savings are meager.

In a large percentage of cases these people thought they had prepared well for their old age and they faced it with a measure of serenity. Then came a serious illness requiring several months hospitalization. Their savings were wiped out, their monthly social security check barely paid for medicine, they were forced to ask their children for help. This was a humiliation indeed, because their children were putting their own children through school and had little money left over.

This is the human condition that lies behind the figures on medical care for the aged.

Let me cite some of those figures. Today there are 17½ million people over 65 alive in this country and their number is growing. Demographers predict that there will be 19 million in 5 more years, fully 23 million by the end of the decade.

These older people need nearly three times as much hospital care as younger people. Nine out of ten will be hospitalized at least once during the remaining years of their lives. Two out of three will be hospitalized twice or more. The average hospital stay for aged persons is 15 days.

Now what do these figures mean in terms of money? The cost of hospital care has been going up steadily. In 1946 it averaged at \$9.39 per day. In 1960 the cost per day was \$32.33 on a national average. Taking the typical illness of an aged person and multiplying it by the cost per day you get a figure of \$485.

More than half of these citizens 65 and over have an income of less than \$1,300 a year. Even a conservative reading of the figures reduces this to less than a thousand dollars a year: about \$2.75 a day—\$2.75 a day. And out of that \$2.75 must come food, rent, clothing—all the bare necessities of life along with the cost of medicine.

Why do they not have health insurance? Well, the commercial companies giving adequate coverage charge over \$200 a year for their policies. The aged cannot afford anything like that much. Some commercial policies cost \$78 a year for those over 65 but they pay only \$10 a day toward hospital care and as we have seen, the average hospital charges amount to more than three times that much.

These are the figures that tell the story of the suffering of our fellow citizens—suffering brought on because they got old. No one seriously disputes that any longer. Those who once said the problem did not exist have now taken up a new position. They admit there is a problem, but they say the Kerr-Mills bill is taking care of it.

What are the facts? Only 25 of the States have actually enacted legislation to take advantage of the Federal funds available to them on a matching basis. In those participating States only a very small percentage of persons over 65 have actually been helped. In Arkansas only three-tenths of 1 percent of those over 65 received payments. In Oklahoma, South Carolina, and Tennessee the figure was over one-third less—a tenth of 1 percent. West Virginia helped the highest percentage of its aged citizens—4.7 percent received an average sum of \$41.32 each to help defray medical expenses. Yet even this State has been forced to curtail its program for lack of State funds.

Some of the State programs set up to use Federal funds granted by the Kerr-Mills bill include a strict means test that excludes many older people who are clearly needy. Some States limit care to 6 hospital days. In others care is provided only for an illness that clearly endangers life.

It is not that the men who framed this bill are callous and immune to human suffering, nor are State public health administrators hard men who turn their backs on aged people who are ill and need help. The States simply cannot afford to finance the kind of broad medical program that would meet this terrible social problem.

In my view there is only one solution. It is set out in H.R. 4222, the measure offered by Mr. KING of California. For about \$1 a month, contributed during a man's working years, he could face old age with serenity, knowing that illness would not make him a burden on his children with responsibilities to their own children. It provides after small initial payments full hospital coverage up to 90 days, full nursing home coverage for an additional 180 days, outpatient diagnostic services and visiting nurse and home health services of up to 240 visits per year.

With the passage of this forward-looking measure, 14,700,000 persons entitled to social security or railroad retirement benefits would receive health protection immediately. On reaching retirement, 95 percent of today's wage earners would be covered.

They would be covered by health insurance they earned as a right without submitting to an odious means test by which they and their children would have to appear before a board and prove their poverty before receiving any benefits.

We have heard opposing groups use the scare slogan, "socialized medicine" to describe the provisions of this bill. This is nonsense. Medicine is socialized when doctors are employees of the Government and they work in Government-owned hospitals. Nothing of the kind is provided in this bill. The patient is free to choose the doctor and the hospital he wants. Charges would be paid in much the same way as Blue Cross and other group insurers pay benefits. Why some doctors oppose the bill I do not know. Their relations with their patients are not affected in any way.

The arguments for passing H.R. 4222 are overwhelming. It puts medical care

for the aged under the social security system, a system that has worked well for a quarter of a century. The fund behind it is sound, subject to review by Congress and advisory councils made up of distinguished economists and actuaries.

This bill, by the application of the insurance principle, spreads the risk over the entire working force in a way that a commercial insurer could never do. This reduces its cost to pennies a day for the workingman.

Some have said private insurance companies would be ruined if this program is enacted. They said the same thing 26 years ago, when the original Social Security Act was passed, but the fact is that private companies were stimulated because money was freed for the purchase of supplementary life and retirement policies. The same would undoubtedly happen with the passage of the King bill. Aged persons could use what money they have to purchase policies covering such needs as surgery, drugs, and physicians' visits.

Certainly the human need for this bill is beyond argument. Other schemes have been tried and they have failed. Can we, in good conscience, allow 17½ million of our fellow citizens to be denied adequate, modern medical care simply because they have grown old? I, for one, cannot. I believe when H.R. 4222 is reported from committee you—my colleagues—will demonstrate that you cannot turn your back on the aged. I believe you will vote for it by an overwhelming majority.

**Residents of Blair County, Pa., Honor
The Late Major Eugene F. Moses, U.S.
Air Force, on May 30, 1962**

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. VAN ZANDT. Mr. Speaker, on May 30, 1962, under the leadership of the Blair County War Veterans Association, ceremonies were held during which time a plaque was unveiled in the lobby of the administration building, Altoona Airport, in honor of the late Major Eugene F. Moses, U.S. Air Force. With members of his family present as well as several hundred residents of the Altoona area, it was my privilege to deliver the following address:

ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE UNVEILING OF THE MEMORIAL PLAQUE IN HONOR OF THE LATE MAJOR EUGENE F. MOSES

This unveiling ceremony is not only a solemn occasion—it is also one of glorious significance in the history of man's eternal contest with the elements.

Speed is so common a factor in the world today that we tend to forget its importance in the lives of all of us.

For reasons that sometimes baffle the imagination, it is the custom today to empha-

size the destructive power of speed to the extent of utterly neglecting the benefit it brings to all mankind.

This fact, however, in no way represents the spirit of American progress.

When we are told of the great wagon train expeditions that crossed the western plains during the 19th century, the emphasis is placed not upon the suffering of the participants—but upon their interest in the progress of the Nation.

Is this because there was no suffering? No loss of life? No pain of any kind? Of course not. In fact, there was a great deal of suffering and a terrible loss of life involved in that undertaking.

Nor were the western pioneers oblivious to this before setting out on their journeys.

They knew the risks involved. But they also knew of the glory involved; the glory of expanding the influence of American ideals.

Manifest destiny, they called it, the manifest destiny of the American Republic, which required our expansion from sea to sea.

Today, there is no further room for expansion of the 19th century variety.

Today, the goal has been changed—at least in the minds of the people of the free world.

National expansion today means infringement on the rights of neighboring nations, and this the people of the free world reject as a principle unworthy of 20th century man.

The new goal—the goal in which every man of good will is truly concerned—is the conquest of the elements—of space, of time, of sickness and disease, and natural disasters of every kind.

In this struggle the element of speed is essential.

In this struggle the elimination of the distance factor is a matter of universal concern.

Through speed it is possible to transport medical supplies before the patient succumbs to sickness.

Through speed the victims of natural disaster and manmade disaster can be gotten to safety.

Through speed the security of a nation can be insured in all emergencies.

Through speed it soon will be possible to transport the people of the earth to other portions of the universe—for the purpose of increasing our knowledge and, perhaps, improving the lot of all mankind through scientific investigation.

Indeed, the speed factor is the friend, and not the enemy, of man.

It is, therefore, the duty of every conscientious citizen to hail with praise the achievements of the brave pioneers of the space era—those men who risk their lives daily that we, their fellow men, may reap the benefits of their discoveries.

Such praise is due today to the late Major Eugene F. Moses, of the U.S. Air Force, who with his five brothers served his country in World War II.

Major Moses was born in Latrobe in 1921, and when he was 15 years of age his parents, Elias J. and Barbara Moses, moved to Altoona in June 1936.

The family consisted of nine children—six sons and three daughters.

Major Moses' father, born in Syria, died September 13, 1957.

His mother, who was born in Lebanon, is still living in Altoona.

Today the residents of Blair County join Mrs. Moses and the brothers and sisters of the late Major Moses in recalling with pardonable pride the high sense of patriotism displayed by their distinguished son and brother.

Major Moses, it is recalled, in the capacity of navigator, participated in the flight of the first aircraft to reach and sustain an average speed of 1,302.94 miles per hour for a period of 30 minutes.

For his part in this flight, which occurred over France, Major Moses has been honored by the French Government which has bestowed upon him the Bleriot Trophy—in token of his courage and achievement.

Today, as we unveil this memorial plaque, we acknowledge that it is, in turn, an honor to all of us to be associated in any way, however remote, with a man such as this, a man to whom the American people shall owe for years to come a standing debt of gratitude.

"We Can't Afford Economic Illiteracy"
by Secretary of Health, Education,
and Welfare Abraham A. Ribicoff;
and "Johnny Can Learn Economics,"
About Prof. Lawrence Senesh, of Pur-
due University

EXTENSION OF REMARKS
OF

HON. JOHN BRADEMÁS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. BRADEMÁS. Mr. Speaker, a unique educational experiment is being carried on in the public school system in Elkhart, Ind., in the congressional district I have the honor to represent.

I refer to a program for teaching elementary school students some of the basic facts about the nature of the American economic system.

At this point in the CONGRESSIONAL RECORD, I should like to include an article by the distinguished Secretary of Health, Education, and Welfare, the Honorable Abraham A. Ribicoff, "We Can't Afford Economic Illiteracy," from a recent issue of the journal, *Petroleum Today*. Secretary Ribicoff's article discusses a number of experiments in economic education which are now being carried out in American schools and cites the program in Elkhart.

The article follows:

WE CAN'T AFFORD ECONOMIC ILLITERACY
(By Abraham A. Ribicoff)

In Old Hickory, Tenn., a group of teenagers recently pestered their grandparents with a series of probing questions:

"Why did you move away from the farm?"
"What prices did farmers receive for their products around 1910?" "What prices did they pay for manufactured goods?"

The questions were part of a homework assignment for a high school class in agricultural economics. Questions of a similar nature were asked of visiting farm officials and business executives during school hours. The object: an insight into the workings of the Nation's economy.

The students in Old Hickory were engaging in studies that are all too rare in America today. Millions of Americans have only a hazy conception of the workings of the economic system under which they live and work and on which they rely for the protection of their future and of their cherished political and social values. And our schools are largely neglecting economics as a subject for learning.

Why this neglect? Too often economics is equated with dullness. Probably fewer than one out of every 20 high school students takes even a single course in the subject; for college students the figure is about 1 out of 5.

With no more economic preparation than this, our young people are assuming their roles in a democracy. Yet we are asking great things of them. As citizens they elect to Government offices the men and women who will mold the Nation's domestic and foreign policies. As part of the labor force, as consumers, their everyday actions directly and indirectly affect wages, prices, the public debt, taxes—our total economy. How can they be expected to make the best decisions in these matters unless they absorb the historical and factual information upon which to base their judgments?

Even in the rare instances when economic instruction is given on the primary and secondary school levels, our young people are often shortchanged. Much of what they are taught is weak. Fewer than 10 percent of the Nation's grade school teachers and fewer than 25 percent of the high school teachers have had so much as a quarter of a course in economics.

At the college level the situation isn't much better. Courses in bookkeeping and personal finance continue to be described as economics. This is somewhat comparable to letting the teaching of short division satisfy the requirements for mathematics.

Our educational needs in the field of economics pose a challenge of enormous proportions and enormous importance. America's economic system is distinctly a part of the Russian defiance.

When an educational team from the Department of Health, Education, and Welfare was in Russia recently, the Soviet Minister of Education threw down the gauntlet. "You believe in individual initiative and private enterprise," he said. "We believe in a planned society. Let time tell."

Nikita Khrushchev repeatedly sounds the same line. "We will win over the United States," he has said. "The threat to the United States is not the ICBM but in the field of peaceful production. We are relentless in this and will prove the superiority of our system."

The Soviets make a quasi-religious dynamic out of economics. The average U.S.S.R. high school student receives 10 to 20 times as much economic education as his American counterpart. In this battle of economic systems our citizens of tomorrow must understand the American system if it is to be preserved. We can no longer afford to give lip service to our free enterprise system while at the same time we fail to teach its principles.

It is true that the economic face of America is changing, but its principles remain the same. Broadly based private ownership of the means of production is the basis for initiative and growth. The profit system is the incentive for progress. And individual freedom is the lifeblood of the entire system. When our young people understand how jobs are created, how our standard of living is kept so high, they will know the necessity of supporting whatever measures are necessary to strengthen our system and avoiding anything that weakens it. The better they understand the operation of our free market economy, the better citizens they will be, and the stronger our economic system will be.

To educate for life in a totalitarian society is one thing. It is far more difficult to educate for life in a free society. What can we do to train our young people in the economic facts of life?

A start has already been made. Associations of businessmen have published educational pamphlets explaining the workings of free enterprise. Extensive studies have been made by the American Economic Association and the Committee for Economic Development to pinpoint the areas of weakness in economic education. Individual companies have embarked on programs to explain the principles of free enterprise to their employees.

But perhaps the most dramatic example of an awakening to the Nation's economic illiteracy is the nationally televised course in economics scheduled for the fall of 1962. Approximately a million persons are expected to view the continental classroom program. Included will be some 50,000 high school social science teachers who will be taking the course for college credit.

Obviously, this is still only a start. The crying need for a broadly based economic educational program remains. And such a program must be well balanced and realistic.

I mention the need for balance because I am concerned with what seems to be an overspecialization in many of the business courses now being offered. Certainly there should be training in specifics such as accounting, marketing, or what have you. A graduate must have something to sell to get his first job. Yet I don't feel that the functional approach is the final solution. Instruction in practical matters should be integrated with a broad indoctrination in the basics of the history and operation of the American system. A knowledge of accounting without a knowledge of the American experience in industrial relations, for example, represents an incomplete education; a student who knows the ins and outs of marketing but fails to understand the relationship between economics and the other liberal arts aspects of our culture is still what I would term "an economic illiterate."

I have said that our education in economics must be both realistic and balanced. Thus students should have an understanding of the relationship between business and Government as well as of that between business and society in general. Inevitably, in our complex Nation both business and Government occupy important places; inevitably, they are interdependent. Students entering either area of our national life must comprehend both areas. The leaders of business and Government will be able to work out their differences best when the principles at stake are clear and persuasive to both.

First, then, we must have the right kind of economic training in our schools. Second, we must spread this training throughout the various levels of our educational system. And this can be done effectively even in first grade; witness the success of the pioneering program in the primary grades in Elkhart, Ind.

Finally, we must arouse all segments of the public to an increased interest in and study of the basic facts of the free enterprise system. For economic illiteracy must be erased, not just to increase our goods and productivity but to insure that our way of life can survive. In this area, as in so many areas of our lives, we cannot afford the luxury of ignorance.

Mr. Speaker, at this point in the RECORD I wish to include another article from the same journal about Dr. Lawrence Senesh, professor of economic education at Purdue University, entitled "Johnny Can Learn Economics."

The article describes Professor Senesh's experiment in economic education which is being conducted in the first-through-third-grade classes in the public schools of Elkhart.

The article follows:

JOHNNY CAN LEARN ECONOMICS

A first-grader studying economics? On the face of it, the idea seems preposterous. Yet it is the conviction of Lawrence Senesh, professor of economic education at Purdue University, that first-graders are capable of comprehending what he calls "the fundamental idea relationships of economic knowledge." And Professor Senesh is proving his point in a unique program in the Elkhart, Ind., public school system.

All students in the first through third grades in Elkhart are participating in the experiment; eventually, all 12 primary grades will be included.

Professor Senesh described his program recently at a conference on economic education at Purdue. The conference was sponsored by the American Petroleum Institute to promote an exchange of ideas between the industrial and academic communities.

The professor's program, he says, "rests on the hypothesis that children on every grade level, with proper motivation, can become excited about the abstract ideas underlying their experiences." These ideas, he believes, can be presented so that they "reflect the basic structure of the body of economic knowledge."

In the first grade at Elkhart, children and teacher discuss what they would like to receive as Christmas presents and how these choices must be limited because of the size of the family income and because of the desires of other members of the family. The children are then shown how the matter of making choices applies to neighborhoods, cities, and nations. Visits to local factories and discussions of communications satellites, for example, help dramatize how invention and technology close the gap between what a nation wants and what it can have.

The concept of the division of labor and specialization is introduced to the children by examples from their own lives. They discuss, for example, why a household runs efficiently when certain members of the family are responsible for particular duties.

The children know that the size of their allowances and the price of the goods they want to buy affect their purchasing decisions. They learn that their decisions to buy yo-yos instead of candy bars, along with the decisions of other people, will determine how many yo-yos will be produced, how many candy bars—and, in the same manner, how many automobiles or houses.

The experiment in economic education at Elkhart has won the enthusiastic support of the community and, Professor Senesh reports, of the students. Johnny can learn economics, the professor says, if Johnny's given half a chance.

Memorial Day Program at Newberry Township, York County, Pa., May 30, 1962

EXTENSION OF REMARKS OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. VAN ZANDT. Mr. Speaker, among the many Memorial Day programs in which I participated May 30, 1962, was that at Newberry Township, York County, sponsored by the local posts of the American Legion and the Veterans of Foreign Wars of the United States. As my part in the program, I delivered the following address:

ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE MEMORIAL DAY PROGRAM AT NEWBERRY TOWNSHIP, YORK COUNTY, PA., MAY 30, 1962

Memorial Day is our moment of prayerful tribute to all the heroes of our armed conflicts since the Revolutionary War.

These heroes are the more than 1 million Americans who have died on many battle-

fronts around the world—on land and on sea and in the air.

They died defending the rights of free peoples.

More than a million men is a mighty number.

It is greater than the populations of Boston, Baltimore, Cleveland, or San Francisco.

We owe our honored dead a perpetual debt because they have paid the supreme price to win our military victories.

They have contributed in great measure to the security—and to the very character of our Nation.

There is no deeper affection than love of one's own country.

For without that devotion there can be no high ideals—nor the cherished sense of being part of or belonging to this great Republic.

We Americans have a long history of defending freedom.

We have fought for freedom more than 180 years.

And now—today—we face our hardest test. Half the world is aligned against us.

The freedom of mankind is at stake everywhere.

American fortitude and leadership in the present world crisis are the all-important factors which can shape the destinies of many peoples.

The scourge called communism has forced more than a billion people into abject slavery.

Those men, women, and children differ from us only in the fact that they live in constant fear and uncertainty.

They crave security.

But their only choice is submission to the brutality of their Communist masters.

That has been demonstrated clearly in Europe and in Asia.

Those foreign people want freedom—but freedom is not a Communist word.

They want peace—but, again, there is no peace with honor under communism.

Such conditions have never afflicted the American bloodstream; therefore, we find it difficult to understand them fully.

We take our own rights and liberties for granted because those have always been our lot.

But freedom of the individual is challenged today right here in our own country as well as around the world.

Those are the hard and unpleasant facts we face.

They identify the task confronting us and which must be performed if we are to keep faith with our honored dead.

We know that our indebtedness to the military heroes of our land can never be fully repaid because there is no substitute for life.

So on each Memorial Day we acknowledge our obligation to them in token words with special prayers and with our gifts of flowers.

This year we renew again our pledges that we shall continue to guard against any squandering of our freedoms.

Memorial Day is very distinctive because it is different.

This day is different because it does not fit in with the normal commonplace interests of our modern life.

Our recognition of this day is not a part of the scientific age.

Let us look at the contrast for a moment. In the year 1962 we have telescoped time within time.

For example, our astronaut, Col. John Glenn, has seen the dawn of 3 days during a 5-hour spaceflight around the earth.

Another example, this is the day when our scientists are delving into the extreme limits of mind and matter.

They are exploring the innermost parts of the atom, and at the same time they are reaching for the moon and the planets.

Furthermore, today marks the opening of other new areas.

Man is identifying the very essence of life itself.

Also he is broadening the span of human existence.

He is pushing back the encroachment of death.

Yes, this is a very marvelous rapidly developing age in which we are living.

But where does Memorial Day fit in?

In the midst of all these scientific wonders here we are pausing to contemplate the past.

Here we are reversing the whole trend of our normal interests.

Here we turn back into history to glorify memory and pay homage to a million souls who are gone; a million lives which can never be restored.

Those are some of the contrasts that make Memorial Day so very special.

Here we are dealing with words—and the promises for the future.

We say that our words are based on deeds. What do we mean by that?

The poet-philosopher, Ralph Waldo Emerson, said, "Put your words into your deeds. Nor speak with double tongue."

Because of the tradition of free speech our country has always endured and tolerated the shrill cries of those who are afraid of freedom; we have endured and tolerated the insidious whispering of those who would see our country fail.

There is no greater testimony to American spirit, however, than the graves of our brave soldiers—the men who died rather than allow the prophecies of doom to come true.

We recall that more than 185 years ago the authors of the American Declaration of Independence set forth in bold words their determination to achieve freedom.

In the closing sentence of that revolutionary document they said that with a firm reliance on the protection of divine providence, they mutually pledged to each other their lives, their fortunes, and their sacred honor.

And then those 56 signers of the Declaration did put their words into their deeds.

Many of them did jeopardize their lives and their fortunes to resist the enemies of freedom.

But at the same time they did serve mutually—and with a singleness of purpose until freedom was won.

They did not resort to any doubletalk nor doubledealing.

Similar use of words, backed by deeds and singleness of purpose, also made the Constitution of the United States our basic guarantee of rights and liberty.

And the very same type of pledge of loyalty, backed by fighting action even unto death, has sent more than 30 million Americans into armed defense of our freedoms.

So, words and deeds do go hand in hand.

No one can say that we have fallen short—thus far—in the fulfillment of our obligations.

We still have firm belief in God.

And we still dedicate our lives, our fortunes, and our sacred honor to the security of this Nation.

That is what we recognize when we pay tribute to those who have given their lives in defense of liberty and freedom.

And at the same time we rededicate ourselves to the future defense of our land.

The heroes we honor during the Memorial Day period are laid to rest here at home and in foreign countries around the world.

There are more than 400,000 of them.

Nearly 285,000 are identified individually by rows upon rows of Christian crosses and the Star of David.

Thousands of others are the unknown.

And, in addition, some 87,000 other men whose mortal remains were never recovered have their names inscribed on the walls of the missing.

These are the American dead of both World Wars and of the Korean conflict.

They are buried or recorded in France and England, in Belgium, Luxembourg, and Italy, in Holland and Tunisia, in the Philippines, Hawaii, and in Alaska.

The bodies of American battle dead are also buried in Mexico and Puerto Rico.

In addition, there are more than 170,000 American war dead repatriated whose bodies were returned home.

They are buried in every State of the Union.

Also at Arlington, Va., and in cemeteries throughout our land, there are thousands of battle dead from earlier wars.

The sun never sets upon all of these hallowed burial sites where rest our national heroes, and over which flies the Stars and Stripes, emblem of the United States.

Today, the only threads linking ourselves with these honored dead are the markers on their graves, or their names on the walls of the missing, or our memories of them.

Again, we depend on the power of words. Throughout Europe and the United States our tributes are inscribed in stone above their resting places.

The words used speak straight from the heart.

At American military cemeteries and memorials in France and England are the engraved words declaring that to these men and their comrades we owe a debt to be paid with grateful remembrance of their sacrifices, and that for them we shall carry on.

Upon each of the many American memorials erected in foreign countries we find a simple dedication by our Government.

The words read, "In proud remembrance of the achievements of her sons," and in humble tribute to their sacrifices, this memorial has been erected by the United States of America.

Also, we find the graven lines reminding us that these men died so that future generations might live in peace.

At an American cemetery in Europe there is a prayer reading: "Oh, Lord, support us all the day long until the shadows lengthen and the evening comes, and the fever of life is over and our work is done. Then in Thy mercy grant us a safe lodging and a holy rest, and peace at last."

Upon each of the several walls of the missing overseas—carved over the 87,000 of names of those whose remains were never recovered—from the sea or from the battlefields—we find an inscription reading: "Here are recorded the names of Americans who gave their lives in the service of their country—and sleep in unknown graves."

"Grant unto them, O Lord, eternal rest." Thus our tributes to the honored dead are written around the world, in foreign lands, in Alaska and Hawaii, in the Philippines and Puerto Rico, and upon the Tomb of the Unknowns at Arlington Cemetery—and in thousands of home communities like our own.

When we speak of the dead, we do not mean the lost.

The dead are never really lost.

The author, Angelo Patri, expressed this beautifully when he said that "In one sense there is no death."

The life of a soul on earth lasts beyond his departure.

You will always find that life touching yours, that voice speaking to you, that spirit looking out of other eyes, talking to you in the familiar things he touched, worked with, and loved as familiar friends.

He lives in your life and in the lives of others that knew him.

Abraham Lincoln touched the Memorial Day theme when he spoke of "mystic chords of memory, stretching from every battlefield and patriot grave, to every living heart and hearthstone all over this broad land."

In conclusion, as we observe Memorial Day 1962, let us never forget our fellow Americans

who died in defense of both their country and what that country promised to become.

And let us never forget that the best way to remember our departed soldiers is to make America fulfill its promise.

Let us resolve that in their memory we shall build a country like the one they dreamed of—where men are free and independent, where there is dignity, individuality, and purpose, and above all, where there is the knowledge and the wisdom to live in liberty.

Department of Justice Informatively Replies to Letter of Congressman Doyle Requesting Information re Prosecution of Communists Refusing To Register by November 20, 1961, Under the Internal Security Act To Register

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent heretofore granted me so to do, I am pleased to insert for your information and also for the information of all the Members of this great legislative body, the text of the letter I wrote to the Honorable Robert F. Kennedy, the Attorney General, Department of Justice, Washington, D.C., and the reply of the Department of Justice signed by J. Walter Yeagley, Assistant Attorney General, together with accompanying statement to me supplied by Assistant Attorney General Yeagley in his comment to me of May 24, 1962.

MAY 12, 1962.

HON. ROBERT F. KENNEDY,
The Attorney General,
Department of Justice,
Washington, D.C.

DEAR FRIEND: Good morning. Here's sample of language I have received in several letters recently from the residents of the great 23d District, Los Angeles County. I have received perhaps as many as 30 pieces similar thereto. Therefore, I respectfully state that it would be very, very valuable to me to receive back from you, as promptly as convenient (in duplicate, please), a pretty inclusive statement of what the exact situation is as to the prosecution under the Registration Act and the present status of those who were prosecuted; how many were prosecuted; how many you are moving against (if it is a matter of public record at this time), etc.

And, I thank you very much indeed for seeing to it I receive back the help I need to protect the reputation of the Democratic administration under the guidance of my distinguished and beloved President and former colleague in the House of Representatives for several years.

Sincerely yours,

CLYDE DOYLE,
Member of Congress.

DEPARTMENT OF JUSTICE,
Washington, D.C., May 24, 1962.

HON. CLYDE DOYLE,
House of Representatives,
Washington, D.C.

DEAR MR. CONGRESSMAN: Your letter of May 12, 1962, to the Attorney General and its enclosure concerning enforcement of the Internal Security Act in accordance with the

decision of the Supreme Court in the Communist Party case have been referred to this division for consideration and reply.

In reply to such inquiries, you may wish to advise that when the Communist Party refused to register by November 20, 1961, as required by the law, we presented evidence to a grand jury in the District of Columbia and on December 1, 1961, the Communist Party was indicted in 12 counts, including one count for each of the 11 days it had failed to register and a count for its failure to file a registration statement. The party entered a not guilty plea and the case is awaiting trial.

You may also wish to point out that in addition to the indictments obtained against Gus Hall, general secretary, and Benjamin J. Davis, national secretary, for failing to register with the Attorney General for and on behalf of the Communist Party (referred to in the enclosure to your letter), we instituted proceedings against Phil Bart, national organizational secretary of the Communist Party, and James Jackson, editor of the Worker, to compel them to furnish relevant testimony about the present organizational structure of the party and the identities and activities of its officers before a grand jury under a grant of immunity. Both have been previously summoned before the grand jury and had declined to answer relevant questions on the grounds of their constitutional privilege against self-incrimination under the fifth amendment. Bart and Jackson were directed to answer the questions propounded. When they persisted in their refusal to answer the questions they were adjudged in contempt and each sentenced to jail until they comply with the Court's order to answer but not to exceed 6 months. Their sentences were stayed pending an appeal and both are at liberty on bail in the amount of \$1,500 each. Bart's appeal was argued in the Court of Appeals in the District of Columbia on April 17, 1962, but no decision has yet been rendered. Jackson's appeal has not been argued to date.

In enforcing the criminal liability of the act against defaulting party members, we are compelled to follow a course of procedure essentially different from that against the officers of the party. Before a member of the party may be prosecuted for failure to register under the act, there must be outstanding against him a final order of the Subversive Activities Control Board determining that he is presently a member and required to register. Proof of such membership would have to be adduced at a public hearing with the constitutional safeguards of confrontation and cross-examination. This, of course, would result in the disclosure of the identities of individuals who have been furnishing information to the Federal Bureau of Investigation on a confidential basis concerning Communist Party activities. The exposure of these confidential informants and their subsequent inability to perform their previous services must be balanced against the need for current intelligence coverage of Communist Party activities consistent with the best interest of the national security.

The act further provides for a full appellate review before any Board order becomes final. In these circumstances, there can be no criminal action against a defaulting member until such time as an order of the Board requiring him to register has been obtained and has become final, followed by his noncompliance therewith. Criminal prosecution of a defaulting member would have to be based upon his failure to comply with the final order of the Board directing him to register.

At the present time the Department is preparing petitions to be presented to the Subversive Activities Control Board for a determination that various individuals are members of the Communist Party within the

meaning of the Internal Security Act and as such are required to register.

There are enclosed 30 copies of a statement by the Department entitled "Steps Taken by the Department of Justice To Enforce the Provisions of the Internal Security Act in Accordance With the Decision of the Supreme Court in the Communist Party Case," which may be of assistance to you in replying to your constituents.

If I can be of help in any other matter, please do not hesitate to communicate with me.

Sincerely,

J. WALTER YEAGLEY,
Assistant Attorney General.

STEPS TAKEN BY THE DEPARTMENT OF JUSTICE TO ENFORCE THE PROVISIONS OF THE INTERNAL SECURITY ACT IN ACCORDANCE WITH THE DECISION OF THE SUPREME COURT IN THE COMMUNIST PARTY CASE

Following 10½ years of litigation the Supreme Court on June 5, 1961, upheld the constitutionality of an order of the Subversive Activities Control Board which found the Communist Party to be substantially directed, dominated, and controlled by the Soviet Union and required to register with the Attorney General as a Communist-action organization pursuant to the provisions of the Internal Security Act of 1950. The order of the Board became final on October 20, 1961.

Under the law the Communist Party was required to register with the Attorney General within 30 days after the order became final and to file a registration statement containing the names and addresses of its officers and members at any time during the preceding year. The party was also required to furnish a complete accounting of its finances and to list all printing presses in possession or control of the party. When the party refused to register by November 20, 1961, as required by the law, we presented evidence to a grand jury in the District of Columbia and on December 1, 1961, the Communist Party was indicted in 12 counts, including 1 count for each of the 11 days it had failed to register and a count for its failure to file a registration statement. The party entered a not guilty plea and the case is awaiting trial.

The act provides that upon failure of the organization to register, certain officers must register for the organization within 10 days after such default. Thus the officers of the party who were responsible for effecting its registration were required to comply on or before November 30 which they did not do, thereby rendering themselves subject to the criminal liability of the act. The default of both the party and the officers imposed a duty upon current members of the party to register themselves on or before December 20, 1961. No member has yet registered with the Department of Justice.

On January 24, 1962, the Department of Justice began the presentation of evidence of violations under the act to an investigative grand jury in the District of Columbia. On March 15, 1962, this grand jury returned separate indictments against Gus Hall, general secretary, and Benjamin J. Davis, national secretary, for failing to register with the Attorney General for and on behalf of the Communist Party, U.S.A. Each indictment contained five counts charging failure to register and one count charging failure to file a registration statement. Pursuant to warrants issued on these indictments, Hall, and Davis were arrested in New York, N.Y. on March 15. Upon furnishing bail in the amount of \$5,000 each as fixed by the court they were released. They entered pleas of not guilty to the indictments on March 30, 1962, and were continued on bail. Each defendant, if convicted, would be liable to imprisonment up to 5 years and fines up to \$10,000 on each count of the indictments.

In an effort to gain further information about the present organizational structure of the Communist Party and the identities and activities of its officers, we instituted proceedings against Phil Bart, national organizational secretary of the Communist Party, and James Jackson, editor of the Worker, an official publication of the Communist Party, to compel them to furnish relevant testimony before the grand jury under a grant of immunity. Both had been previously summoned before the grand jury and had declined to answer relevant questions on the grounds of their constitutional privilege against self-incrimination under the fifth amendment. Bart and Jackson were directed to answer the questions propounded. When they persisted in their refusal to answer the questions they were adjudged in contempt and each sentenced to jail until they comply with the court's order to answer but not to exceed 6 months. Their sentences were stayed pending an appeal and both are at liberty on bail in the amount of \$1,500 each. Bart's appeal was argued in the Court of Appeals in the District of Columbia on April 17, 1962, but no decision has yet been rendered. Jackson's appeal has not been argued to date.

On March 19, 1962, the Department of Justice at the request of the Internal Revenue Service instituted an action in the U.S. District Court for the Southern District of New York against the Communist Party, U.S.A. for \$381,544.83 to protect a tax claim based on a jeopardy assessment made in 1956 for owed income and excess profits taxes for the year 1951.

At the present time the Department is preparing petitions to be presented to the Subversive Activities Control Board for a determination that various individuals are members of the Communist Party within the meaning of the Internal Security Act and as such are required to register.

An American Way To Provide Medical Care for the Aged

EXTENSION OF REMARKS

OF

HON. ROBERT R. BARRY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 31, 1962

Mr. BARRY. Mr. Speaker, I rise today, in the circuslike atmosphere surrounding the administration's proposal to provide health care for the aged under the social security method, for an appeal to reason. I am convinced that sensible men in this country will not respond to the spot commercial, balloons, and banners approach to solving the problem of providing better medical care for our senior citizens. And I am equally convinced that, to expand on Lincoln's famous phrase, God must have cared for sensible men because he made so many of them.

That there is a problem most of us agree. That it will not be solved in a manner which smacks of the medicine man's pitch for a single elixir to solve all of the problems, is equally clear. For over 10 years, now, the elixir of the social security approach has been on the market, but it has not been bought by the American people for several reasons: It is compulsory, it is selective for a given group of our citizens while disregarding the rest, it is limited in its pro-

tection, and it places Federal officials in the role of umpires for American medicine.

I am proud to be the sponsor of a bill, H.R. 11466—a companion bill to the bill H.R. 10981, introduced by Congressman Bow—which meets the specifications which the American people have set: It is voluntary with the individual, it provides a choice of the kind of protection provided, it offers broader and more inclusive protection, it keeps the Federal Government out of the administrative aspects of the plan reserving these appropriately for the insurance industry, and it is available to all people over age 65.

It is, perhaps, appropriate at this time to recall how those of us who are cosponsoring this new approach have arrived at our conclusion. And then, I propose to point to the specific proposals in the bill, especially as they compare with the more limited approach of the administration bill.

Very briefly, the bill is based on a tax incentive which will permit a tax credit of \$125 per year on behalf of every American 65 years of age and over provided that the \$125 is used to purchase his choice of the prescribed plans. For those aged who pay no income tax—and, because of the special tax exemptions they already enjoy, they are in the majority—the bill authorizes the issuance by the Treasury Department of a medical care insurance certificate which the individual can use to pay premiums on a medical care policy. These certificates will be redeemed by the Treasury, in an amount not exceeding \$125, when presented by the insurance carrier. In contrast with the administration bill, my bill has many of the desirable features of the Kerr-Mills law in that it is—appropriately, I believe—financed from the general revenues rather than using the regressive payroll tax method, it is voluntary, and it precludes the danger of the socialization of medicine by using private insurance as the carrier.

In view of the various charges and countercharges which have arisen during the 10 years when its advocates were pushing the social security method of providing health care for older men and women, the Republicans first were concerned with getting at the true facts of the situation. It was during the Eisenhower administration, back in 1958, that the then Secretary of Health, Education, and Welfare, Arthur S. Flemming, began a "review and summary of a considerable body of information" concerning the health care available to senior citizens at the request of the Committee on Ways and Means of the House of Representatives. On April 2, 1959, the report appeared. It contained a careful analysis of the factors influencing the trends in costs of hospital and medical care, of hospital utilization and expenditures, of existing methods of financing hospital care for the aged, of methods which had been proposed for providing hospital and nursing home benefits under social security, and of alternative methods. It contained a chapter on the existing situation of people 65 and over in this country including data on the sources and amounts of their income and

assets. And it concluded, in the introductory statement:

There is general agreement that a problem does exist. The rising cost of medical care, and particularly of hospital care, over the past decade has been felt by persons of all ages. Older persons have larger than average medical care needs * * *. Because both the number and proportion of older persons in the population are increasing, a satisfactory solution to the problem of paying for adequate medical care for the aged will become more rather than less important.

In our society the existence of a problem does not necessarily indicate that action by the Federal Government is desirable. The basic question is: Should the Federal Government at this time undertake a new program to help pay the costs of hospital or medical care for the aged, or should it wait and see how effectively private health insurance can be expanded to provide the needed protection for older persons?

The concern of the Eisenhower administration with this problem did not end with this report. With an openminded approach it continued to examine the various proposals—including the various social security proposals—which had been suggested and to search for the most appropriate way of meeting the problem in a country like the United States. By midsummer, 1960, the decision had been reached that the Federal Government should act in this matter and the so-called Flemming bill was presented to the Congress. The philosophy behind this proposal was presented by Secretary Flemming in an appearance before the Committee on Finance of the Senate on June 29, 1960. The social security approach had been tried and found wanting, he said, because:

1. It is not pinpointed to the need. There are 4 million of the 16 million in our aged population who are not covered by social security. Approximately one-half of these persons have incomes of \$1,000 or less. At the same time there are many persons who are covered by social security who have no interest in and no need for the type of protection that would be afforded.

2. We feel it would constitute a serious threat to the orderly development of present retirement, survivorship, and disability benefit features of the social security system.

The payroll tax which finances the OASDI program is already scheduled to rise in 1969 to 4.5 percent each on employees and employers (6½ percent on self-employed)—a total of 9 percent of payrolls.

Further liberalization in retirement, survivorship, and disability benefits will call for additional revenues. These revenues can only come from increases in the payroll tax or increases in the earnings base, or both.

If health insurance is added to the social security system it will be even more difficult to predict where we will end up as far as the payroll tax is concerned.

Secretary Flemming went on to point out the fact, which has been obvious to most of us all along, that the Kennedy proposal was inadequate when looked at from the point of view of taking care of the costs of long-term illnesses: a fact which would inevitably result in demands for improving the schedule of benefits, or for reducing or eliminating the age requirement so that the end result might easily be an increase in the social security tax of 4 to 5 percent in addition to the scheduled 9 percent.

Let me remind my colleagues, at this point, that the Kennedy administration has already increased that 9-percent

ceiling to 9¼ percent to finance the social security amendments of 1961. And, in an appearance before the Committee on Finance last year, Secretary Ribicoff stated that the ultimate tax rate should not exceed 10 percent. If these are the ground rules for the present administration, the adoption of their medical care plan—which adds another one-half percent of payroll to the cost of the social security system—practically precludes any other changes in the old-age, survivors, or disability features of the existing plan. It would preclude forever any present or future across-the-board increases in the amount of benefits—and the average old-age benefit is now just \$75.78 a month; any adjustment of the earnings limitation feature, which limits the amount a social security beneficiary can earn; or any other change which might seem necessary because of existing inequities in the plan or changing conditions in the future. Under this line of reasoning, the administration is saying that we must freeze our social security plan, circa Kennedy, for now and for the incalculable future, to the standards set by them in 1962.

These are facts which the American people should understand. Can the present administration be serious in taking this position? Can it honestly maintain that we must add a very limited medical care plan to our social security system and then put a brake on any further changes or liberalizations? I agree with Secretary Flemming that we must not so shackle the existing social security plan according to 1962 standards that we preclude any changes in the future. And I agree with him, also, that the realistic alternative—that changes will be made thereby dangerously increasing the reduction in take-home pay brought about by the deduction of a heavy social security tax—is also undesirable.

I further agree with Mr. Flemming's position in 1960 that we have reached the point where the Federal Government must take additional action in this field. For, as he pointed out at that time:

A careful consideration of facts such as the following can lead to no other conclusion:

1. There are 16 million persons aged 65 and over. Four million pay income taxes. Of the 12 million who do not pay income taxes, 2.4 million are recipients of public assistance.

2. A 1958 study identified 60 percent, or 9.6 million, of the aged as having incomes of \$1,000 or less, and 80 percent, or 12.8 million, as having incomes of \$2,000 or less.

3. A 1957-58 study shows that the average annual expenditures of this group for health and medical expenses was \$177, not including nursing home care, as compared with \$84 for the rest of the population. But it is important to note that 15 percent of the persons 65 and over, or 2.25 million, had total medical expenditures, on the average, of \$700 per year, not including nursing home care.

4. There is a trend in the direction of extending beyond retirement age provisions in group policies that cover major medical expenses. There is also a trend in the direction of making individual policies that cover major medical expenses available to persons 65 and over. These policies call for payment of premiums ranging from \$60 to \$130 a year per individual. It follows, therefore, that a large percentage of persons aged 65 and over do not have protection

against long-term illnesses, and either cannot obtain protection at rates they can afford to pay, or cannot obtain adequate protection.

Mr. Speaker, I have gone into the history of proposed legislation with regard to medical care for our elderly citizens in some detail. I believe it is important to understand that we do not arrive at wise decisions in our form of government through the Madison Square Garden rally method, but rather by carefully weighing all the facts. We must consider not only our present needs but the needs of the future. We must weigh the consequences for our children who will be the men and women of the future. Then we must seek for the best—and the simplest—alternative.

I believe we have found that best—and simplest—alternative in the provisions contained in my bill, H.R. 11466: a proposal which is also sponsored by about 30 members of my party.

Specifically, my bill would provide an income tax credit for the cost of premiums up to \$125 so that the aged could take advantage of policies available through our free enterprise health insurance system. The tax credit could be taken by an individual for himself, his wife, his father, any relative, or any employer. Under its provisions each individual 65 or over who decides to apply will file a Federal income tax return each year. Those whose tax is less than the amount of the allowable tax credit, including the majority of aged who pay no income tax at all, will be issued a medical care insurance certificate with which to buy their choice of medical care plans. The tax credit will thus be most advantageous to the man of low income and progressively less significant as income increases. Thus, through a built-in test of ability to buy insurance using the familiar income tax method, it offers every aged American the right to the kind of medical care protection he decides upon, using an existing Government agency as the agent.

The scope of protection available through this method is thus greatly extended so that our older citizens will have a choice of the plan which will be most advantageous to them, rather than being saddled with a single plan, as is the case with the administration bill.

And may I say just here that I find considerable evidence that the American people do not realize just how limited is the protection provided by the President's social security proposal. Is it clear that the so-called medical care for the aged advocated by the administration would not pay any doctor bill, any surgeon's fees, any private duty nurse's fees? Is it clear that the 90 days of hospitalization provided in the bill are subject to a deductible of \$10 per day for the first 9 days with a minimum deductible of \$20?

Do our senior citizens know that the 180 days of nursing home care provided in the bill are so limited by standards under which a nursing home could qualify that, judging by the cost estimates used—which put the cost of this feature at only 0.08 percent of payroll—very few people will be able to use this feature? Do they understand that the only drugs

provided free are those used in the hospital and nursing home, and that each laboratory test and X-ray, provided on an outpatient basis, requires a \$20 deductible for each diagnostic study on an outpatient basis? The cost estimate for this feature is given as just 0.01. Do they know that the 240 visits promised as part of the home health services are anticipated to be in such short supply, because of the shortage of people capable of giving these services, that they are figured to cost only 0.05 percent of payroll? The major cost in the bill is, significantly enough, 0.52 percent of payroll for hospital benefits. These cost estimates—which most Americans understandably are not familiar with—are the fine print on the premium which is offered by the administration bill. We should look well to them.

Mr. Speaker, at a time when costs are mounting rapidly, is it wise public policy to enact legislation which, as we have seen, depends almost exclusively on treatment in a hospital as the means of providing medical care for our senior citizens? We know that hospital costs have increased by 109.7 percent from 1950 to 1961 and by the staggering figure of 376.8 percent from 1940 to 1961. They represent, by all odds, the greatest increase for the same periods of any kind of medical care. Physicians' fees, for example, increased by just 43 percent from 1950 to 1961 and the costs of prescriptions and drugs rose by just 16.7 percent during the same period.

With the alternative of relatively free hospital care as opposed to being charged for care in the doctor's office for a relatively minor ailment, how will the patient react? In his testimony before the Committee on Ways and Means, Dr. Leonard Larson, representing the American Medical Association, posed the doctor's dilemma under such circumstances in the following words:

Pressure will be exerted by the patient and his family upon the doctor in an effort to force him to fit the treatment, willy-nilly, into the services provided by the program * * *.

Let us say that a patient needs treatment of a sort not covered by the program and therefore not reimbursable under it.

The physician is confronted with two unsatisfactory courses of action * * *.

On the one hand, he may follow his best professional judgment and refuse to recommend a course of treatment covered under the program. For example, he may decide the patient is better treated at the physician's office and that hospitalization is not required. In such a case, it is not unlikely

that the patient will go to another physician, hoping for a different professional judgment; or that he will postpone the treatment he needs.

Alternatively, the physician may accept the patient's plea that he can finance the cost of care only through the mechanism of H.R. 4222 (the administration bill), and then choose the lesser of two evils: treatment in an improper facility simply because it is covered by the program, or no treatment at all because the patient refuses to undergo treatment except at Government expense. In this case, the physician's medical decision has been influenced by nonprofessional considerations. Further, if the doctor accedes to the patient's request, however unwillingly, he risks censure by the "hospital utilization committee" and the possible rejection of his claim by HEW.

I do not claim, Mr. Chairman, that some individual patients might not receive perfectly adequate treatment under the program * * * [because] the needs of their cases would fall within the bill's imposed limitations * * *.

But many of the aged will receive a lower quality of medical care simply because the services covered do not represent the full range of facilities required by the physician for optimal treatment. You cannot reduce the physician's armamentarium of treatment facilities without reducing the effect of his skill in the process.

Let us all be very clear that the bill advocated by the administration is limited not only as to the kind of protection it provides. It is also limited in the degree to which it can provide the kind of services it promises through lack of manpower and facilities. And, as I have said, it is limited as to its coverage, confining its protection capriciously and compulsorily to a selected group of the American people.

Now let us compare the limited coverage and benefit package provided in the administration proposal with the kind of protection which will become available under my bill. H.R. 11466 offers a choice between two plans which, according to reliable insurance carriers, could be purchased for \$125 a year. The first plan is keyed to hospital and nursing home care, including surgical charges, diagnostic, laboratory and X-ray services, and drugs used in hospitals. Payment of all charges under this plan are made by the insurance carrier for hospital room and board up to \$12 per day—for up to \$1,080 in a calendar year—for convalescent care up to \$6 per day—for up to \$186 in any calendar year—for surgical charges according to a fee schedule with a \$300 maximum, and for all other items listed above.

The second plan, which is subject to a deductible feature not to exceed 25 percent of costs, is broadly conceived to include doctor's services up to \$5 for each, surgical charges up to a \$300 maximum, unlimited hospital room and board for semiprivate accommodations, charges for drugs and medicines which require a doctor's prescription, blood or blood plasma not donated or replaced, anesthetics and oxygen, rental of durable medical or surgical equipment such as hospital beds or wheelchairs, diagnostic X-rays and other diagnostic and laboratory tests, X-ray, radium and radioactive isotope treatment, and up to \$16 per day for a registered nurse—for up to \$480 in any calendar year. This package further provides convalescent care up to \$6 per day—for up to \$540 for any calendar year—following discharge from the hospital.

And never forget that the substantially more adequate care provided through this means not only preserves the vital free-choice principle, but protects us against Government medicine by using the time-tested ability and experience of the voluntary insurance method.

Mr. Speaker, a spokesman for the aged themselves recently described the heart of our problem today. He said:

Our people feel that really they are given two alternatives. One alternative is, get rich. If you get rich you have the means for all kinds of medical care. But it is too late in the game for our people. They cannot get rich any more if they had not done it up to now. So they are given another alternative—get poor. But this they don't want. They don't like to get poor. Our States and cities are saying if you get poor the welfare department will take care of you.

My bill will make it possible for all of the older people in these circumstances to afford the kind of protection they deserve and must have without recourse to a visit to the welfare office. They can obtain this protection in a manner they understand and are accustomed to using—the familiar income tax form. And they can do so in a manner which preserves their self-respect as well as their health. I urge enactment of this legislation during this session of the Congress. Enough with claims, counterclaims, circuses, and commercials. We have, at long last, a sound, safe, and typically American solution for the problem which, all of us agree, faces our senior citizens. Let us put it to work.

SENATE

FRIDAY, JUNE 1, 1962

The Senate met at 12 o'clock meridian, and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

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

Lord of all being, again in Thy bountiful mercy we bow at this altar of Thy grace with the sure confidence of Thy

servant, the Psalmist of old, as he poured out his soul, declaring "At noon, I will pray and call aloud and the Lord shall hear my voice."

Speak to us and through us, that we may be the channels of healing good will for this tangled and tragic time.

O Thou Kindly Light, lead us on through the passing shadows to the effulgence of Thy coming kingdom's sway, when it shall be daylight everywhere.

In the spirit of the Master we pray. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 1, 1962.

To the Senate:

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

CARL HAYDEN,
President pro tempore.

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