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PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 6, 1962

The House met at 12 o'clock noon.

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

1 John 1: 3: *Truly our fellowship is with the Father, and with His son Jesus Christ.*

Almighty God, we rejoice that daily we are privileged to have fellowship with good men and women and that we are guided by their high ideals and that we can cherish their hopes and aspirations and learn to love what they love.

Grant that we may appreciate the even more exalted privilege of unbroken fellowship and communion with Thee and of yielding ourselves to Thy will and loving what Thou dost love.

Inspire us with a profound belief in the possibility and power of this divine fellowship and may we have a faith that outstrips and goes beyond our reasoning faculties and the deductions of the intellect.

In these days of world crises may our President, our Speaker, and the Members of Congress be men and women of light and leading, true hearted, clear minded, faithful, and full of faith.

We earnestly beseech Thee that they may be the sons and daughters of the spirit whose intimate fellowship with Thee and deep faith and daring fortitude are the saving and sufficient support for these times that try men's souls.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, August 2, 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 a bill of the House of the following title:

H.R. 3822. An act for the relief of Ahsabet Oyunciyan.

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

H.R. 11151. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. CHAVEZ, Mr. MONRONEY, Mr. HUMPHREY, Mr. HAYDEN, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mr. KUCHEL to be the conferees on the part of the Senate.

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

S. 2256. An act to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island;

S. 2978. An act to authorize the Foreign Claims Settlement Commission of the United States to investigate the claims of citizens of the United States who suffered property damage in 1951 and 1952 as a result of the artificial raising of the water level of Lake Ontario;

S. 3340. An act to repeal a portion of the Second Supplemental National Defense Appropriation Act, 1943, as approved October 26, 1942 (56 Stat. 990, 999), as amended, and for other purposes;

S. 3525. An act to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW., in the District of Columbia, and for other purposes; and

S. 3544. An act authorizing modification of the project for Gloucester Harbor, Mass.

The message also announced that the Senate agrees to the amendments of the House to a bill and a joint resolution of the Senate of the following titles:

S. 405. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes; and

S.J. Res. 91. Joint resolution to establish the St. Augustine Quadricentennial Commission, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10904) entitle "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to Senate amendments numbered 2, 3, 5, 6, 13, and 52 to the foregoing bill.

The message also announced that the Vice President, under authority created by House Concurrent Resolution 438, 87th Congress, had appointed Mr. CARLSON, vice Mr. COTTON, resigned, to be a member of the joint committee to represent Congress at ceremonies to be conducted at Roanoke Island, N.C., during the week of August 12–18, 1962.

"THIS IS WHERE I CAME IN"

Mrs. SULLIVAN. 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 gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, by the time I reached the business section of the Washington Evening Star the other night, I was just about ready to turn out the night light and go to sleep until I saw an item which, like a familiar old movie on television, prompted me to exclaim, "This is where I came in." It certainly woke me up. It was an AP dispatch from Rio de Janeiro, and reported that frost had destroyed nearly a half million tons of Brazilian coffee, and the dispatch added, this "might affect coffee prices in the United States."

It was 8 years ago last January that the U.S. consumer was being victimized by the hoax of an alleged coffee shortage in Brazil, said to be caused by frost destroying a large portion of the crop. The price of coffee in the United States had shot up more than double—but, as I had told the House and as the Federal Trade Commission later established, there was no shortage and the price increase was strictly a fraud on the consumer.

The coffee markets of the world are now so glutted with supplies that I understand we could go for a whole year without any new production and not suffer any shortages. The coffee-producing countries are desperately seeking to limit production in order to reduce surpluses and stabilize prices. Under the circumstances, I hope the American housewife—the consumer—will not stand for any increase at this time in coffee prices based on an alleged crop disaster in Brazil. If any distributor or retailer does increase coffee prices, the customer should demand to know why—and not accept as a reason the false assertion that frost in Brazil has ruined so much of the crop that we face an imminent shortage. Eight years may be a long time for consumers to remember an old hoax, but let us not fall for it again. "This is where we came in."

RECORD OF THE ATTORNEY GENERAL

Mr. BECKER. Mr. Speaker I ask unanimous consent to address the House

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for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. BECKER. Mr. Speaker, I want to take this opportunity to offer my congratulations to Bobby Kennedy, the Attorney General of the United States, for his great accomplishments in his office during the first 18 months of his administration.

First, his great success with roasting wieners in his office in the Justice Department for the VIP children. This earned front-page coverage all over the country.

Second, his wonderful parties at his country estate. The selected group to be pushed in the swimming pool fully clothed, has brought whoops of joy from the American public.

And third, the recent act of "Beauty and Brumus." Poor Brumus is lonely, he must be brought to the Justice Department, where he is provided with a beautiful "governess"—at Government expense—to walk him up and down the corridors. I wonder if there are any "curb your dog" signs in the Justice Department hallways. The public rejoices.

But the Hoffas and other racketeers are still roaming the land. Crime is on the increase and particularly here in the Capital City. Of course, his action in the steel hike case also drew rave notices.

I hope, someday, when Bobby gets over the heady publicity of these great events, he may be able to devote some time to the high office he holds as Attorney General.

Tomorrow, I hope to call attention to the great successes of another Cabinet member. They, too, are very inspiring.

The SPEAKER. This is Consent Calendar day.

The Clerk will call the first bill on the Consent Calendar.

PRINCE GEORGES COUNTY SCHOOL BOARD, MARYLAND

The Clerk called the bill (H.R. 6759) for the relief of the Prince Georges County School Board, Maryland.

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

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

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

There was no objection.

AMEND ACT AUTHORIZING NATIONAL MEDALS OF SCIENCE

The Clerk called the bill (H.R. 4055) to amend the act of August 25, 1959, to authorize the payment of a monetary award to recipients of the National Medal of Science.

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

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

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

There was no objection.

WASHINGTON METROPOLITAN TRANSIT COMPACT AMENDMENTS

The Clerk called House Joint Resolution 693, granting the consent and approval of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington metropolitan area transit regulation compact, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. FORD. Mr. Speaker, reserving the right to object—and my present inclination is not to object—I think it is about time someone said that all the transportation problems of the metropolitan area of the District of Columbia are not going to be solved by this transit report that we are all waiting for with bated breath.

Mr. Speaker, I happen to think that there are at least some people in that organization who are not the ultimate and final authority on how some of us are to get from our home to our office and back again. I happen to believe that there are some people who have worked long and faithfully on highway and traffic problems in the District of Columbia who, in my opinion, have done a pretty good job under difficult circumstances.

Mr. Speaker, I am getting a little sick and tired of everything being held in abeyance in this area, waiting with bated breath for this great report which is about to be forthcoming, I understand, sometime in October of this year. I just want to be on record right here and now to the effect that as soon as this report is made we are not all going to roll over and play dead waiting for Mr. Stolzenbach—I guess that is his name—to tell us what we are supposed to do.

Mr. Speaker, it is my honest opinion and judgment that some very good people in the District government have done a very good job in trying to solve the very difficult transit and highway problems. I do not like a lot of Johnny-come-lately's stepping in the picture and deciding that everything which has been done in the past is wrong and everything they propose is going to be right. I have said my piece, but if I am here next year I am going to look with a very, very skeptical eye at some of these long-haired ideas which I understand may be contained in the report.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. GROSS. Mr. Speaker, further reserving the right to object, I think we are entitled to a reasonable explanation of this resolution, because it may have some serious ramifications for some people. I would like to know whether this should be known as the "O. Roy Chalk-Montgomery" resolution? Who is back of this so-called compact to stop taxicabs from hauling tourists to various points of interest in the Washington area, if that is the purpose of this legislation?

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

Mr. GROSS. I am pleased to yield to the gentleman from Louisiana.

Mr. WILLIS. The people back of this resolution happen to be the Legislatures of Maryland and Virginia, represented by our colleague, the gentleman from Virginia, Governor TUCK, and the gentleman from Maryland [Mr. MATHIAS]. A couple of years ago we passed a compact bill dealing with Washington metropolitan area transit.

Since that time the Legislatures of Virginia and Maryland have again adopted identical measures, based on their experience, enacting minor amendments to the compact we have already approved. For example, since that time the Dulles Airport is or is about to be in operation and therefore will be included within the area affected by the compact.

Mr. GROSS. What does this do to the taxicab operator who wants to take five or six or seven people on a tour from Washington, D.C., to Virginia, or perhaps into Maryland?

Mr. WILLIS. The answer is that it does nothing, because taxicabs remain exempt under this bill. However, there is an amendment that in order to remain exempt he must be a bona fide taxicab operator engaged in the business of taxicabs. But the answer is that taxicabs are exempt.

Mr. GROSS. What is meant by the report which states on page 6:

> The Commission has stated that its major concern in proposing the amendment to section 1(c) of article XII is that the present wording might be construed to allow operators of vehicles carrying eight passengers or less to operate "helter-skelter" in competition with mass transit.

Where in the report can I find substantiation for this charge of "helter-skelter" operation?

Mr. WILLIS. As I said, bona fide taxicab operators are exempt under the bill. But in order to be exempt he must be a taxicab operator and he must not take his operation in a "helter-skelter" fashion, or intermittently pose as a taxicab operator. That is all there is to it. But taxicabs are exempt from the provisions of the bill.

Mr. GROSS. If a man is licensed to operate a taxicab in the District of Columbia, there is nothing in this bill to prevent him from taking tourists who come to this city to visit Arlington Cemetery or Mount Vernon?

Mr. WILLIS. That is correct; the gentleman is correct.

Mr. GROSS. If he has a license to operate a taxicab, and meets the requirements for the operation of a taxicab in the District of Columbia, he will not be estopped by virtue of the passage of this bill from taking tourists within the metropolitan area; is that correct?

Mr. WILLIS. The gentleman is correct.

Mr. GROSS. I still do not understand then this charge of "helter-skelter" operation.

Mr. WILLIS. This discourages someone who is not truly a taxicab operator but is posing as such to escape from the provisions of this bill.

May I suggest that the gentleman yield to the gentleman from Maryland at this point?

Mr. GROSS. I am glad to yield to the gentleman from Maryland.

Mr. MATHIAS. The reason this amendment was required is that in the original act which was passed by this House several years ago certain motor vehicles were exempt from the operation of the act according to the number of passengers they were designed to carry. In some cases in the District area you have small sightseeing buses which normally would be regulated by the Transit Authority, although the number of passengers is small, say eight. These were just blanket exemptions according to the number of passengers. Actually, this is designed to exempt taxicabs, but it was found in practice that it was also exempting certain of these, if you want to call them that, contract carriers, sightseers in the area. So the language was designed more specifically to exempt the regular licensed taxicab operation and to designate what was really intended in the first place, these contract carriers.

Mr. GROSS. Mr. Speaker, let me say to the gentleman from Maryland that my concern is that this may tend to create monopoly in the hands of O. Roy Chalk and the operator by the name of Montgomery who is presently in the courts, as I understand it. Is it correct that he is in the courts now trying to stay in this business?

Mr. MATHIAS. There is a Montgomery Charter Service that is in the courts trying to establish certain grandfather rights. I believe there are some other operators in the area having similar rights.

Mr. GROSS. This bill makes provision, if he does establish grandfather rights that he may not be estopped; is that not correct?

Mr. MATHIAS. The bill does not so provide but I think that would be a natural consequence, that if he has certain rights he would be protected.

Mr. GROSS. The gentleman is not saying that this bill is designed to stop the lawsuit that is now pending?

Mr. MATHIAS. It is not designed for that at all.

Mr. GROSS. Will it do that?

Mr. MATHIAS. No. The bill is not designed to affect the outcome of this lawsuit at all. The bill was written a long time ago by the Legislature of Virginia, sometime long before we had any lawsuit involved.

Mr. GROSS. May I ask the gentleman one other question. Why is it that the National Capital Transportation Agency takes no position on this bill? Is that Agency not an interested party?

Mr. MATHIAS. They may have some interest that they could have come in and offered. There were some hearings held.

Mr. GROSS. The Agency has a letter in the report that says they take no position. I would think the National Capital Transportation Agency would be very much interested in legislation of this type.

Mr. MATHIAS. I think if they had objection they certainly would have made it known.

Mr. GROSS. They do not object. They just say they do not take any position. This is hard for me to understand.

Mr. MATHIAS. I do not want to put words into the mouth of the agency, but I would say, No. 1, we are proposing to enlarge the area of transportation here because of the geographical location of the Dulles Airport and, No. 2, we are attempting to remedy an error which became apparent in practice over the last several years. These are not major changes in policy.

Mr. GROSS. With the assurance of the gentleman from Louisiana [Mr. WILLIS] and the author of this joint resolution, the gentleman from Maryland [Mr. MATHIAS], that this resolution is not designed to give to O. Roy Chalk or anyone else a monopoly over the transportation of sightseers and tourists who come to the District of Columbia, I will let this bill go through insofar as unanimous consent is concerned, but I will say to the gentleman that I will, as I am sure other Members of Congress will, watch with interest what transpires under this joint resolution.

Mr. MATHIAS. If the gentleman will yield further, as I pointed out before, this was enacted in the same form in which it is now before the House by the Legislatures of Maryland and Virginia. The basic act calls for the fact that any certificates of convenience and necessity shall be issued.

Mr. GROSS. Of course they can be, but will they be issued?

Mr. MATHIAS. This of course is something that all of us are going to watch. I have just as much interest as the gentleman has in seeing that the public is treated fairly on this matter. I intend to watch it very closely, and I will join with the gentleman in watching it closely.

Mr. GROSS. I withdraw my reservation of the right to object, Mr. Speaker.

Mr. O'HARA of Illinois. Mr. Speaker, reserving the right to object, I would like some clarification on a phase in which I have a personal interest. That interest stems from my regard for Ralph Worthy, whom I have known during my long residence at the Congressional Hotel. Mr. Worthy, who is a married man, a college graduate, and a respected citizen, owns a limousine and he services guests at the Congressional Hotel who desire to tour Washington and adjacent points of historical interest, going where they or members of their party may desire and under the guidance of one familiar with the Capital City and the adjacent spots like Mount Vernon and whose reliability is vouched for by the hotel.

This is a clean and necessary business. It is a supplementary service to that furnished by the established buslines. There are many families who visit Washington who desire to go in their own family groups in limousines. I would say, Mr. Speaker, that all my colleagues in the House would agree with me that there are constituents who would feel that something was taken away from them if this service were denied them. Touring the city and the adjacent territory and at their leisure stopping in at places of interest, and doing this in their own taxis or limousines, contributes much to their delight and thrill coming to Washington.

There are many Ralph Worthys. They are part of our Washington and, on the whole, I think they are dedicated men. They are small businessmen in the local transportation field. It would be a crime and a disservice to our constituents if conditions for their operation were made so difficult that they were driven out of business. I would like it clarified that it is not the intent of the Congress, in agreeing to the pending bill, that it should drive the limousines from the tourist business, monopolizing all such business in the hands of the large carriers.

Mr. Worthy fears, and I understand other people like him, that the intent back of this bill is to do away with these limousines. I would like that clarified.

Mr. WILLIS. I am glad the gentleman asked that question. It is very specifically answered on page 6 of the report, which I read:

> The committee notes that the Transit Commission has taken the position that "bona fide taxicab service" includes incidental sightseeing operations performed by taxicabs. Indeed, the Commission has stated the opinion that normal sightseeing operations being conducted by limousines in the Washington metropolitan area are in fact a type of taxicab service, and that it is not the Commission's intention to require certificates as a prerequisite to engage in such operations.

So the answer is specifically set forth in the report as to the position of the Commission.

Mr. O'HARA of Illinois. May I ask whether or not there were requirements for certificates of convenience and necessity, without which the limousines could not operate, and upon application with the necessary proof of safety and insurance, the certificates were not issued?

Mr. WILLIS. There was a question as to whether sightseeing operations were in the nature of taxicab operators. The Transit Commission has issued a ruling that they were. Let me read from the act of September 15, 1960, with regard to the grandfather clause. That act reads: *"Provided, however,* That if any person was bona fide engaged in transportation subject to this Act on the effective date of this Act, the Commission shall issue such certificate without requiring further proof that public convenience and necessity will be served by such operation, and without further proceedings, if application for such certificate is made to the Commission within 90 days after the effective date of this Act."

That is the grandfather clause.

Mr. O'HARA of Illinois. Then the gentleman, for whom I have the greatest respect, and whose word is the

strongest bond I would wish, assures me that it is not the intent or purpose of this bill to put the limousine operators out of business?

Mr. WILLIS. It is not. We asked the Commission for their position and we put it in writing. This problem exists, and we want to clarify it.

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

Mr. O'HARA of Illinois. I yield to the gentleman from Iowa.

Mr. GROSS. Apparently it is not the intention to take the operator of a taxicab who is duly licensed and insured and has met all requirements for operating in the District of Columbia out of business, either?

Mr. WILLIS. That is correct.

Mr. O'HARA of Illinois. I thank my good friends: From Louisiana [Mr. WILLIS], a member of the committee; from Maryland [Mr. MATHIAS], the author of the bill; and from Iowa [Mr. GROSS] for their contributions to a colloquy that has made it perfectly clear that it is not the intent of the House to put out of the legitimate sightseeing business the taxicab drivers and the limousine drivers who are rendering, I would say, one of the most valuable services we have to offer our constituents.

Mr. Speaker, I withdraw my reservation of objection.

The Clerk read the resolution, as follows:

Whereas the State of Maryland and the Commonwealth of Virginia have entered into a compact, known as the Washington Metropolitan Area Transit Regulation Compact, hereinafter called compact, creating the Washington Metropolitan Area Transit Commission, hereinafter called Commission; and

Whereas Congress, by Public Law 86-794 (74 Stat. 1031), consented to the entry into the compact by the State of Maryland and the Commonwealth of Virginia, and authorized and directed the Board of Commissioners of the District of Columbia to enter into and execute the compact on behalf of the United States for the District of Columbia; and

Whereas the Commission has recommended specific amendments to the compact, to wit:

(1) To include within the Washington metropolitan area transit district the Dulles International Airport and all cities which lie within the metropolitan district;

(2) To exempt from the Commission's jurisdiction transportation performed by a carrier whose only transportation is between points outside the metropolitan district and points inside the metropolitan district;

(3) To clarify the Commission's jurisdiction over interstate taxicab operations;

(4) To provide that the annual reports of the Commission be submitted on a fiscal year basis; and

Whereas the State of Maryland and the Commonwealth of Virginia have by legislation (ch. 114, Acts of Maryland General Assembly, 1962; and ch. 67, Acts of Virginia General Assembly, 1962) adopted identical amendments to the compact, to become effective upon consent of Congress, by which article I, and sections 1 and 24 of article XII, respectively, of the compact are amended to read as follows:

"ARTICLE I

"There is hereby created the Washington Metropolitan Area Transit District, hereinafter referred to as Metropolitan District, which shall embrace the District of Columbia, the cities of Alexandria and Falls Church, the counties of Arlington and Fairfax, and political subdivisions of the State of Virginia located within those counties and that portion of Loudoun County, Virginia, occupied by the Dulles International Airport and the counties of Montgomery and Prince Georges, in the State of Maryland and political subdivisions of the State of Maryland located within said counties, and all other cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of said counties, cities, and airport.

"ARTICLE XII

"Transportation covered

"1. (a) This Act shall apply to the transportation for hire by any carrier of persons between any points in the Metropolitan District and to the persons engaged in rendering or performing such transportation service, except—

"(1) transportation by water;

"(2) transportation by the Federal Government, the signatories hereto, or any political subdivision thereof;

"(3) transportation by motor vehicles employed solely in transporting schoolchildren and teachers to or from public or private schools;

"(4) transportation performed in the course of an operation over a regular route, between a point in the Metropolitan District and a point outside the Metropolitan District, including transportation between points on such regular route within the Metropolitan District as to interstate and foreign commerce, if authorized by certificate of public convenience and necessity or permit issued by the Interstate Commerce Commission, and any carrier whose only transportation within the Metropolitan District is within this exemption shall not be deemed to be a carrier subject to the compact; provided, however, if the primary function of a carrier's entire operations is the furnishing of mass transportation service within the Washington Metropolitan Area Transit District, then such operations in the Metropolitan District shall be subject to the jurisdiction of the Commission;

"(5) transportation performed by a common carrier by railroad subject to Part I of the Interstate Commerce Act, as amended.

"(b) The provisions of this Title II shall not apply to transportation as specified in this section solely within the Commonwealth of Virginia and to the activities of persons engaged in such transportation, nor shall any provision of this Title II be construed to infringe the exercise of any power or the discharge of any duties conferred or imposed upon the State Corporation Commission of the Commonwealth of Virginia by the Virginia Constitution.

"(c) Notwithstanding the provisions of paragraph (a) of this section, this Act shall apply to taxicabs and other vehicles used in performing a bona fide taxicab service having a seating capacity of eight passengers or less in addition to the driver thereof with respect only to (i) the rate or charges for transportation from one signatory to another within the confines of the Metropolitan District, and (ii) requirements for minimum insurance coverage.

"Annual report of the Commission

"24. The Commission shall make an annual report for each fiscal year ending June thirtieth, to the Governor of Virginia and the Governor of Maryland, and to the Board of Commissioners of the District of Columbia as soon as practicable after June thirtieth, but no later than the 1st day of January of each year, which shall contain, in addition to a report of the work performed under this Act, such other information and recommendations concerning passenger transportation within the Metropolitan District, as the Commission deems advisable."

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to the State of Maryland and the Commonwealth of Virginia to effectuate the foregoing amendments to the compact, and the Commissioners of the District of Columbia are authorized and directed to effectuate said amendments on behalf of the United States for the District of Columbia.

SEC. 2. Section 5 of Public Law 86-794 (74 Stat. 1050) is repealed.

SEC. 3. The right of Congress to alter, amend, or repeal this Act is hereby expressly reserved.

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

POTOMAC RIVER COMPACT

The Clerk called the resolution (H.J. Res. 659) granting consent of the Congress to a compact entered into between the State of Maryland and the Commonwealth of Virginia for the creation of the Potomac River Compact of 1958.

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

Whereas the State of Maryland and the Commonwealth of Virginia have entered into a compact, known as the Potomac River Compact of 1958, by means of concurrent legislation for that purpose, being chapter 269 of the Acts of the General Assembly of Maryland of 1959 and being found in chapters 5 and 28 of the 1959 Extraordinary Session of the General Assembly of Virginia: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of the Congress, subject to the provisions and conditions of section 2 of this joint resolution, is given to the State of Maryland and the Commonwealth of Virginia for the Potomac River Compact of 1958 and for each and every part and article thereof: *Provided,* That nothing in this compact shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in or over the region which forms the subject of the compact or the power of Congress pursuant to the United States Constitution over interstate or foreign commerce. The compact reads as follows:

"POTOMAC RIVER COMPACT OF 1958

"Preamble

"Whereas Maryland and Virginia are both vitally interested in conserving and improving the valuable fishery resources of the Tidewater portion of the Potomac River, and

"Whereas, certain provisions of the Compact of 1785 between Maryland and Virginia having become obsolete, Maryland and Virginia each recognizing that Maryland is the owner of the Potomac River bed and waters to the low water mark of the southern shore thereof, as laid out on the Mathews-Nelson survey of 1927, and that Virginia is the owner of the Potomac River bed and waters southerly from said low water mark as laid out, and that the citizens of Virginia have certain riparian rights along the southern shore of the river, as shown on said Mathews-Nelson survey, and, in common with the citizens of Maryland, the right of fishing in said river, Maryland and Virginia have agreed that the necessary conservation and improvement of the tidewater portion of the Potomac fishery resources can be best achieved by a Commission comprised of representatives of both Maryland and Virginia, charged with the establishment and maintenance of a program to conserve and improve these resources, and

"Whereas, at a meeting of the commissioners appointed by the Governors of the State of Maryland and the Commonwealth of Virginia, to-wit: Carlyle Barton, M. William Adelson, Stephen R. Collins, Edward S. Delaplaine and William J. McWilliams, Esquires, on the part of the State of Maryland, and Mills E. Godwin, Jr., Howard H. Adams, Robert Y. Button, John Warren Cooke and Edward E. Lane, Esquires, on the part of the Commonwealth of Virginia, at Mount Vernon, Virginia, on the twentieth of December, in the year one thousand nine hundred and fifty-eight, the following Potomac River Compact of 1958 between the Commonwealth of Virginia and the State of Maryland was mutually agreed to by the said Commissioners: Now, therefore, be it *Resolved* by the Commissioners appointed by the Governors of the State of Maryland and the Commonwealth of Virginia, meeting in joint session, that they do unanimously recommend to the said respective Governors that there be a new compact, to be designated as the "Potomac River Compact of 1958", and that the said new compact be referred as promptly as possible to the Legislatures of the State of Maryland and the Commonwealth of Virginia for appropriate action, and to the end and after ratification and adoption by said Legislatures the same be submitted to the Congress of the United States for approval.

"Article I

"Commission—Membership and Organization

"SECTION 1. COMMISSION CREATED.—The Potomac River Fisheries Commission, hereinafter designated as "Commission", is hereby created.

"SEC. 2. MEMBERS.—The Commission shall consist of six members, three from Maryland and three from Virginia. The Maryland members shall be the members of the Tidewater Fisheries Commission of Maryland or its successor agency and the Virginia members shall be the members of the Virginia Fisheries Commission or its successor agency. If the membership of either of the respective State Commissions exceeds three, then the three Commission members from that State shall be selected by the Governor thereof from the members of the State Commission; and if the membership of either of the respective State Commissions is less than three, the three Commission members from that State shall be the member or members of the State Commission, and such additional person or persons who shall be appointed by the Governor as may be necessary to constitute a total of three Commissioners.

"SEC. 3. TERM, VACANCIES.—The term of Commissioners who are members of their respective State Commissions shall be conterminous with their term on their State Commission. The term of Commissioners who are not members of their State Commission shall be four years. Vacancies on the Commission shall be filled by appointment of the Governor of the State entitled to fill the vacancy, except that where the State Commission has three members, the person filling a vacancy on the State Commission shall ex officio become a member of the Commission.

"SEC. 4. CHAIRMAN.—The Chairman of the Commission shall alternate from year to year between the representatives of Maryland and Virginia. Subject to such alternation, the Chairman shall be elected by the Commissioners for a term of one year.

"SEC. 5. COMPENSATION, EXPENSES.—Commissioners shall be entitled to receive from the General Fund of the Commission compensation of twenty-five ($25.00) for each day or portion thereof spent in the performance of their duties, and reimbursement of reasonable expenses incident to the performance of their duties.

"SEC. 6. MEETINGS, QUORUM.—Commission meetings shall be held at least once each quarter, and at such other times as the Commission may determine.

"In order to constitute a quorum for the transaction of any business at least two of the three members from each State must be present and must vote on the business being transacted.

"SEC. 7. OFFICE AND EMPLOYEES.—The Commission shall establish and maintain an office at such locations as it may select, and may employ an Executive Secretary who shall serve at the pleasure of the Commission, and such other administrative, clerical, scientific, and legal personnel as it deems necessary. The powers, duties, and compensation of all employees shall be as prescribed by the Commission, and the employees shall not be subject to the provisions of article 64A of the Annotated Code of Maryland nor to the provisions of the Virginia Personnel Act, as the same may be from time to time in effect. The Commission may extend to any employee or employees membership in the Virginia Supplemental Retirement System or the Maryland Employees' Retirement System, whichever is applicable, subject to the laws relating to each such retirement system.

"Article II

"Jurisdictional Boundaries

"The territory in which the Potomac River Fisheries Commission shall have jurisdiction shall be those waters of the Potomac River enclosed within the following described area:

"Beginning at the intersection of mean low water mark at Point Lookout and an established line running from Smiths Point to Point Lookout, marking Chesapeake Bay waters; thence following the mean low water line of the shore northwesterly across the respective mouths of all creeks to Gray Point at the westerly entrance into Rowley Bay; thence in a straight line northwesterly to the southerly extremity of Kitts Point; thence along the mean low water line to the southwesterly point of St. Inigoes Neck; thence in a straight line westerly to the most easterly point of St. Georges Island; thence following the mean low water line in a general northwesterly direction, across the respective mouths of all creeks and inlets to the southwesterly point of Huggins Point; thence in a straight line southwesterly to the eastern extremity of the sand bar known as Heron Island; thence northwesterly following the ridge of Heron Island Bar to its westerly extremity; thence southwesterly in a straight line to the most southerly point of Blakiston Island; thence in a straight line northwesterly to the southern extremity of Colton's Point; thence following the mean low water line westerly, excluding all creeks and inlets, to the point marking the southeasterly entrance into St. Catherine Sound; thence westerly in a straight line to the southern extremity of St. Catherine Island Sandbar; thence northwesterly, along the westerly edge of said sand bar containing along the mean low water line of the southwesterly side of St. Catherine Island to the northwesterly point of said island; thence westerly in a straight line to Cobb Point Bar Lighthouse; thence northwesterly along the ridge of Cobb Point Sandbar to the southerly extremity of Cobb Point; thence following the mean low water line in general northwesterly and northerly directions across the respective mouths of all creeks and inlets to a point at the easterly entrance into Port Tobacco River, due east of Windmill Point; thence in a straight line westerly to Windmill Point; thence southwesterly following the mean low water line across the respective mouths of all creeks and inlets to Upper Cedar Point; thence southwesterly in a straight line across the mouth of Nanjemoy Creek to a point on shore at the village of Riverside; thence following the mean low water line, southwesterly, northwesterly and northerly across the respective mouths of all creeks and inlets to Smiths Point; thence northerly in a straight line to Liverpool Point; thence northerly in a straight line to Sandy Point; thence following the mean low water line northerly, across the respective mouths of all creeks and inlets to Moss Point; thence northerly in a straight line across Chicamuxen Creek to the southernmost point of Stump Neck; thence following the mean low water line northeasterly, across the respective mouths of all creeks and inlets, to a point at the southerly entrance into Mattawoman Creek; thence in a straight line northeasterly across the mouth of Mattawoman Creek to the southwesterly point of Cornwallis Neck; thence following the mean low water line northeasterly, across the respective mouths of all creeks and inlets, to Chapman Point; thence in a straight line northeasterly to Pomonkey or Hillis Point; thence following the mean low water line in a northerly direction across the respective mouths of all creeks and inlets, to a point on Marshall Hall shore, due south of Ferry Point; thence northeasterly in a straight line to Bryan Point; thence northeasterly in a straight line to the northwest extremity of Mockley Point; thence northeasterly in a straight line to Hatton Point; thence northerly in a straight line to the southwesternmost point of Indian Queen Bluff; thence following the mean low water line northerly across the respective mouths of all creeks and inlets, to Rosier Bluff Point; thence in a straight line northerly to the intersection with the District of Columbia line at Fox Ferry Point; thence following the boundary line of the District of Columbia southwesterly to a point on the lower or southern shore of the Potomac River, said point being the intersection of the boundary line of the Commonwealth of Virginia with the boundary line of the District of Columbia; thence following the mean low water line of the Potomac River on the southern, or Virginia shore, as defined in the Black-Jenkins Award of 1877 and as laid out in the Mathews-Nelson Survey of 1927, beginning at the intersection of the Potomac River and the District of Columbia line at Jones Point and running to Smiths Point; and thence in a straight line across the mouth of the Potomac River on the established line from Smiths Point to Point Lookout, to the mean low water mark at Point Lookout, the place of beginning.

"Article III

"Commission Powers and Duties

"SECTION 1. OYSTER BARS.—The Commission shall make a survey of the oyster bars within its jurisdiction and may reseed and replant said oyster bars as may from time to time be necessary.

"SEC. 2. FISH AND SEAFOOD.—The Commission may by regulation prescribe the type, size and description of all species of finfish, crabs, oysters, clams and other shellfish which may be taken or caught, within its jurisdiction, the places where they may be taken or caught, and the manner of taking or catching.

"SEC. 3. RESEARCH.—The Commission shall maintain a program of research relating to the conservation and repletion of the fishery resources within its jurisdiction, and to that end may cooperate and contract with scientists and public and private scientific agencies engaged in similar work, and may purchase, construct, lease, borrow or otherwise acquire by any lawful method such property, structures, facilities, or equipment as it deems necessary.

"SEC. 4. LICENSES.—(a) The Commission shall issue such licenses as it may prescribe which shall thereupon be required for the taking of finfish, crabs, oysters, clams or other shellfish from the waters within the jurisdiction of the Commission, and for boats, vessels and equipment used for such taking. Recognizing that the right of fishing in the territory over which the Commission shall have jurisdiction is and shall be

common to and equally enjoyed by the citizens of Virginia and Maryland, the Commission shall make no distinction between the citizens of Virginia or Maryland in any rule, regulation or the granting of any licenses, privileges, or rights under this compact.

"(b) Licenses for the taking of oysters and clams and the commercial taking of finfish and crabs within the jurisdiction of the Commission shall be granted only to citizens of Maryland or Virginia who have resided in either or both States for at least twelve months immediately preceding the application for the license. Within six months after the effective date of this compact, the Commission shall adopt a schedule of licenses, the privileges granted thereby, and the fees therefor, which may be modified from time to time in the discretion of the Commission.

"(c) The licenses hereby authorized may be issued at such places, by such persons, and in accordance with such procedures as the Commission may determine.

"SEC. 5. EXPENDITURES.—The Commission is authorized to expend funds for the purposes of general administration, repletion of the fish and shellfish in the Potomac River, and the conservation and research programs authorized under this compact, subject to the limitations provided in this compact.

"SEC. 6. GRANTS, CONTRIBUTIONS, ETC.—The Commission is authorized to receive and accept (or to refuse) from any and all public and private sources such grants, contributions, appropriations, donations, and gifts as may be given to it, which shall be paid into and become part of the General Fund of the Commission, except where the donor instructs that it shall be used for a specific project, study, purpose, or program, in which event it shall be placed in a special account, which shall be administered under the same procedure as that prescribed for the General Fund.

"SEC. 7. COOPERATION OF STATE AGENCIES.—The Commission may call upon the resources and assistance of the Virginia Fisheries Laboratory, the Maryland Department of Research and Education, and all other agencies institutions, and departments of Maryland and Virginia which shall cooperate fully with the Commission upon such request.

"SEC. 8. REGULATIONS.—The Commission shall have the power to make, adopt and publish such rules and regulations as may be necessary or desirable for the conduct of its meetings, such hearings as it may from time to time hold, and for the administration of its affairs.

"SEC. 9. INSPECTION TAX.—The Commission may impose an inspection tax, in an amount as fixed from time to time by the Commission, not exceeding 25 cents per bushel, upon all oysters caught within the limits of the Potomac River. The tax shall be paid by the buyer at the place in Maryland or Virginia where the oysters are unloaded from vessels and are to be shipped no further in bulk in vessel, to an agent of the Commission, or to such officer or employee of the Virginia Fisheries Commission or of the Maryland Department of Tidewater Fisheries, as may be designated by the Commission, and by him paid over to the Commission.

"Article IV

"Commission Regulations—Procedure and Review

"SECTION 1. NOTICE, HEARING, VOTE.—No regulation shall be adopted by the Commission unless:

"(a) A public hearing is held thereon;

"(b) Prior to the hearing the Commission has given notice of the proposed regulation by publication thereof at least once a week for three successive weeks in at least one newspaper published, or having a general circulation in each county of Maryland and Virginia contiguous to the waters within the Commission's jurisdiction, the first such publication to be at least thirty days but not more than forty-five days prior to the date of the hearing;

"(c) A copy of the proposed regulation is mailed at least thirty days but not more than forty-five days prior to the hearing, to the clerk of the court of each county of Maryland and Virginia contiguous to the waters within the Commission's jurisdiction, who shall post the same in a conspicuous place at or in the courthouse; and

"(d) The regulation is approved by at least four members of the Commission.

"SEC. 2. RECORDING, EFFECTIVE DATE.—(a) Regulations of the Commission shall be exempt from the provisions of Chapter 1.1 (§ 9-6.1 et seq.) of Title 9 of the Code of Virginia (1950 Edition, as amended from time to time), and of section 9 of Article 41 of the Annotated Code of Maryland (1957 Edition, as amended from time to time). Copies of Commission regulations shall be kept on public file and available for public reference in the offices of the Commission, the office of the clerk of court in each county of Maryland and Virginia contiguous to the waters within the Commission's jurisdiction, the office of the Virginia Division of Statutory Research and Drafting, the office of the Maryland Department of Legislative Reference, the office of the Virginia Fisheries Commission, and the office of the Maryland Department of Tidewater Fisheries.

"(b) No regulation of the Commission shall become effective until thirty (30) days after the date of its adoption, or such later date as may be fixed by the Commission.

"(c) Leasing, dredging or patent tonging shall be authorized by the Commission only if such authorization is granted by joint action of the Legislatures of Maryland and Virginia.

"SEC. 3. REVIEW.—Any person aggrieved by any regulation or order of the Commission may at any time file a petition for declaratory judgment with respect to the validity or construction thereof, in the circuit court of any county in Maryland or Virginia contiguous to the waters within the Commission's jurisdiction. A review of the final judgment of the circuit court may be appealed to the court of highest appellate jurisdiction of the State in accordance with the rules of procedure in each State.

"SEC. 4. REVISION BY LEGISLATIVE ACTION.—Regulations of the Commission may be amended, modified, or rescinded by joint enactment of the General Assembly of Maryland and the General Assembly of Virginia.

"SEC. 5. REVISION OF COMPACT.—At any time subsequent to the adoption of this compact the Governor or Legislature of either Maryland or Virginia may call for the appointment of a Commission to make further study and recommendations concerning revision and amendments to this compact, at which time the Governors of the respective States shall act forthwith in compliance with the request for the appointment of said Commission.

"Article V

"Enforcement of Laws and Regulations: Penalties

"SECTION 1. RESPONSIBILITY FOR ENFORCEMENT.—The regulations and orders of the Commission shall be enforced by the joint effort of the law enforcement agencies and officers of Maryland and Virginia.

"SEC. 2. PENALTIES.—The violation of any regulation of the Commission shall be a misdemeanor. Unless a lesser punishment is provided by the Commission, such violation shall be punishable by a fine not to exceed one thousand dollars ($1,000.00) or confinement in a penal institution for not more than one (1) year, or both, in the discretion of the court, and any vessel, boat, or equipment used in the taking of finfish, crabs, oysters, clams, or other shellfish from the Potomac River in violation of any regulation of the Commission or of applicable laws may be confiscated by the court, upon the abandonment thereof or the conviction of the owner or operator thereof.

"SEC. 3. JURISDICTION OF COURT.—The officer making an arrest or preferring a charge for violation of a regulation of the Commission or an applicable State law respecting the waters within the Commission's jurisdiction shall take the alleged offender to a court of competent jurisdiction in either State in a county adjacent to the portion of the Potomac River where the alleged offense occurred, which shall thereupon have jurisdiction over the offense.

"SEC. 4. DISPOSITION OF FINES AND FORFEITURES.—All fines imposed for violation of regulations of the Commission or applicable State laws respecting the waters within the Commission's jurisdiction shall be paid into the court in which the case is prosecuted, and accounted for under the laws applicable to that court. Any property confiscated under the provisions of this compact shall be turned over to the Commission, which may retain, use, or dispose of it as it deems best.

"Article VI

"Commission finances

"SECTION 1. BUDGET.—The Commission shall approve and adopt a proposed annual budget showing estimated income, revenues, appropriations, and grants from all sources, and estimated necessary expenditures and shall send a copy thereof to the Governors of Maryland and Virginia.

"SEC. 2. APPROPRIATIONS.—The said Governors shall place in the proposed budget of their respective States for each year the sum of not less than fifty thousand dollars ($50,000.00) for the expenses and the other purposes of the Commission for that year, except that none of the sum so appropriated shall be used for law enforcement purposes; and the General Assembly of each of the two states agrees to appropriate annually not less than this sum to the Commission.

"SEC. 3. GENERAL FUND.—(a) The General Fund shall consist off:

"(1) All income and revenue received from the issuance of licenses under this compact;

"(2) The proceeds of the disposition of property confiscated pursuant to the provisions of this compact;

"(3) The proceeds of the inspection tax upon oysters imposed pursuant to this compact; and

"(4) The funds appropriated to the Commission by the two States.

"(b) The General Fund of the Commission shall be kept in such bank or depository as the Commission shall from time to time select. The General Fund shall be audited annually by the Auditor of Public Accounts of Virginia and the State Auditor of Maryland acting jointly, and at such other times as the Commission may request.

"Article VII

"Effect on existing laws and prior compact

"SECTION 1. EXISTING RIGHTS.—The rights including the privilege of erecting and maintaining wharves and other improvements, of the citizens of each State along the shores of the Potomac River adjoining their lands shall be neither diminished, restricted, enlarged, increased nor otherwise altered by this compact, and the decisions of the courts construing that portion of Article VII of the Compact of 1785 relating to the rights of riparian owners shall be given full force and effect.

"SEC. 2. EXISTING LAWS.—The laws of the State of Maryland relating to finfish, crabs, oysters, and clams in the Potomac River, as set forth in Article 66C of the Annotated Code of Maryland and as in effect on December 1, 1958, shall be and remain applicable in the Potomac River except to the extent changed, amended, or modified by

regulations of the Commission adopted in accordance with this compact.

"SEC. 3. EXISTING LICENSES.—The rights and privileges of licensees to take and catch finfish, crabs, oysters, clams, and other shellfish in the Potomac River, which are in effect at the time this compact becomes effective, shall continue in force for a period of six months at which time every such license and every such right and privilege shall be abrogated.

"Article VIII

"Effect of Ratification

"These articles shall be laid before the Legislatures of Virginia and Maryland, and their approbation being obtained, shall be confirmed and ratified by a law of each State, never to be repealed or altered by either, without the consent of the other.

"Article IX

"Effective Date

"This compact, which takes the place of the Compact of 1785 between Maryland and Virginia, shall take effect at the expiration of sixty days after the completion of the last act legally necessary to make it operative, and thereupon the said Compact of 1785 shall no longer have any force or effect."

SEC. 2. (a) The right to alter, amend, or repeal this joint resolution is hereby expressly reserved.

(b) The right is hereby reserved to the Congress or any of its standing committees to require of the Potomac River Fisheries Commission the disclosure and furnishing of such information and data as is deemed appropriate by the Congress or any committee thereof having jurisdiction of the subject matter of this resolution.

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

DELAWARE-NEW JERSEY COMPACT

The Clerk called the resolution (H.J. Res. 783) granting consent of Congress to the State of Delaware and the State of New Jersey to enter into a compact to establish the Delaware River and Bay Authority for the development of the area in both States bordering the Delaware River and Bay.

Mr. WIDNALL. Mr. Speaker, reserving the right to object, I would like to ask a question about this.

Do you know whether or not this resolution has been amended to take care of the situation in Cape May, N.J.?

Mr. WILLIS. If the gentleman will yield, Mr. Speaker, I do not know exactly the amendment the gentleman has in mind. I would say this to him, that the Governors of these two States, Delaware and New Jersey, appeared before the committee. They made certain recommendations which we adopted. The Department of the Interior and the Department of Commerce made certain recommendations; and, very happily, we were able to get everyone together, and as far as I know everybody is satisfied.

As I say, I do not know exactly the amendment the gentleman referred to, but I can tell him what the amendments are. There are five, and as far as I know, everyone is satisfied.

Mr. WIDNALL. Senator Sandman, of Cape May, N.J.——

Mr. WILLIS. If he was the gentleman who appeared as a witness, my answer to the House is that the two State senators, one from each State, appeared, and they were satisfied. Again I state I do not know exactly what amendment the gentleman is talking about, but I do know that the Governors and the State senators, the Department of the Interior, and the Department of Commerce were all satisfied.

Mr. WIDNALL. The project has to do with a proposed ferry running from Cape May to Delaware. Senator Sandman seemed to feel that under the bill as offered there was some question.

Mr. WILLIS. The question of the operation of the ferry is not involved in this bill, I would say to the gentleman from New Jersey.

Mr. WIDNALL. And it would be possible still to go ahead with the project and have terminal facilities?

Mr. WILLIS. That would depend on the local laws. This bill would not have any effect on it.

Mr. WIDNALL. They would not be barred from having terminal facilities?

Mr. WILLIS. The bill does not deal with that.

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

Mr. WIDNALL. I yield.

Mr. AUCHINCLOSS. The project the gentleman refers to is to come before another committee in separate legislation. If this bill is passed today it will have a definite bearing on the legislation which is before the Public Works Committee covering the Cape May operation which he has in mind. I think it will specifically meet the objections that have been raised by the State senator in New Jersey who probably communicated with the gentleman. He has communicated with me, at least.

Mr. WIDNALL. Mr. Speaker, I withdraw my reservation of objection.

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

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

There was no objection.

Mr. McDOWELL. Mr. Speaker, the purpose of House Joint Resolution 783 is to grant the consent of Congress to the States of Delaware and New Jersey to enter into a compact to establish the Delaware River and Bay Authority for developing the area in both States bordering the Delaware River and Bay.

The compact has been adopted by identical legislation of the States of Delaware and New Jersey.

In summary, the compact establishes the authority for the purposes of: (a) Planning and constructing crossings; (b) planning and constructing transportation and terminal facilities; and (c) performance of other functions hereafter entrusted to Delaware and New Jersey.

The compact details the powers to be exercised by the authority and also permits it to be given additional powers.

The authority will be authorized to collect tolls on crossings and facilities and to pledge tolls for the repayment of borrowings. The aggregate of such tolls must be at least sufficient to defray operating and acquisition costs and the establishment of reserves.

Section 1 of the joint resolution gives the consent of Congress to Delaware and New Jersey to enter into the compact, reserving the right and jurisdiction of the United States in and over the area which forms the subject of the compact.

In addition, the compact contains the following reservations and conditions:

First. Projects of the authority shall be subject to the requirements of the Fish and Wildlife Coordination Act.

Second. Nothing in the resolution amends or supersedes the Delaware River Basin compact resolution.

In the 84th Congress I introduced legislation to amend the act entitled "An act authorizing the State of Delaware by and through its State highway department to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del."

The need for a second bridge and for new access roads in Delaware leading to the bridge were fully outlined by me and by others at the July 12, 1956 hearings held by the Subcommittee on Rivers and Harbors.

New Jersey insisted at that time that the construction and operation of transportation facilities between Delaware and New Jersey must be a joint project of the two States.

Delaware and New Jersey subsequently ratified legislation to permit the tolls to remain on the Delaware Memorial Bridge, the construction of a second bridge, and authorize the establishment of a ferry across that part of the Delaware Bay which is so wide that the construction of a bridge would not be economically feasible.

This legislation also provided that these vital projects could be financed by revenue bonds without the use of either tax money or bonds backed by the credit of the States of Delaware and New Jersey.

The Delaware-New Jersey compact fully recognizes what is so clearly obvious, that neither Delaware nor New Jersey can by themselves alone provide for the operation and development of such great and expensive transportation facilities as bridges, ferries, tunnels, or other crossings, and that the planning and operation of such vital facilities takes a good many years to work out.

Traffic surveys indicate that the present Delaware Memorial Bridge will reach its peak traffic capacity within the next 2 years.

The new bistate authority will require a reasonable time to plan for the construction of an additional crossing; a new bridge to facilitate the expected flow of traffic over this important waterway will require at least 5 years to plan and build.

Both Delaware and New Jersey have completed legislative action to prepare for planning and constructing this additional crossing. It only remains for the Congress to ratify the Delaware-New Jersey compact.

I urge you to pass this House joint resolution, which I am proud to have authored, so that the traveling public may not be inconvenienced by a bottleneck which would stifle interstate travel and commerce.

In doing so, you will be providing for the present and the future.

The SPEAKER. Is there objection to the present consideration of the resolution?

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

Whereas, the State of Delaware and the State of New Jersey, pursuant to legislative authority adopted by each State, being 53 Laws of Delaware, chapter 145, and P.L. 1961, chapter 66 of the Laws of New Jersey, have provided, subject to the consent of Congress, for a compact, known as the Delaware-New Jersey Compact, establishing "The Delaware River and Bay Authority" for the development of the area in both States bordering the said Delaware River and Bay; and

Whereas, said compact reads as follows:

DELAWARE-NEW JERSEY COMPACT

Whereas, The States of Delaware and New Jersey are separated by the Delaware River and Bay which create a natural obstacle to the uninterrupted passage of traffic other than by water and with normal commercial activity between the two States thereby hindering the economic growth and development of those areas in both States which border the River and Bay; and

Whereas, the pressures of existing trends from increasing traffic, growing population and greater industrialization indicate the need for closer cooperation between the two States in order to advance the economic development and to improve crossings, transportation, terminal and other facilities of the area; and

Whereas, the financing, construction, operation and maintenance of such crossings, transportation, terminal and other facilities of commerce and the over-all planning for future economic development of the area may be best accomplished for the benefit of the two States and their citizens, the region and Nation, by the cordial cooperation of Delaware and New Jersey by and through a joint or common agency or authority;

Now, therefore, the State of Delaware and the State of New Jersey, do hereby solemnly covenant and agree, each with the other as follows:

Article I

Short Title

This Compact shall be known as the "Delaware-New Jersey Compact."

Article II

Definitions

"Crossing" means any structure or facility adapted for public use in crossing the Delaware River or Bay between the States, whether by bridge, tunnel, ferry or other device, and by any vehicle or means of transportation of persons or property, as well as all approaches thereto and connecting and service routes and all appurtenances and equipment relating thereto.

"Transportation facility" and "terminal facility" mean any structure or facility other than a crossing as herein defined, adapted for public use within each of the States party hereto in connection with the transportation of persons or property, including railroads, motor vehicles, watercraft, airports and aircraft, docks, wharves, piers, slips, basins, storage places, sheds, warehouses, and every means or vehicle of transportation now or hereafter in use for the transportation of persons and property or the storage, handling or loading of property, as well as all apurtenances and equipment related thereto.

"Appurtenances" and "equipment" mean all works, buildings, structures, devices, appliances and supplies, as well as every kind of mechanism, arrangement, object or substance related to and necessary or convenient for the proper construction, equipment, maintenance, improvement and operation of any crossing, transportation facility or terminal facility.

"Project" means any undertaking or program for the acquisition or creation of any crossing, transportation facility or terminal facility, or any part thereof, as well as for the operation, maintenance and improvement thereof.

"Tunnel" means a tunnel of one or more tubes.

"Governor" means any person authorized by the Constitution and law of each State to exercise the functions, powers and duties of that office.

"Authority" means the Authority created by this Compact or any agency successor thereto.

The singular whenever used herein shall include the plural, and the plural shall include the singular.

Article III

Faithful Cooperation

They agree to and pledge, each to the other, faithful cooperation in the effectuation of this Compact and any future amendment or supplement thereto, and of any legislation expressly in implementation thereof hereafter enacted, and in the planning, development, financing, construction, operation, maintenance and improvement of all projects entrusted to the Authority created by this Compact.

Article IV

Establishment of Agency; Purposes

The two States agree that there shall be created and they do hereby create a body politic, to be known as "The Delaware River and Bay Authority" (for brevity hereinafter referred to as the "Authority"), which shall constitute an agency of government of the State of Delaware and the State of New Jersey for the following general public purposes, and which shall be deemed to be exercising essential governmental functions in effectuating such purposes, to wit:

(a) The planning, financing, development, construction, purchase, lease, maintenance, improvement and operation of crossings between the States of Delaware and New Jersey across the Delaware River or Bay at any location south of the boundary line between the State of Delaware and the Commonwealth of Pennsylvania as extended across the Delaware River to the New Jersey shore of said river, together with such approaches or connections thereto as in the judgment of the Authority are required to make adequate and efficient connections between such crossings and any public highway or other routes in the State of Delaware or in the State of New Jersey; and

(b) The planning, financing, development, construction, purchase, lease, maintenance, improvement and operation of any transportation or terminal facility within those areas of both States which border on or are adjacent to the Delaware River or Bay south of the aforesaid line and which in the judgment of the States is required for the sound economic development of the area; and

(c) The performance of such other functions as may be hereafter entrusted to the Authority by concurrent legislation expressly in implementation hereof.

The authority shall not undertake any project or part thereof, other than a crossing, without having first secured approval thereof by concurrent legislation of the two States expressly in implementation hereof.

Article V

Commissioners

The Authority shall consist of ten Commissioners, five of whom shall be residents of and qualified to vote in, and shall be appointed from, the State of Delaware, and five of whom shall be residents of and qualified to vote in, and shall be appointed from, the State of New Jersey; not more than three of the Commissioners of each State shall be of the same political party; the Commissioners for each State shall be appointed in the manner fixed and determined from time to time by the law of each State respectively. Each Commissioner shall hold office for a term of five years, and until his successor shall have been appointed and qualified, but the terms of the first Commissioners shall be so designated that the term of one Commissioner from each State shall expire each year. All terms shall run to the first day of July. Any vacancy, however created, shall be filled for the unexpired term only. Any Commissioner may be suspended or removed from office as provided by law of the State from which he shall be appointed.

Commissioners shall be entitled to reimbursement for necessary expenses to be paid only from revenues of the Authority and may not receive any other compensation for services to the Authority except such as may from time to time be authorized from such revenues by concurrent legislation.

Article VI

Board Action

The Commissioners shall have charge of the Authority's property and affairs and shall, for the purpose of doing business, constitute a Board; but no action of the Commissioners shall be binding or effective unless taken at a meeting at which at least three Commissioners from each State are present, and unless at least three Commissioners from each State shall vote in favor thereof. The vote of any one or more of the Commissioners from each State shall be subject to cancellation by the Governor of such State at any time within 10 days (Saturdays, Sundays, and public holidays in the particular State excepted) after receipt at the Governor's Office of a certified copy of the minutes of the meeting at which such vote was taken. Each State may provide by law for the manner of delivery of such minutes, and for notification of the action thereon.

Article VII

General Powers

For the effectuation of its authorized purposes, the Authority is hereby granted the following powers:

a. To have perpetual succession.

b. To adopt and use an official seal.

c. To elect a chairman and a vice-chairman from among the commissioners. The chairman and vice-chairman shall be elected from different States, and shall each hold office for two years. The chairmanship and vice-chairmanship shall be alternated between the two States.

d. To adopt by-laws to govern the conduct of its affairs by the Board of Commissioners, and it may adopt rules and regulations and may make appropriate orders to carry out and discharge its powers, duties and functions, but no by-law, or rule, regulation or order shall take effect until it has been filed with the Secretary of State of each State or in such other manner in each State as may be provided by the law thereof. In the establishment of rules, regulations and orders respecting the use of any crossing, transportation or terminal facility owned or operated by the Authority, including approach roads, it shall consult with appropriate officials of both States in order to insure, as far as possible, uniformity of such rules, regulations and orders with the law of both States.

e. To appoint, or employ, such other officers, agents, attorneys, engineers and employees as it may require for the performance of its duties and to fix and determine their qualifications, duties, compensation, pensions, terms of office and all other conditions and terms of employment and retention.

f. To enter into contracts and agreements with either State or with the United States,

or with any public body, department, or other agency of either State or of the United States or with any individual, firm or corporation, deemed necessary or advisable for the exercise of its purposes and powers.

g. To accept from any government or governmental department, agency or other public or private body, or from any other source, grants or contributions of money or property as well as loans, advances, guarantees, or other forms of financial assistance which it may use for or in aid of any of its purposes.

h. To acquire (by gift, purchase or condemnation), own, hire, lease, use, operate and dispose of property, whether real, personal or mixed, or of any interest therein, including any rights, franchise and property for any crossing, facility or other project owned by another, and which the Authority is authorized to own and operate.

i. To designate as express highways, and control public and private access thereto, all or any approaches to any crossing or other facility of the Authority for the purpose of connecting the same with any highway or other route in either State.

j. To borrow money and to evidence such loans by bonds, notes or other obligations, either secured or unsecured, and either in registered or unregistered form, and to fund or refund such evidences of indebtedness, which may be executed with facsimile signatures of such persons as may be designated by the Authority and by a facsimile of its corporate seal.

k. To procure and keep in force adequate insurance or otherwise provide for the adequate protection of its property, as well as to indemnify it or its officers, agents or employees against loss or liability with respect to any risk to which it or they may be exposed in carrying out any function hereunder.

l. To grant the use of, by franchise, lease or otherwise, and to make charges for the use of, any crossing, facility or other project or property owned or controlled by it.

m. To exercise the right of eminent domain to acquire any property or interest therein.

n. To determine the exact location, system and character of and all other matters in connection with any and all crossings, transportation or terminal facilities or other projects which it may be authorized to own, construct, establish, effectuate, operate or control.

o. To exercise all other powers not inconsistent with the Constitutions of the two States or of the United States, which may be reasonably necessary or incidental to the effectuation of its authorized purposes or to the exercise of any of the foregoing powers, except the power to levy taxes or assessments, and generally to exercise in connection with its property and affairs, and in connection with property within its control, any and all powers which might be exercised by a natural person or a private corporation in connection with similar property and affairs.

Article VIII

Additional Powers

For the purpose of effectuating the authorized purposes of the Authority, additional powers may be granted to the Authority by legislation of either State without the concurrence of the other, and may be exercised within such State, or may be granted to the Authority by Congress and exercised by it; but no additional duties or obligations shall be undertaken by the Authority under the law of either State or of Congress without authorization by the law of both States.

Article IX

Eminent Domain

If the Authority shall find and determine that any property or interest therein is required for a public use because in furtherance of the purposes of the Authority, said determination shall not be affected by the fact that such property has theretofore been taken over or is then devoted to a public use, but the public use in the hands or under the control of the Authority, shall be deemed superior to the public use for which it has theretofore been taken or to which it is then devoted.

In any condemnation proceedings in connection with the acquisition by the Authority of property or property rights of any character in either State and the right of inspection and immediate entry thereon, through the exercise by it of its power of eminent domain, any existing or future law or rule of court of the State in which such property is located with respect to the condemnation of property for the construction, reconstruction, and maintenance of highways therein, shall control. The Authority shall have the same power and authority with respect thereto as the State agency named in any such law; provided that nothing herein contained shall be construed as requiring joint or concurrent action by the two States with respect to the enactment, repeal or amendment of any law or rule of court on the subject of condemnation under which the Authority may proceed by virtue of this Article.

If the established grade of any street, avenue, highway or other route shall be changed by reason of the construction by the Authority of any work so as to cause loss or injury to any property abutting on such street, avenue, highway or other route, the Authority may enter into voluntary agreements with such abutting property owners and pay reasonable compensation for any loss or injury so sustained, whether or not it be compensable as damages under the condemnation law of the State.

The power of the Authority to acquire property by condemnation shall be a continuing power, and no exercise thereof shall be deemed to exhaust it.

Article X

Revenues and Application

The Authority is hereby authorized to establish, levy and collect such tolls and other charges as it may deem necessary, proper or desirable, in connection with any crossing, transportation or terminal facility or other project which it is or may be authorized at any time to construct, own, operate or control, and the aggregate of said tolls and charges shall be at least sufficient (1) to meet the combined expenses of operation, maintenance and improvement thereof (2) to pay the cost of acquisition or construction, including the payment, amortization and retirement of bonds or other securities or obligations assumed, issued or incurred by the Authority, together with interest thereon and (3) to provide reserves for such purposes; and the Authority is hereby authorized and empowered, subject to prior pledges, if any, to pledge such tolls and other revenues or any part thereof as security for the repayment with interest of any moneys borrowed by it or advanced to it for its authorized purposes and as security for the satisfaction of any other obligations assumed by it in connection with such loans or advances. There shall be allocated to the cost of the acquisition, construction, operation, maintenance and improvement of such facilities and projects, such proportion of the general expenses of the Authority as it shall deem properly chargeable thereto.

Article XI

Covenant With Bondholders

The two said States covenant and agree with each other and with the holders of any bonds or other securities or obligations of the Authority, assumed, issued or incurred by it and as security for which there may be pledged the tolls and revenues or any part thereof of any crossing, transportation or terminal facility or other project, that the two said States will not, so long as any of such bonds or other obligations remain outstanding and unpaid, diminish or impair the power of the Authority to establish, levy and collect tolls and other charges in connection therewith, and that neither of the two said States will, so long as any of such bonds or other obligations remain outstanding and unpaid, authorize any crossing of the Delaware River or Delaware Bay south of the line mentioned in Article IV (a) of this Compact, by any person or body other than the Authority; unless, in either case, adequate provision shall be made by law for the protection of those advancing money upon such obligations.

Article XII

Securities Lawful Investments

The bonds or other securities or obligations which may be issued by the Authority pursuant to this Compact, or any amendments hereof or supplements hereto, are hereby declared to be negotiable instruments, and are hereby made securities in which all State and municipal officers and bodies of each State, all banks, bankers, trust companies, savings banks, building and loan associations, saving and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of either State, may properly and legally invest any funds, including capital, belonging to them or within their control; and said obligations are hereby made securities which may properly and legally be deposited with and shall be received by any State or municipal officer or agency of either State for any purpose for which the deposit of bonds or other obligations of such State is now or may hereafter be authorized.

Article XIII

Tax Status

The powers and functions exercised by the Authority under this Compact and any amendments hereof or supplements hereto are and will be in all respects for the benefit of the people of the States of Delaware and New Jersey, the region and nation, for the increase of their commerce and prosperity and for the enhancement of their general welfare. To this end, the Authority shall be regarded as performing essential governmental functions in exercising such powers and functions and in carrying out the provisions of this compact and of any law relating thereto, and shall not be required to pay any taxes or assessments of any character, levied by either State or political subdivision thereof, upon any of the property used by it for such purposes, or any income or revenue therefrom, including any profit from a sale or exchange. The bonds or other securities or obligations issued by the Authority, their transfer and the interest paid thereon or income therefrom, including any profit from a sale or exchange, shall at all times be free from taxation by either State or any subdivision thereof.

Article XIV

Jurisdiction; Use of Lands

Each of the two States hereby consents to the use and occupancy by the Authority of any lands and property of the Authority in such State for the construction, operation, maintenance or improvement of any crossing, transportation or terminal facility or other project which it is or may be authorized at any time to construct, own or operate, including lands lying under water.

Article XV

Review and Enforcement of Rules

Judicial proceedings to review any by-law, rule, regulation, order or other action of the Authority or to determine the meaning or effect thereof, may be brought in such court of each State, and pursuant to such law or rules thereof, as a similar proceeding with respect to any agency of such State might be brought.

Each State may provide by law what penalty or penalties shall be imposed for violation of any lawful rule, regulation or order of the Authority, and, by law or rule of court, for the manner of enforcing the same.

Article XVI

No Pledge of Credit

The Authority shall have no power to pledge the credit or to create any debt or liability of the State of Delaware, of the State of New Jersey, or of any other agency or of any political subdivision of said States.

Article XVII

Local Cooperation

All municipalities, political subdivisions and every department, agency or public body of each of the States are hereby authorized and empowered to cooperate with, aid and assist the Authority in effectuating the provisions of this Compact and of any amendment hereof or supplement hereto.

Article XVIII

Depositaries

All banks, bankers, trust companies, savings banks and other persons carrying on a banking business under the laws of either State are authorized to give security for the safe-keeping and prompt payment of moneys of the authority deposited by it with them, in such manner and form as may be required by and may be approved by the Authority, which security may consist of a good and sufficient undertaking with such sureties as may be approved by the Authority, or may consist of the deposit with the Authority or other depositary approved by the Authority as collateral of such securities as the Authority may approve.

Article XIX

Agency Police

Members of the police force established by the Authority, regardless of their residence, shall have in each State, on the crossings, transportation or terminal facilities and other projects and the approaches thereto, owned, operated or controlled by the Authority, and at such other places and under such circumstances as the law of each State may provide, all the powers of investigation, detention and arrest conferred by law on peace officers, sheriffs or constables in such State or usually exercised by such officers in each State.

Article XX

Reports and Audits

The Authority shall make annual reports to the Governors and Legislatures of the State of Delaware and the State of New Jersey, setting forth in detail its operations and transactions, and may make such additional reports from time to time to the Governors and Legislatures as it may deem desirable.

It shall, at least annually, cause an independent audit of its fiscal affairs to be made and shall furnish a copy of such audit report together with such additional information or data with respect to its affairs as it may deem desirable to the Governors and Legislatures of each State.

It shall furnish such information or data with respect to its affairs as may be requested by the Governor or Legislature of each State.

Article XXI

Boundaries Unaffected

The existing territorial or boundary lines of the States, or the jurisdiction of the two States established by said boundary lines, shall not be changed hereby.

Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to the States of Delaware and New Jersey to enter into the compact set forth in this resolution, except that nothing contained in such compact shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the area which forms the subject of such compact.

SEC. 2. In addition to any other requirement of law, any project constructed by the Delaware River and Bay Authority in or over the navigable waters of the United States shall be subject to the procedural requirements of section 2(a) of the Fish and Wildlife Coordination Act, as amended (48 Stat. 401; 16 U.S.C. 662(a)).

SEC. 3. Nothing in this resolution shall be construed as—

(a) amending or superseding the provisions of the Act of September 27, 1961 (75 Stat. 688), or

(b) granting the consent of Congress to the use of tolls collected on any crossing for the financing of any transportation or terminal facility constructed or operated by the Authority, or

(c) granting advance consent of Congress for the performance by the Authority of other functions, as contemplated by Article IV, paragraph (c) of the Compact or for the assumption by the Authority of additional powers, as contemplated by Article VIII of the Compact.

SEC. 4. The right is hereby reserved to the Congress or any of its standing committees to require of the Authority the disclosure and furnishing of such information and data as is deemed appropriate by the Congress or any committee thereof having jurisdiction of the subject matter of this resolution.

SEC. 5. The right to alter, amend, or repeal this joint resolution is hereby expressly reserved.

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

BYRD ARCTIC EXPEDITION OF 1926

The Clerk called the bill (H.R. 8419) to provide for the presentation of medals to the officers and men of the Byrd Arctic Expedition of 1926.

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask the gentleman if there is any monetary award whatever in connection with the presentation of these medals?

Mr. RIVERS of South Carolina. There is no monetary award. There were approximately 41 men who participated in this event which led to the first aerial flight over the North Pole by the late Richard E. Byrd and Floyd Bennett. These are the last remaining members of that 1926 expedition.

I think the cost would be merely that of designing and casting the medals, not more than a few hundred dollars. There is no monetary award involved.

Mr. GROSS. We will be confronted later in the day under suspension of the rules with a bill that would establish monetary awards. I will oppose it.

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

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy shall present to the officers and men of the Byrd Arctic Expedition of 1926 medals of appropriate design and suitably inscribed to express the high admiration of the Congress and the American people for their heroic services in connection with such expedition, including the first aerial flight over the North Pole by then Commander Richard E. Byrd and Floyd Bennett. The Secretary of the Treasury shall cause to be struck such medals as the Secretary of the Navy may determine to be necessary to carry out the provisions of this Act. In the case of a posthumous presentation of any medal authorized by this Act, the Secretary of the Navy shall determine the appropriate recipient thereof.

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

REQUIRE FILING OF SETTLEMENTS IN PATENT INTERFERENCES

The Clerk called the bill (H.R. 12513) to provide for public notice of settlements in patent interferences, and for other purposes.

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

Be it enacted by the Senate and House of Representatives by the United States of America in Congress assembled, That section 135, "Interferences", title 35 of the United States Code, is amended by adding thereto the following paragraph:

"No agreement or understanding between parties to an interference proceeding made in connection with or in contemplation of the termination of the proceeding, shall be enforceable unless in writing and a copy thereof filed in the Patent Office before the termination of the proceedings between said parties. A true copy of the agreement or understanding, including any collateral agreements referred to therein, must be filed; and, if the party filing the same so requests, the copy shall be kept separate from the file of the interference, and made available only to Government agencies on written request, or to any person on a showing of good cause. Failure to file the copy of such agreement of understanding shall render permanently unenforceable any patent, of such parties, involved in the interference or any patent subsequently issued on any application, of such parties, so involved. The Commissioner may, however, on a showing of good cause for failure to file within the time prescribed, permit the filing of the agreement or understanding during the six-month period subsequent to the termination of the proceeding as between the parties to said agreement or understanding."

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

USE OF PUBLIC SPACE OVER AND UNDER 10TH STREET SW., DISTRICT OF COLUMBIA

The Clerk called the bill (H.R. 12398) to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space over and under 10th Street SW., in the District of Columbia.

Mr. FORD. Mr. Speaker, reserving the right to object, it seems to me this bill would be in violation of the Consent Calender rules and regulations.

I would like to have an explanation of the bill.

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

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

Mr. McFALL. The bill permits the use of public space over 10th Street for public building No. 5, which has been approved in the regular manner by the House and Senate Public Works Committees. Did the gentleman have any specific question in mind with regard to the violation of the rules of the Consent Calendar procedure?

Mr. FORD. I note that the estimated cost of the building is about $42 million. It is certainly a unique and unusual type of construction. I do not know of any other similar type of construction in the District of Columbia.

I wonder if we should not just let it go by for a couple of weeks and see if there are any bona fide objections to this unusual and unique approach to the utilization of this space.

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

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

Mr. GROSS. I would also like to know if this bill authorizes construction in any way, shape, form, or manner, by way of the Consent Calendar. I would like also to know if there is any restriction against Federal employees bringing their dogs to the offices in the building if one is to be constructed?

Mr. FORD. I suspect the new approach is to provide adequate and proper space for any purpose.

Mr. GROSS. The gentleman from Iowa likes dogs, but he thinks dogs belong in their proper place. And he doubts that a Federal office building, including the Justice Department, is the proper place. I wonder, too, about the number of secretaries that are necessary to take Attorney General Kennedy's dog outside periodically for air.

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

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

Mr. BROWN. Perhaps they are going to construct this building for the dogs, because the country seems to be going to the dogs anyway.

Mr. FORD. I did not intend to get into this aspect of the problem at the time I reserved the right to object. I think there are enough serious questions involved that we ought to pass it over for a few weeks, and in the meantime take a good look at it. There have been so many delays on these projects that another 2 weeks I do not think is material.

Mr. McFALL. Whether or not the gentleman wants to ask unanimous consent to put it over for 2 weeks is within his own discretion, but in reply to his question: This building has previously been fully authorized by the Public Works Committee in the procedure required by the Public Buildings Act of 1959. This bill does not authorize the building, so that it does not authorize a $42 million building, and it is not prohibited by the Consent Calendar procedure. All the bill does is to specifically permit the use of the public space over 10th Street. It does not have anything to do with the building itself. It permits the use of the public space so that a new type of design that has been approved by the agencies might be used in this manner.

Mr. FORD. We are having such a controversy in the other body about the public interest in space and related areas. Our colleagues in the other body went on for 5 or 6 days, not discussing the merits of the issue but rather some procedural matters, making a spectacle over there, in my opinion. I think we ought to let this go over. I therefore withdraw my reservation of objection and ask unanimous consent that the bill be passed over without prejudice.

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

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

Mr. AUCHINCLOSS. May I say to the gentleman that this measure has had the very careful consideration—and I speak for the minority—by the Committee on Public Works. I think it is in the interest of economy and efficiency. I do not believe that if we postpone consideration of it for a few weeks longer there will be any change in the situation whatsoever. Therefore, I hope the gentleman from Michigan [Mr. FORD] will think that over and, perhaps, withdraw his reservation.

Mr. FORD. The gentleman from New Jersey [Mr. AUCHINCLOSS] is one of the most persuasive and effective Members in the House of Representatives. Solely and exclusively because of his intercession I will withdraw my reservation.

Mr. AUCHINCLOSS. I thank the gentleman.

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

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services, in connection with the construction and maintenance of a Federal office building on the south side of Independence Avenue Southwest in the District of Columbia, is authorized to use the public space over and under that portion of Tenth Street Southwest which is adjacent to such property as has been or may be acquired by the Administrator of General Services as a site for said building. Such authority shall be exercised only to the extent that such use is not inconsistent with the use of said street by the general public for the purpose of travel.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that S. 3525, to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW. in the District of Columbia, and for other purposes, an identical bill, be considered in lieu of H.R. 12398, the House bill.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services, in connection with the construction and maintenance of a Federal office building on the south side of Independence Avenue Southwest in the District of Columbia, is authorized to use the public space over and under that portion of Tenth Street Southwest which is adjacent to such property as has been or may be acquired by the Administrator of General Services as a site for said building. Such authority shall be exercised only to the extent that such use is not inconsistent with the use of said street by the general public for the purpose of travel.

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

A similar House bill was laid on the table.

PROTECTION OF CLASSIFIED INFORMATION

The Clerk called the bill (H.R. 11363) to amend the Internal Security Act of 1950 to provide for the protection of classified information released to or within U.S. industry, and for other purposes.

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

Mr. LINDSAY. Mr. Speaker, reserving the right to object, I would like to ask the author of the bill a couple of questions about bringing this bill up under the Consent Calendar.

I objected to this bill on May 21 when the bill was then brought up under the Consent Calendar. I suggested, in view of the doubtful constitutionality of this bill and its extremely controversial nature, that it would be proper only to consider it under suspension of the rules or under a rule itself, but not by unanimous consent on the Consent Calendar.

Mr. Speaker, unless I, perhaps, misunderstood the gentleman from Pennsylvania, I got the impression from the colloquy we had on May 21 that the bill would be brought up under a procedure which would permit full debate.

Am I correct in thinking that?

Mr. WALTER. If the gentleman will yield—I know the gentleman is under a wrong impression. Actually, the matter here is so very simple that no one on our committee felt that the time of the House should be taken up by doing more than merely explaining what was in the bill. After all, what the bill provides is now contained in an Executive order. If the security of the United States is to be protected and if security risks and unauthorized people are to be deprived of the opportunity to know the secrets of the Department of Defense, then we must have legislation on this subject. As to the now existing Executive order covering this area, the Supreme Court in the case of Greene against McElroy indicated that any such order ought to be supported by legislation. Now, they did not go so far as to say they would nullify any Executive order. But they made it abundantly clear, especially to those of us who are not so sure about what the Supreme Court is going to do on tomorrow, that it was necessary to enact legislation in order to protect the vital defense secrets of our Republic.

Mr. LINDSAY. As I read Greene against McElroy, the Supreme Court did not pass on the constitutionality of the procedures that were in question.

Mr. WALTER. But the gentleman has passed on the constitutionality himself.

Mr. LINDSAY. The Court did not pass on it, but it indicated, I think pretty clearly, that the constitutionality of a procedure that does not provide for cross-examination and Court review, are under very grave doubt, and under those circumstances it seems to me that this bill ought to be fully debated. It is serious enough when men can be separated from their employment through procedures which do not permit confrontation and the opportunity to cross-examine in the Government establishment itself, but when this procedure goes into the whole economy of the country, then you have something that is quite serious, in my judgment.

Mr. WALTER. I am afraid that the gentleman does not understand what the bill provides, because it does——

Mr. LINDSAY. I have read the bill and understand it.

Mr. WALTER. It does provide for confrontation. It deprives a person of confrontation when, in the judgment of the Secretary of Defense, it is not in the public interest to permit a person against whom charges have been filed to know who the people are who are working for the United States in the security field. But confrontation is generally mandated in all other cases. Furthermore, everyone is entitled to judicial review under the provisions of this law.

Mr. LINDSAY. The gentleman just is not correct about that. I have read the bill a dozen times. There is no judicial review written into this bill. The only possible court review for a person who has been discharged from employment would be through nonstatutory attempts at court review, possibly by an injunction suit attacking the constitutionality of the bill. But the bill has no provision for judicial review written into it. It seems to me that it should have.

Mr. WALTER. Of course, the general basic principles of law apply to this. If there has been an abuse and if a decision has been capricious and arbitrary, of course the general law applies.

Mr. LINDSAY. Mr. Speaker, when President Eisenhower retired from the Presidency he made a very important farewell address in which he issued a stern warning to "guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex." He went on:

> We must never let the weight of this combination endanger our liberties or democratic process.

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

Mr. LINDSAY. I yield to the gentleman.

Mr. WILLIS. The gentleman will concede, I think, however, that this bill would implement an executive order either issued by or certainly effective during the administration of the recent great President, Mr. Eisenhower. So he is in favor of it. That was the rule while he was in office. And this carries out the suggestion of the Supreme Court in the case of Greene against McElroy that it would be best for Congress to give its blessing to this Executive order. That is all the bill does.

Mr. LINDSAY. Of course, I think the gentleman has not stated accurately what the majority opinion of the Supreme Court was. The Court said that Congress had not authorized the procedures——

Mr. WILLIS. That is right.

Mr. LINDSAY (continuing). That were being used by the executive branch at that time.

Mr. WILLIS. That is right.

Mr. LINDSAY. And then it went on to say:

> We do not say whether or not those procedures that are being used are constitutional.

Then it went on and further indicated that they were of doubtful constitutionality.

Mr. WILLIS. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I yield further.

Mr. WILLIS. Of course, the Supreme Court acted as the gentleman described; namely, it said in that case that what was before it was simply an order of the Secretary of Defense, not an Executive order of the President, and without congressional approval. Then it proceeded to say:

> Well, we, of course, want to know what we may have before us if and when Congress acts.

But it could not anticipate the bill that we would pass to carry out its own suggestion.

Mr. LINDSAY. Does not the gentleman think it would be desirable to have the bill on the floor for debate so that those who are opposed to the bill in its present form, which would include myself, would have full opportunity to lay out an argument, and the gentleman from Louisiana and the chairman of the Committee on Un-American Activities likewise would be able to lay a foundation which the Court could later read which would argue just why the procedures established in the bill are necessary and constitutional?

Mr. WILLIS. I would never be in favor of depriving a Member of his rights. We are now on the Consent Calendar and a Member has the right to object. I think we can debate it today. I have no objection to debating it. I think these few remarks at least help tell us what this bill is all about.

Mr. LINDSAY. I have amendments that I would like to offer to the bill, if amendments were permitted. I think perhaps some other Members might have amendments that they would like to offer.

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

Mr. LINDSAY. I yield to the gentleman.

Mr. SCHERER. The fact is that the Executive order issued by President Eisenhower followed the case of Greene against McElroy. It was not the procedures now in existence under the Executive order by President Eisenhower that were under attack in the Greene against McElroy case.

Mr. LINDSAY. Will the gentleman answer this question: Why is it necessary to have the bill at all?

Mr. SCHERER. Because the Supreme Court said in Greene against McElroy that the matter could be handled by Executive order, and it preferred that the Executive order be backed by legislative authority. That is all the Committee on Un-American Activities is doing in this bill, implementing by legislation the Executive order which is now in existence. This Executive order was issued by President Eisenhower following the decision of the Supreme Court in Greene against McElroy. All we are trying to do now is further comply with that decision by implementing the Executive order with legislation. It is just that simple, as the chairman of the committee has said.

Mr. LINDSAY. Going back to the question of what the Court said, I think the gentleman from Pennsylvania would agree that if a case under the procedures established in this bill came before the Supreme Court, it is not at all certain that the procedures would be sustained as constitutional. I, myself, think they would be thrown out as a violation of the Fifth Amendment. I assume the gentleman thinks that it would get by.

Mr. WALTER. Mr. Speaker, I have the feeling that a decision of the Supreme Court is like an excursion ticket—"Good for today only." That is why I think it is important that we make it abundantly clear what is being done and what we intend to do by this legislation.

Mr. LINDSAY. I think it is important that we make it abundantly clear that we know what we are doing. If we pass a bill of this kind, I think it should be debated on the floor with the opportunity to offer amendments.

So, Mr. Speaker, I am going to have to object to the bill being considered on the Consent Calendar.

The SPEAKER. Objection is heard.

Mr. WALTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALTER. In view of the fact that this bill was objected to previously, and was rereferred to the committee for the purpose of amplifying the report, that this was done and it was then reinstated on the calendar, are not three objections necessary?

The SPEAKER. The present bill is on the calendar de novo. It has a new number and a new report. At this stage one objection is all that is necessary.

Mr. LINDSAY. Mr. Speaker, in his farewell address to the Nation, President Eisenhower issued a stern warning on how the acquisition of unwarranted influence can endanger American rights and liberties. President Eisenhower said:

This conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence—economic, political, even spiritual—is felt in every city, every statehouse, every office of the Federal Government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources and livelihood are all involved; so is the very structure of our society.

In the councils of Government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.

Mr. Speaker, this bill, H.R. 11363, which seeks to establish a defense plant security program, embodies the essence of what President Eisenhower so eloquently warned us about.

I object to the consideration on the Consent Calendar of this bill, an amendment to the Internal Security Act of 1950. A bill of this sort should not be approved by the House by automatic unanimous-consent procedures. I objected to this bill also on May 21, 1962, when the Committee on Un-American Activities then sought to put it through by unanimous consent. I urged that because of the bill's doubtful constitutionality, it be debated on the House floor. The gentleman from Pennsylvania assured the House that he would be delighted to debate the bill, and yet here it is again on the Consent Calendar.

This bill purports to provide procedures for denying employees of the private arena access to classified material involved in certain Government contracts. The arena includes by definition "any industrial or educational research organization, institution, enterprise, or other legal entity, located in the United States, whether or not operated for profit."

The danger of this bill is that it makes possible the forceable separation of a man from his private employment by the Government without due process. Scientist X or educator Y can be denied access to matters essential to his work within a company or university without confrontation, or cross-examination of evidence used against him.

It has been serious enough when procedures of this kind have been used in the governmental establishment itself. Now it is extended to the general economy.

A further deficiency in this bill is that it does not spell out procedures for court review. The consequences of a bill of this kind and the procedures contained in it are most serious for the whole country. Therefore, provisions for court review should be carefully written into the legislation and not left to the vague possibility of some nonstatutory proceeding.

COMPENSATION FOR USE OF KWAJALEIN AND DALAP ISLANDS

The Clerk called the bill (H.R. 11952) 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.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I would simply like to observe that there are no cost estimates whatever with reference to this bill. I would like to point out further that the United Nations holds the trusteeship over the Kwajalein and Dalap Islands.

I wonder why the United Nations does not take care of these claims instead of saddling them on the United States.

Mr. ASPINALL. The Trust Territory of the Pacific Islands is under the mandate of the United States of America. We already have the islands under our control.

Mr. GROSS. We are the administrator of the islands, and that is all.

Mr. ASPINALL. Those people we are administering and whose rights we are protecting are protected in their own loss of property. It so happens that the moneys which have been set aside for this have already been taken care of. They have been offered $500 an acre for their claims. Because of some misunderstanding between the natives and their attorney, I think their attorney decided we should give them an opportunity to go before the Court of Claims, but in no instance could they be given more than $500.

Mr. GROSS. Is it not a fact that the United Nations is pressuring us to settle those claims?

Mr. ASPINALL. No. We have been endeavoring to settle these claims since 1946, when we took over the islands under the mandate.

Mr. GROSS. Does not the gentleman think the United Nations should have the responsibility for settling these claims? Does the gentleman think the United Nations in this case or any other will ever face up to its responsibilities?

Mr. ASPINALL. I do not think the gentleman from Colorado is in a position to answer that at the present time. I will say this: Whenever the decision is made by these people as to what is going to happen to them and their islands, I hope they are on our side because it is a security region.

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

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

Mr. FORD. Will the gentleman from Colorado answer this question: In this legislation are the claimants and their attorneys completely and totally willing to accept the verdict? They will not appeal? As I understand it this is an offer to give them a further opportunity to have their case adjudicated, but are they willing and are they on record to accept the decision without any further appeals or controversy?

Mr. ASPINALL. If the gentleman will yield, the action or proceeding under the terms of this legislation would be final. There was written into the report, as I am sure my colleague from Michigan has found out, a statement against arbitration. In other words, we freeze out the matter of arbitration. This is the final action.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

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

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person from whom the United States or the government of the Trust Territory of the Pacific Islands has taken rights of possession, use, and occupancy of lands on Kwajalein and Dalap Islands within the said trust territory to which he was entitled under the traditions and customs of the Marshallese people and who or whose iroij elab has not accepted compensation in full satisfaction for all of his claims and demands against the United States and the government of said trust territory arising out of said taking may, within one year from the date of this Act, file a petition for the determination by the United States Court of Claims of his claim for just compensation. Upon the timely filing of such petition, the said court shall have jurisdiction to hear aind determine the value of the rights taken in the same manner and under the same rules as any other cause before it and in the light of such principles of equity, justice, and fair dealing as are pertinent to the cause. Any such claim may be heard and determined notwithstanding laches or the expiration of any period of limitations which would be applicable thereto in the absence of this Act. The judgment of the Court of Claims may provide either for payment of a lump sum for the indefinite possession, use, and occupancy by the United States and the government of the trust territory of the lands subject thereto or for the payment of an annual sum for such possession, use, and occupancy. Any judgment of the Court of Claims shall be subject to review by the Supreme Court of the United States on writ of certiorari and shall, whether against the United States or against the government of the trust territory, or both, be paid in accordance with the provisions of title 28, United States Code, section 2517, and of section 1302 of the Act of July 27, 1956 (70 Stat. 694, as amended; 31 U.S.C. 724a). The payment of any claim, after its determination in accordance with this section, shall be a full discharge of the United States and the government of the trust territory of all

claims and demands touching any of the matters involved in the controversy and the failure to prosecute a claim as hereinbefore provided shall forever bar such claim.

SEC. 2. The iroij elab of any wato shall be a necessary party to any suit instituted under this Act. The alab and rijerbal of such wato shall be proper but not necessary parties to any such suit. The iroij elab shall be responsible for proper distribution among himself, the alab, the rijerbal and any others interested in such wato of any payment made to him. Any dispute among them with respect to such distribution which cannot be resolved otherwise than by litigation shall be determined by the courts of the trust territory in accordance with the laws of the trust territory and the traditions and customs of the Marshallese people.

SEC. 3. The Attorney General of the United States or his assistant shall represent the United States and the government of the trust territory in all cases arising under this Act and may call upon the attorney general of the trust territory for such assistance as he is able to render, and shall have authority, with the approval of the Court of Claims, to compromise any such case. Any such compromise settlement shall be reported to the Congress by the Attorney General, stating the name of each claimant, the amount claimed, and the amount awarded.

SEC. 4. The fees of any attorney or attorneys representing Marshallese claimants in any action brought pursuant to this section, shall be fixed by the Court of Claims at such amount as the court, in accordance with standards obtaining for prosecuting similar contingent claims, finds to be adequate compensation for services rendered and results obtained, plus reasonable expenses incurred in the prosecution of the claim. In fixing such fees, the court may give due weight to the fact that appropriated funds in the amount of approximately $500 per acre have heretofore been made available and are now available for a nonlitigious settlement of the claims referred to in section 1 of this Act, but the appropriation and availability of such amount shall not be construed as an admission by the United States or the government of the trust territory that this is the value of the rights of possession, use, and occupancy taken by them or be admitted as evidence to prove the same.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That any person from whom the United States, on or before April 1, 1946, took rights of possession, use, occupancy, or usufruct of lands on Kwajalein Atoll or Dalap Island within the Trust Territory of the Pacific Islands to which he or his predecessor in interest was entitled under the traditions and customs of the Marshallese people and to whom or whose representative compensation in full satisfaction for all of his claims against the United States and the government of said Trust Territory arising out of said taking has not been paid may, within one year from the date of this Act, file a petition for the determination by the United States Court of Claims of his claim for just compensation. Upon the timely filing of such petition the said court shall have jurisdiction to hear and determine the value of the rights taken in the same manner and under the same rules as any other cause before it, or as near thereto as is feasible in the circumstances, and in the light of such principles of equity, justice, and fair dealing as are pertinent to the cause. Any such claim may be heard and determined notwithstanding laches or the expiration of any period of limitations which would be applicable thereto in the absence of this Act. The judgment of the Court of Claims may provide for payment of a lump sum for the possession, use, and occupancy (including indefinite possession, use, and occupancy) by the United States and the government of the Trust Territory of the lands subject thereto and/or for the payment of an annual sum for such possession, use, and occupancy, but shall not include compensation for any period prior to that date during or after World War II on which the island where the land in question is located was finally determined by competent military authority to be secure. If the judgment includes provision for payment of an annual sum, the Court shall retain jurisdiction of the cause and may, on motion of either party, redetermine the amount thereafter payable from time to time, but no such redetermination shall be sought or made more often than once every 10 years. Any judgment of the Court of Claims shall be subject to review by the Supreme Court of the United States on writ of certiorari and shall be paid in accordance with the provisions of title 28, United States Code, section 2517, and of section 1302 of the Act of July 27, 1956 (70 Stat. 694), as amended (31 U.S.C. 724a). The payment of any claim, after its determination in accordance with this section, shall be a full discharge of the United States and the government of the Trust Territory of all claims and demands touching any of the matters involved in the controversy. No claim which could be prosecuted as hereinbefore provided but is not so prosecuted may thereafter be entertained by any court of the United States or the Trust Territory or, except as provided in section 6 of this Act, by any administrative agencey thereof.

"SEC. 2. It is the purpose of this Act to assure every person who or whose representative has not been compensated for deprivation of rights of possession, use, occupancy, or usufruct, as described in section 1 of this Act, of an opportunity to have his claim judicially determined. To this end, the interests of any such person who is not himself a party to a suit instituted under this Act shall be represented by the persons named in Marshall Islands Congress resolution numbered 16 of 1956. Any dispute with respect to distribution of sums paid to parties under any judgment in their favor or under any compromise settlement made as provided in section 4 of this Act which cannot be resolved otherwise than by litigation shall be determined by the courts of the trust territory in accordance with the laws of the trust territory and the traditions and customs of the Marshallese people.

"SEC. 3. Any judge or commissioner of the Court of Claims may, for the purposes of this Act, sit at a convenient place or places in the United States or the trust territory to take evidence. Subpenas issued out of said court upon persons residing in the trust territory shall be served by the sheriff of the Marshall Islands district or his deputy, and a failure to comply therewith shall be punishable by the high court of the trust territory in accordance with the laws thereof in the same manner as if said subpena had issued out of said high court. The government of the trust territory shall, for the purposes of this Act, be deemed an agency of the United States within the purview of section 2507 of title 28 of the United States Code.

"SEC. 4. The Attorney General of the United States or his assistant shall represent the United States and the government of the trust territory in all cases arising under this Act and may call upon the attorney general of the trust territory for such assistance as he is able to render, and shall have authority, with the approval of the Court of Claims, to compromise any such case. Any such compromise settlement shall be reported to the Congress by the Attorney General, stating the name of each claimant, the amount claimed, and the amount awarded.

"SEC. 5. The fees of any attorney or attorneys representing Marshallese claimants in any action brought pursuant to this Act shall be fixed by the Court of Claims at such amount as the court, in accordance with standards obtaining for prosecuting similar contingent claims, finds to be adequate compensation for services rendered and results obtained, plus reasonable expenses incurred in the prosecution of the claim.

"SEC. 6. Nothing contained in this Act shall be construed to forbid the payment by the High Commissioner of the Trust Territory from funds heretofore appropriated and made available for this purpose of approximately $500 per acre in full satisfaction of all claims relating to any specified tract of land or of not more than $250 per acre in partial satisfaction of such claims, but neither the appropriation and availability of the first of said amounts nor any other offer by an officer of the United States or of the government of the Trust Territory shall be construed as an admission by the United States or the government of the Trust Territory that the same is the value of the rights of possession, use, occupancy and usufruct taken or be admitted as evidence to prove the same. Any claimant by whom or on whose behalf suit could be but is not instituted within one year, as provided in this Act, shall thereafter be paid a proper portion of such appropriated funds and such payment shall constitute full satisfaction of all of his claims and demands with respect to the land to which it pertains."

The committee amendment was agreed to.

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

AMENDING SECTION 2 OF THE MATERIALS ACT

The Clerk called the bill (H.R. 9280) to amend section 2 of the Act of July 31, 1947 (61 Stat. 681), and for other purposes.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of July 31, 1947 (61 Stat. 681; 30 U.S.C. 602), is hereby amended to read as follows:

"SEC. 2. Except where he determined that the public interest will not be served thereby, the Secretary shall dispose of materials under this Act to the highest responsible qualified bidder by competitive bidding after adequate public notice."

SEC. 2. The Act of March 4, 1913 (37 Stat. 1015), as amended by the Act of July 3, 1926 (44 Stat. 890; 16 U.S.C. 614–615), is hereby repealed. Rights and liabilities existing under that Act on the date of the enactment of this Act shall not be affected thereby.

With the following committee amendment:

On page 1, strike out lines 5 through 9 and insert in lieu thereof the following:

"SEC. 2. (a) The Secretary shall dispose of materials under this Act to the highest responsible qualified bidder after formal advertising and such other public notice as he deems appropriate: *Provided, however*, That the Secretary may authorize negotiation of a contract for the disposal of materials if—

"(1) the contract is for the sale of less than 250,000 board-feet of timber; or, if

"(2) the contract is for the disposal of materials to be used in connection with a public works improvement program on behalf of a Federal, State, or local govern-

mental agency and the public exigency will not permit the delay incident to advertising; or, if

"(3) the contract is for the disposal of property for which it is impracticable to obtain competition.

"(b) A report shall be made to Congress on January 1 and July 1 of each year of the contracts made under clauses (2) and (3) of subsection (a) during the period since the date of the last report. The report shall—

"(1) name each purchaser;

"(2) furnish the appraised value of the material involved;

"(3) state the amount of each contract;

"(4) describe the circumstances leading to the determination that the contract should be entered into by negotiation instead of competitive bidding after formal advertising."

The committee amendment was agreed to.

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

PETRIFIED WOOD

The Clerk called the bill (H.R. 10540) to exclude deposits of petrified wood from appropriation under the U.S. mining laws.

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

Mr. SHORT. Reserving the right to object, Mr. Speaker, may I inquire from the gentleman from Oklahoma if this bill would prevent the filing of a mining claim on Federal land for the removal of petrified wood?

Mr. EDMONDSON. That is the purpose of the bill.

Mr. SHORT. We have a huge amount of petrified wood, one of the few deposits in the United States, so I have an interest in this legislation. I thank the gentleman.

Mr. EDMONDSON. It would have that purpose. There would still be authority for people to come in and take out specimens of rock, but this would take it out from under the Mining Claims Law.

Mr. SHORT. I thank the gentleman.

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

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of July 23, 1955 (69 Stat. 368; 30 U.S.C. 611), is amended to read: "No deposit of common varieties of sand, stone, gravel, pumice, pumicite, or cinders and no deposit of petrified wood shall be deemed a valuable mineral deposit within the meaning of the mining laws of the United States so as to give effective validity to any mining claim hereafter located under such mining laws: *Provided, however,* That nothing herein shall affect the validity of any mining location based upon discovery of some other mineral occurring in or in association with such a deposit. 'Common varieties' as used in this Act does not include deposits of such materials which are valuable because the deposit has some property giving it distinct and special value and does not include so-called 'block pumice' which occurs in nature in pieces having one dimension of two inches or more. 'Petrified wood' as used in this Act means agatized, opalized, petrified, or silicified wood, or any material formed by the replacement of wood by silica or other matter."

SEC. 2. The Secretary of the Interior may provide by regulation that limited quantities of petrified wood may be removed without charge from any public lands which he may specify.

With the following committee amendment:

Page 2, line 10, strike out all of section 2 and insert in lieu thereof:

"SEC. 2. The Secretary of the Interior shall provide by regulation that limited quantities of petrified wood may be removed without charge from those public lands which he shall specify."

The committee amendment was agreed to.

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

AMENDING THE MINERAL LEASING ACT

The Clerk called the bill (H.R. 11049) to provide for the relief of certain oil and gas lessees under the Mineral Leasing Act.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 188), is further amended by designating the first paragraph thereof as subsection "(a)", the second paragraph as subsection "(b)", and adding a new subsection to read as follows:

"(c) Where any lease has been or may be terminated automatically by operation of law under this section for failure to pay rental timely and it is shown to the satisfaction of the Secretary of the Interior that the failure to pay timely the lease rental was justifiable or not due to a lack of reasonable diligence, he in his judgment may reinstate the lease subject to the following conditions:

"(1) A petition for reinstatement, together with the required rental, for any lease (a) terminated prior to the effective date of this Act must be filed with the Secretary of the Interior within one hundred and eighty days after the effective date of this Act; or (b) terminated after the effective date of this Act must be filed with the Secretary of the Interior within ninety days after such termination;

"(2) No valid lease has been issued affecting any of the lands in the terminated lease prior to the filing of the petition for reinstatement."

SEC. 2. Nothing in this Act shall be construed as limiting the authority of the Secretary of the Interior to issue, during the periods in which petitions for reinstatement may be filed, oil and gas leases for any of the lands affected.

Amend the title so as to read: "A bill to amend the Mineral Leasing Act of February 25, 1920."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 31 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 188), is further amended by designating the first paragraph thereof as subsection '(a)', the second paragraph as subsection '(b)', and adding a new subsection to read as follows:

"'(c) Where, prior to the effective date of this subsection, any lease has been terminated automatically by operation of law under this section for failure to pay rental timely and it is shown to the satisfaction of the Secretary of the Interior that the failure to pay timely the lease rental was caused by reasonable reliance by the lessee on information or data furnished by the United States or one of its officers or agents, the Secretary shall reinstate the lease if—

"'(1) A petition for reinstatement, together with the accrued rental, is filed with the Secretary of the Interior within ninety days after the effective date of this subsection; and

"'(2) No valid lease has been issued affecting any of the lands in the terminated lease prior to the filing of the petition for reinstatement.'

"SEC. 2. Section 31 of the Mineral Leasing Act of February 25, 1920, supra, is further amended by deleting the proviso at the end of the section and substituting therefor the following: '*Provided, however,* That when the time for payment falls upon any day in which the proper office for payment is not open, payment may be made the next official working day and shall be considered as timely made: *And provided further,* That the deposit with the Post Office Department, by registered or certified mail of a correctly addressed and sealed envelope containing a valid check or money order in the correct amount of the rental on or before the anniversary date of the lease for any lease on which there is no well capable of producing oil or gas in paying quantities shall, for the purposes of this section, constitute payment of rental to the United States and be considered as timely made.'

"SEC. 3. Nothing in this Act shall be construed as limiting the authority of the Secretary of the Interior to issue, during the periods in which petitions for reinstatement may be filed, oil and gas leases for any of the lands affected."

The committee amendment was agreed to.

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

The title was amended so as to read: "A bill to amend the Mineral Leasing Act of February 25, 1920".

A motion to reconsider was laid on the table.

AUTHORIZE VIRGIN ISLANDS TO ISSUE CERTAIN BONDS

The Clerk called the bill (H.R. 11953) to authorize the government of the Virgin Islands to issue general obligation bonds.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b) of section 8 of the Revised Organic Act of the Virgin Islands, as amended (68 Stat. 497, 500; 48 U.S.C. 1574(b)), is redesignated as paragraph (i) of such subsection (b), and is amended by deleting the last sentence thereof and by striking out the word "subsection" and inserting in lieu thereof the word "paragraph (i)".

(b) Subsection (b) is further amended by adding the following new paragraph (ii):

"(ii)(A) Subject to the provisions of this paragraph (ii), the legislature of the government of the Virgin Islands may cause to be issued such negotiable general obligation bonds or other evidence of indebtedness as it may deem necessary and advisable to construct, improve, extend, better, repair, reconstruct, acquire, and operate any and all types of public works, which shall include, but not be limited to, schools, streets,

bridges, wharves, harbor facilities, sewers, sewage-disposal plants, municipal buildings, libraries, gymnasia and athletic fields, firehouses, electric distribution systems or other projects pertaining to electric systems, and other public utilities, or to clear slums, accomplish urban redevelopment, or provide low-rent housing: *Provided*, That no public indebtedness of the Virgin Islands shall be incurred in excess of 10 per centum of the aggregate assessed valuation of the taxable real property in the Virgin Islands. Bonds issued pursuant to this paragraph (ii) shall bear such date or dates, may be in such denominations, may mature in such amounts and at such time or times, not exceeding thirty years from the date thereof, may be payable at such place or places, may be sold at either public or private sale, may be redeemable (either with or without premium) or nonredeemable, may carry such registration privileges as to either principal and interest, or principal only, and may be executed by such officers and in such manner, as shall be prescribed by the legislature of the government of the Virgin Islands. In case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers before delivery of such bonds, such signature, whether manual or facsimile, shall nevertheless be valid and sufficient for all purposes, the same as if such officers had remained in office until such delivery. The bonds so issued shall bear interest at a rate not to exceed that specified by the legislature, and shall be payable semiannually. All such bonds shall be sold for not less than the principal amount thereof plus accrued interest. All bonds issued by the government of the Virgin Islands, including specifically interest thereon, shall be exempt from taxation by the Government of the United States, or by the government of the Virgin Islands or any political subdivision thereof, or by any State, territory, or possession or by any political subdivision of any State, territory, or possession, or by the District of Columbia.

"(B) The proceeds of the bond issues or other obligations herein authorized shall be expended only for the public improvements set forth in the preceding subparagraph, or for the reduction of the debt created by such bond issue or obligation, unless otherwise authorized by the Congress.

"(C) Bonds or other obligations issued pursuant to this paragraph (ii) shall not be a debt of the United States, nor shall the United States be liable thereon."

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

SETTLEMENT OF CLAIMS, TERRITORY OF THE PACIFIC ISLANDS

The Clerk called the bill (H.R. 12078) to provide for the settlement of claims of certain residents of the Trust Territory of the Pacific Islands.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby assumes compassionate responsibility to compensate inhabitants of the Rongelap Atoll, in the Trust Territory of the Pacific Islands, for radiation exposures sustained by them as a result of a thermonuclear detonation at Bikini Atoll in the Marshall Islands on March 1, 1954.

SEC. 2. There is authorized to be appropriated for such purpose out of the Treasury of the United States the sum of $1,000,000 to remain available until expended under the supervision of the Secretary of the Interior (hereafter referred to as the "Secretary") for the general benefit of the affected inhabitants of Rongelap. The Secretary may segregate a portion of the sum for each affected individual, and hold it in trust for the individual or his heirs or legatees (hereinafter referred to as the "beneficiary" or "beneficiaries"), subject to the provisions of this Act. The amounts segregated and held by the Secretary in trust for individual beneficiaries, and the unsegregated balance, shall, if invested by him, be invested in a manner that in his judgment is prudent.

SEC. 3. (a) The interest or dividends earned from each trust held for an individual beneficiary shall be paid at least annually by the Secretary to such beneficiary. When, in the opinion of the Secretary, there appears to be a substantial benefit to be derived therefrom by any beneficiary, the Secretary may, upon request of the beneficiary, and under such conditions as he may deem appropriate, make the principal sum, or any part thereof, available for expenditure by such beneficiary. Any payment under this subsection may be made directly to a beneficiary who is twenty-one years of age or older. In the case of a beneficiary who is less than twenty-one years of age or who is, in the opinion of the Secretary, mentally incompetent, payment may be made in the discretion of the Secretary to the beneficiary, a parent, relative, other person, or institution for his benefit.

(b) The principal, interest, and dividends from funds held for the general benefit of the affected inhabitants of Rongelap shall be used for such purposes as the Secretary deems appropriate.

SEC. 4. A trust for an individual beneficiary created pursuant to this Act may be terminated by the Secretary at any time, and if after reasonable search the beneficiary cannot be located, the principal and accumulated interest and dividends may be added to the unsegregated balance of the funds held for the general benefit of the affected inhabitants of Rongelap.

SEC. 5. The Secretary is authorized to pay reasonable attorney fees for legal services rendered on behalf of a beneficiary, or beneficiaries, prior to the date of enactment of this Act. Such fees shall be paid out of the funds authorized to be appropriated in section 2 of this Act, but the total of such fees paid shall not exceed 5 per centum of the appropriated funds.

SEC. 6. The decisions of the Secretary in carrying out the provisions of this Act shall be final and not subject to review.

With the following committee amendment:

Page 1, line 11, strike out the figure "$1,000,000" and insert in lieu thereof "$950,000".

The committee amendment was agreed to.

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

ASSISTANCE FOR CERTAIN FEDERALLY IMPACTED AREAS

The Clerk called the bill (S. 3327) to make certain federally impacted areas eligible for assistance under the public facility loan program.

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

Mr. RAINS. Mr. Speaker, reserving the right to object, this bill, if I may say to the gentleman from Michigan, was originally introduced by my colleague, Senator SPARKMAN. The Senate passed the bill. It came out of the Committee on Banking and Currency, both the subcommittee and the full committee, without a single objection.

The purpose of the bill is to remove the 50,000 population ceiling under the Community Facilities Act for two cities only, Huntsville, Ala., and Hampton, Va. It is limited to these two cities and they are places where hospitals are desperately needed because of the NASA space programs going on in these areas. It enables them to borrow money under the community facilities program which other cities are now doing which do not have missile programs. I might point out that depressed areas or redevelopment areas are eligible for community facility loans if their population does not exceed 150,000.

I hope the gentleman will see his way clear not to object to the bill. We are anxious to get it passed as quickly as possible.

Mr. FORD. I may say to the gentleman that I probably will ask that the bill be passed over without prejudice so we will have a chance to take a little closer look at it. I think, however, it is appropriate at this time to note specifically that we are extending this legislation for two cities that are allegedly impacted under the national aeronautics and space program. If my information is accurate, last week the House Committee on Education and Labor in effect approved legislation which approved Federal aid to education by the expansion of Federal aid to impacted areas under our defense work from a point where it took in from 3 to 5 percent to one where it takes in 7 to 10 percent of our metropolitan areas which is in reality aid to education but under the guise of aid to impacted areas.

Now you are doing much the same thing in a much more restricted and limited way. I do not like this approach any more than I do the approach under the Federal aid to education program.

I simply want to record my position on the legislation.

Mr. RAINS. If I may point out to the gentleman from Michigan, the gentleman referred to impacted areas under legislation affecting schools and providing Federal funds. That is not true in this case. This is merely a loan which these two cities need desperately to build these hospital facilities. I repeat, this is a repayable loan, not a grant. It would not cost the taxpayer a cent.

Mr. FORD. A loan at an interest rate higher or lower than it costs the Government to borrow, or at cost?

Mr. RAINS. It would be at a rate to cover what the Federal Government has to pay for its money.

Mr. FORD. Plus a service charge?

Mr. RAINS. There is a small service charge in it, that is correct.

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

Mr. FORD. I yield.

Mr. GROSS. I note that there are no departmental or agency reports in connection with the report on this bill, not a line from any department or agency of the Government.

Mr. RAINS. I cannot imagine, I will say to the gentleman from Iowa, in a

matter of this type why there should be anything from the departments. It is a matter for the Congress to determine whether or not these two cities participate because of population increases.

Mr. FORD. The gentleman from Iowa has called to my attention, and I appreciate what he said, that there are no departmental views. About 2 or 3 weeks ago we forewarned committees—and I think in that case it was the Banking and Currency Committee—that had not followed the procedure of getting departmental views and including them in the committee report, we would have to ask that the bill be passed over.

For that reason, Mr. Speaker, I withdraw my reservation of objection and ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

PONCA TRIBE OF NATIVE AMERICANS OF NEBRASKA

The Clerk called the bill (S. 3174) to provide for the division of the tribal assets of the Ponca Tribe of Native Americans of Nebraska among the members of the tribe, and for other purposes.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the membership roll of the Ponca Tribe of Native Americans of Nebraska shall be closed at midnight of the date of enactment of this Act, and no child born thereafter shall be eligible for enrollment. The Secretary of the Interior with advice and assistance of the tribe is authorized and directed, pursuant to such regulations as may be issued by him, to prepare a final roll for the purposes of this Act of the members of the tribe consisting of the persons whose names appear on the census roll of April 1, 1934, with the supplement thereto of January 1, 1935, and their descendants of not less than one-fourth degree Indian blood of the Ponca Tribe of Native Americans of Nebraska, regardless of place of residence, who are living at the time the roll is closed, and in so doing shall provide a reasonable opportunity for any person to protest against the inclusion or omission of any name on or from the roll. The Secretary's decision on all protests shall be final and conclusive. After all protests are disposed of, the final roll shall be published in the Federal Register. Upon publication of the roll in the Federal Register, the Secretary shall give the adult members an opportunity to indicate their agreement to the division of tribal assets in accordance with the provisions of this Act and when a majorty of the adult members have indicated their agreement, the Secretary shall publish in the Federal Register a notice of that fact.

SEC. 2. Each member whose name appears on the final roll of the tribe as published in the Federal Register shall be entitled to receive in accordance with the provisions of this Act an equal share of the tribe's assets that are held in trust by the United States. This right shall constitute personal property which may be inherited or bequeathed, but it shall not otherwise be subject to alienation or encumbrance.

SEC. 3. (a) All property of the United States used for the benefit of the Ponca Tribe of Native Americans of Nebraska is hereby declared to be a part of the assets of the tribe, and all of the tribe's assets shall be distributed in accordance with the provisions of this section. The distribution shall be completed within three years from the date of this Act, or as soon thereafter as practicable.

(b) The tribe shall designate any part of the tribe's property that is to be set aside for church, park, playground, or cemetery purposes, and the Secretary is authorized to convey such property to trustees or agencies designated by the tribe for that purpose and approved by the Secretary.

(c) Each member may select for homesite purposes and receive title to not to exceed five acres of tribal land that is being used for homesite purposes by such member, or that is not used and selected by some other member. The member shall pay the current market value of the homesite selection excluding any improvements or repairs constructed by such member, his wife, children, or ancestor, as determined by the Secretary of the Interior.

(d) All assets of the tribe that are not selected and conveyed to members shall be sold by competitive bid at not less than the current market value, and any member shall have the right to purchase property offered for sale for a price not less than the highest acceptable bid therefor. If more than one member exercises such right, the property shall be sold to the member exercising the right who offers the highest price.

(e) The net proceeds of all sales of tribal property, and all other tribal funds, shall be used to pay, as authorized by the Secretary, any debts of the tribe. The remainder of such proceeds and funds shall be divided equally among the members whose names are on the final roll, or their heirs or legatees. Any debt owed by a member, heir, or legatee to the tribe or to the United States may be set off as authorized by the Secretary against the distributive share of such person. Any member of the tribe who purchases tribal property in accordance with this section may apply on the purchase price his share of the proceeds of all sales of tribal property, and the Secretary of the Interior shall adopt sales procedures that permit such action.

SEC. 4. (a) The Secretary of the Interior is authorized to partition or to sell the complete interest (including any unrestricted interest) in any land in which an undivided interest is owned by a member of the Ponca Tribe of Native Americans of Nebraska in a trust or restricted status, provided the partition or sale is requested by the owners of a 25 per centum interest in the land, and the partition or sale is made within three years from the date of this Act. Any such sale shall be by competitive bid, except that with the concurrence of the owners of a 25 per centum interest in the land any owner of an interest in the land shall have the right to purchase the land within a reasonable time fixed by the Secretary of the Interior prior to a competitive sale at not less than its current market value. If more than one preference right is exercised, the sale shall be by competitive bid limited to the persons entitled to a preference. If the owners of a 25 per centum interest in the land so request, mineral rights may be reserved to the owners in an unrestricted status. The Secretary of the Interior may represent for the purposes of this section any Indian owner who is a minor, or who is non compos mentis, and, after giving reasonable notice of the proposed partition or sale by publication, he may represent an Indian owner who cannot be located.

(b) All restrictions on the alienation or taxation of interests in land that are owned by members of the Ponca Tribe of Native Americans of Nebraska three years after the date of this Act shall be deemed removed by operation of law, and an unrestricted title shall be vested in each such member.

SEC. 5. The Secretary of the Interior is authorized to make such land surveys and to execute such conveyancing instruments as he deems necessary to convey marketable and recordable title to the individual and tribal assets disposed of pursuant to this Act. Each grantee shall receive an unrestricted title to the property conveyed.

SEC. 6. Nothing in this Act shall affect any claims heretofore filed against the United States by the Ponca Tribe of Native Americans of Nebraska.

SEC. 7. Nothing in this Act shall affect the rights, privileges, or obligations of the tribe and its members under the laws of Nebraska.

SEC. 8. No property distributed under the provisions of this Act shall at the time of distribution be subject to any Federal or State income tax. Following any distribution of property made under the provisions of this Act, such property and income derived therefrom by the distributee shall be subject to the same taxes, State and Federal, as in the case of non-Indians: *Provided,* That for the purpose of capital gains or losses the base value of the property shall be the value of the property when distributed to the grantee.

SEC. 9. Such amounts of tribal funds as may be needed to meet the expenses of the tribe under this Act as approved by the Secretary of the Interior, shall be available for expenditure. There is authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated such sums as may be necessary to reimburse the tribe for such expenditures, and carry out the responsibilities of the Secretary under the provisions of this Act.

SEC. 10. When the distribution of tribal assets in accordance with the provisions of this Act has been completed, the Secretary of the Interior shall publish in the Federal Register a proclamation declaring that the Federal trust relationship to such tribe and its members has terminated. Thereafter, the tribe and its members shall not be entitled to any of the special services performed by the United States for Indians or Indian tribes because of their Indian status, all statutes of the United States that affect Indians or Indian tribes because of their Indian status shall be inapplicable to them, and the laws of the several States shall apply to them in the same manner they apply to other persons or citizens within their jurisdiction. Nothing in this Act, however, shall affect the status of any Indian as a citizen of the United States.

With the following committee amendment:

Page 1, line 3, through page 2, line 17, strike out all of section 1 and insert in lieu thereof the following: "That the Secretary of the Interior shall, with the advice and assistance of the Ponca Tribe of Native Americans of Nebraska and pursuant to such regulations as he may prescribe, prepare a roll of the members of the tribe and record thereon persons whose names appeared on the census roll of April 1, 1934, and the supplement thereto of January 1, 1935, and their descendants of not less than one quarter degree Indian blood of the Ponca Tribe, regardless of place of residence, who are living on the date of this Act. He shall provide a reasonable opportunity for any person to protest against the inclusion or omission of any name on or from the roll and his decision on such protests shall be final and conclusive. After all protests are disposed of, the roll shall be published in the Federal Register. The Secretary shall thereupon give the adult members of the tribe whose names appear on the roll an opportunity to indicate their agreement or disagreement with a division of tribal assets in accordance with the provisions of this Act. If a majority of those indicating agreement or disagreement are favorable to such

division, the Secretary shall publish in the Federal Register a notice of that fact and the roll prepared by him shall thereupon become final and the following sections of this Act shall become effective."

The committee amendment was agreed to.

Mr. HALEY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALEY: On page 4, line 14, strike out the comma, insert a period in lieu thereof, and strike out the remainder of the line.

The amendment was agreed to.

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

DISPOSITION OF JUDGMENT FUNDS OF THE CHEROKEE NATION OR TRIBE OF INDIANS OF OKLAHOMA

The Clerk called the bill (H.R. 11590) to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to distribute per capita to all persons whose names appear on the rolls of the Cherokee Nation, which rolls were closed and made final as of March 4, 1907, pursuant to the Act of April 26, 1906 (34 Stat. 137), and subsequent additions thereto, all funds which were appropriated by the Act of September 30, 1961 (75 Stat. 733), in satisfaction of a judgment that was obtained by the Cherokee Tribe in the Indian Claims Commission against the United States in docket numbered 173, together with the interest accrued thereon, except $1,432,084.17 which by stipulation of the parties has been set aside for the payments of any offsets that are finally determined to be due the United States, and except the amount allowed for attorney fees and expenses.

SEC. 2. (a) Except as provided in subsections (b) and (c) of this section, a share or proportional share payable to a living adult shall be paid directly to such adult; (b) a share payable to a deceased enrollee shall be distributed to his heirs or legatees upon the filing of proof of death and inheritance satisfactory to the Secretary of the Interior, or his authorized representative, whose findings and determinations upon such proof shall be final and conclusive: *Provided,* That proportional shares of deceased heirs amounting to $5 or less shall not be distributed, and no inherited share amounting to $2 or less shall be paid, and the money shall revert to the tribe; (c) a share or proportional share payable to a person under twenty-one years of age or to a person under legal disability shall be paid in accordance with such procedures as the Secretary determines will adequately protect the best interests of such persons.

SEC. 3. (a) All claims for per capita shares, whether by a living enrollee or by the heirs or legatees of a deceased enrollee, shall be filed with the Area Director of the Bureau of Indian Affairs, Muskogee, Oklahoma, not later than three years from the date of approval of this Act. Thereafter, all claims and the right to file same shall be forever barred and the unclaimed shares shall revert to the tribe, and such tribal funds may be advanced or expended for any purpose that is authorized by the principal chief of the Cherokee Nation and approved by the Secretary of the Interior.

SEC. 4. No part of any funds which may be distributed in accordance with the provisions of this Act shall be subject to Federal or State income tax or inheritance tax.

SEC. 5. No part of any of the funds which may be so distributed shall be subject to any lien, debt, or claim of any nature whatsoever against the tribe or individual Indians except delinquent debts owed by the tribe to the United States, or owed by individual Indians to the tribe or to the United States.

SEC. 6. Payments made under this Act shall not be held to be "other income and resources", as that term is used in sections 2(a)(10)(A), 402(a)(7), 1002(a)(8), and 1402(a)(8) of the Social Security Act (42 U.S.C. 302(a)(10)(A), 602(a)(7), 1202(a)(8), and 1352 (a)(8)).

SEC. 7. All costs incident to making the payments authorized by this Act shall be paid by appropriate withdrawals from the judgment funds and interest on the judgment fund, using the interest fund first, but there are authorized to be appropriated not to exceed $500,000 to reimburse the judgment fund and the interest fund.

SEC. 8. The Secretary of the Interior is authorized to prescribe rules and regulations to carry out the provisions of this Act.

With the following committee amendments:

Page 2, line 14, strike out "$5" and insert "$10".

Page 2, line 16, strike out "$2" and insert "$5".

Page 2, line 22, strike out "SEC. 3." and insert "SEC. 3. (a)".

Page 3, line 3, change the comma to a period, strike out the remainder of the sentence and add a new subsection to read as follows:

"(b) Tribal funds that revert to the tribe pursuant to this Act, including interest and income therefrom, may be advanced or expended for any purpose that is authorized by the principal chief of the Cherokee Nation and approved by the Secretary of the Interior."

Page 3, line 9, strike out the words "or inheritance tax".

The committee amendments were agreed to.

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

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, this is a day of justice long awaited and long prayed for by the Cherokee people. It takes another long step toward righting a wrong that dates back to the 19th century, when the Government forced the Cherokees to sell at an unconscionably low price a great tract of land in what is now western Oklahoma.

I am proud and happy, Mr. Speaker, that this bill has passed by unanimous vote in the House and with the unanimous recommendation of the great Committee on Interior and Insular Affairs. My special thanks go to the able chairman of that committee, the gentleman from Colorado, the Honorable WAYNE ASPINALL, and to one of the best friends of the American Indian in Washington, the chairman of the Subcommittee on Indian Affairs, the gentleman from Florida, the Honorable JAMES HALEY.

There can be no doubt of the overwhelming support of the Cherokee people for this bill, which represents the final result of many months of meetings, conferences, and tribal consideration. This bill was recommended for passage by the distinguished principal Chief of the Cherokee Nation, the Honorable W. W. Keeler, and by the executive committee of the tribe.

It has also had the strong support of the great Secretary of the Interior, Stewart Udall, and of the Commissioner of Indian Affairs, the Honorable Philleo Nash. The Office of President Kennedy has given the direct and helpful support of the White House to expediting the appropriation of funds to discharge this longstanding obligation, and to early passage of this legislation.

All members of the Oklahoma delegation, in both the House and the other body, have joined in support of this bill.

I earnestly hope it will reach the President's desk in the near future, in order that distribution of these funds may get underway without further delay.

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

FINAL DISPOSITION OF THE PROPERTY OF THE CHOCTAW TRIBE

The Clerk called the bill (H.R. 12355) to amend the law relating to the final disposition of the property of the Choctaw Tribe.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 25, 1959 (73 Stat. 420), is amended as follows: The words "three years", which appear twice in section 1(a), once in section 1(d), once in section 11, once in section 12(a), and once in section 12(b) are changed to "six years".

SEC. 2. Section 12(c) of such Act is amended by changing the period to a comma and adding "and for a period of three years after such legal entity is organized it shall have the same immunity from the defense of laches or a statute of limitations that the Choctaw Tribe had prior to such time."

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

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, unanimous approval by the House of this measure helps make possible an orderly and complete preparation of the steps necessary to carry out the provisions of the act of August 25, 1959, with respect to the tribal lands of the Choctaw Tribe.

Like the Cherokee bill on which we also acted today, this measure has had the unanimous support of the Oklahoma delegation, all of whom have been aware of the great injustice which would result if additional time were not permitted under the 1959 act.

While this measure bears the name of Oklahoma's Second District Congressman, a member of the House Subcommittee on Indian Affairs, it was intro-

duced at the request of our distinguished colleague from the Third Congressional District in Oklahoma, the Honorable CARL ALBERT, and at the further request of Choctaw tribal representatives.

It is imperative that final action be secured upon it in advance of a deadline date of August 25, 1962, and for this reason we are doubly appreciative of the priority which has been given this bill by the great Committee on Interior and Insular Affairs and by this body.

I know of no objection to this measure from any quarter and trust it will be speedily advanced in the other body and signed into law by the President.

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

INCORPORATION OF THE NAVAL SEA CADET CORPS

The Clerk called the bill (S. 1308) to incorporate the Sea Cadet Corps of America, and for other purposes.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following named persons: John J. Bergen, William J. Catlett, Junior, Morgan Fitch, George Halas, John S. Leahy, Junior, and J. Paull Marshall; members of the Navy League National Sea Cadet Committee and their associates and successors, are hereby created and declared to be a body corporate by the name of the Naval Sea Cadet Corps (hereinafter referred to as the "corporation") and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

OBJECTS AND PURPOSES OF THE CORPORATION

SEC. 2. The objects and the purposes of the corporation shall be, through organization and cooperation with the Department of the Navy, to encourage and aid American boys to develop an interest and skill in basic seamanship and in its naval adaptations, to train them in seagoing skills and to teach them patriotism, courage, self-reliance, and kindred virtues.

COMPLETION OF ORGANIZATION

SEC. 3. The persons named in the first section, their associates and successors are hereby authorized to complete the organization of the corporation by the selection of officers, the adoption of a constitution and bylaws, the promulgation of rules or regulations that may be necessary for the accomplishment of the purposes of this corporation, and the doing of such other acts as may be necessary for such purposes.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and the sued, complain and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to choose such officers, managers, agents, and employees as the business of the corporation may require;

(5) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, devise, or bequest from any private corporation, association, partnership, firm or individual and to hold any property, real, personal or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, encumber and otherwise alienate real, personal, or mixed property; and

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge or otherwise, subject in every case to all applicable provisions of Federal and State laws.

PRINCIPAL OFFICE, SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 5. (a) The principal office of the corporation shall be located in Tacoma, Washington, or in such other place as may be later determined by the board of directors, but the activities of the corporation shall not be confined to that place, but may be conducted throughout the various States, territories, and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

MEMBERSHIP

SEC. 6. Eligibility for membership in the corporation and the rights, privileges, and designation of classes of members shall, except as provided in this title, be determined as the constitution and bylaws of the corporation may provide.

BOARD OF DIRECTORS: COMPOSITION, RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this title, the membership of the initial board of directors of the corporation shall consist of the present members of the board of directors of the Sea Cadet Corps of America, the corporation described in section 17 of this Act, or such of them as may then be living and are qualified members of said board of directors, to wit: John J. Bergen, William J. Catlett, Junior, Morgan Fitch, George Halas, John S. Leahy, Junior, and P. Paull Marshall.

(b) Thereafter, the board of directors of the corporation shall consist of such number (not less than three and not more than fifteen), shall be selected in such manner (including the filling of vacancies), and shall serve for such term as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation, and shall be responsible for the general policies and program of the corporation and for the control of all funds of the corporation.

OFFICERS; ELECTION AND DUTIES OF OFFICERS

SEC. 8. (a) The officers of the corporation shall be a president, one or more vice presidents (as may be prescribed in the constitution and bylaws of the corporation), a secretary, and a treasurer, and such other officers as may be provided in the constitution and bylaws.

(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the constitution and bylaws of the corporation.

USE OF INCOME: LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any of its members, directors, or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan or advance to an officer, director, or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS: INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority under the board of directors, and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) Annual audits shall be made by an independent licensed or certified public accountant or a firm of independent licensed or certified public accountants, in accordance with generally accepted auditing standards. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

EXCLUSIVE RIGHT TO NAME, EMBLEM, SEALS, AND BADGES

SEC. 16. The corporation shall have the sole and exclusive right to the name "Naval Sea Cadet Corps" and to have and to use in carrying out its purposes, distinctive insignia, emblems, and badges, descriptive or designating marks, and words or phrases, as may be required in the furtherance of its functions. No powers or privileges hereby granted shall, however, interfere or conflict with established or vested rights.

TRANSFER OF ASSETS

SEC. 17. The corporation may acquire the assets of the Sea Cadet Corps of America, a corporation organized under the laws of the State of Washington, upon discharging or satisfactorily providing for the payment and discharge of all of the liability of such corporation and upon complying with all laws of the State of Washington applicable thereto.

ANNUAL REPORT

SEC. 18. The corporation shall report annually to the Secretary of the Navy concerning its proceedings and activities for the preceding calendar years. The Secretary of the Navy shall communicate to Congress the whole of such reports, or such portion thereof as he shall see fit.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHAPTER

SEC. 19. The right to alter, amend, or repeal this title is expressly reserved.

Amend the title so as to read: An Act to incorporate the Naval Sea Cadet Corps."

With the following committee amendments:

1. On page 4, line 23, insert after the word "title" the following: "and for not more than one year thereafter,".

2. On page 5, line 8, strike out the word "three" and insert the word "ten".

3. On page 5, line 9, strike out the word "fifteen" and insert "twenty-five".

4. On page 7, strike out the sentence beginning on line 20 and insert:

"The accounts of the corporations shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulator authority of a State or other political subdivision of the United States."

The committee amendments were agreed to.

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

The title was amended so as to read: "An act to incorporate the Naval Sea Cadet Corps."

A motion to reconsider was laid on the table.

GREETINGS TO THE BETHEL HOME DEMONSTRATION CLUB

The Clerk called House concurrent resolution (H. Con. Res. 474) extending the greetings and felicitations of the Congress to the Bethel Home Demonstration Club of Bethel Community, Sumter County, S.C.

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

Whereas the Bethel Home Demonstration Club, founded in Sumter County, South Carolina, in March of 1915, was the first home demonstration club in the United States; and

Whereas home demonstration clubs have been of great value to the people of the United States by aiding in the diffusion of knowledge and skills among the women of rural America; and

Whereas Winthrop College, the South Carolina college for women, pioneered in developing the concepts and in providing leadership for the home demonstration club movement; and

Whereas the year 1962 is the one hundredth anniversary year of the United States Department of Agriculture and of the land-grant college system: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States recognizes that the Bethel Home Demonstration Club of the Bethel Community, Sumter County, South Carolina, was the first such club to be established in the United States, and extends its greetings and felicitations to the Bethel Home Demonstration Club on the occasion of the one hundredth anniversary year of the establishment of the United States Department of Agriculture and the land-grant college system.

The House concurrent resolution was agreed to.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the gentlewoman from South Carolina [Mrs. RILEY] may extend her remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mrs. RILEY. Mr. Speaker, it gives me great pleasure to support House Concurrent Resolution 474, which is before the House for consideration today.

Several days ago I appeared before the House Judiciary Committee, and I submit for the RECORD the statement which I made at that time concerning this bill:

JULY 19, 1962.

Mrs. RILEY. Mr. Chairman and members of the committee, Bethel Home Demonstration Club, Sumter County, S.C., was the first Home Demonstration Club established in the world. The date was March 1915.

This has been made a matter of record by resolution adopted on March 21, 1962, by the State of South Carolina House of Representatives and concurred by the State Senate as per attached resolution.

Nineteen hundred and sixty-two is both the 100th anniversary of the U.S. Department of Agriculture and the land-grant college system and the 47th year of the Bethel Home Demonstration Club, Sumter County, S.C.

They would like to celebrate this this fall with a memorial service for the charter members.

On May 7, 1962, at the request of the president of Bethel Home Demonstration Club, Sumter County, S.C., I introduced House Concurrent Resolution 474 now pending before your committee, the two South Carolina Senators, THURMOND and JOHNSTON concurring and introducing Senate Concurrent Resolution 75 for the purpose of establishing officially on a national basis the fact Bethel Home Demonstration Club of Sumter County, S.C. was the first Home Demonstration Club established in the world.

I shall appreciate very much your careful consideration of this bill and your cooperation in favorably reporting it.

I thank you.

Mr. Speaker, I hope that this legislation passes the House and becomes law.

DIRECTING SECRETARY OF INTERIOR TO CONVEY CERTAIN PUBLIC LANDS IN STATE OF NEVADA

The Clerk called the bill (S. 3089) to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada", approved March 6, 1958 (72 Stat. 31), is amended as follows:

(1) in section 2, strike out "five years" and insert in lieu thereof "ten years"; and

(2) in section 3, strike out "five-year" and insert in lieu thereof "ten-year".

With the following committee amendments:

Page 1, line 8, through page 2, line 2, strike out all of the present language and insert in lieu thereof the following:

"(1) in section 2, strike out 'five years' and insert in lieu thereof 'ten years';

"(2) in section 3, strike out 'five-year' and insert in lieu thereof 'ten-year'; and

"(3) at the end of section 4(c) add: 'The appraisal shall be of the fair market value of the lands as of the effective date of this Act.'."

The committee amendments were agreed to.

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

DIRECTING SECRETARY OF INTERIOR TO CONVEY CERTAIN PUBLIC LANDS IN THE STATE OF CALIFORNIA

The Clerk called the bill (H.R. 2952) to direct the Secretary of the Interior and the Administrator of General Services to convey certain public and acquired lands in the State of California to the city of Needles.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior or the Administrator of General Services, if the lands herein described come within his jurisdiction for disposal purposes, shall issue to the city of Needles, in the county of San Bernardino, State of California, upon payment by the city into the Treasury of the United States, not more than five years after the Secretary or the Administrator has notified the city of the purchase price which shall be an amount equal to the fair market value of the lands as determined by the Secretary or the Administrator after the appraisal of the lands by contract appraisal or otherwise, a patent or deed for the following described lands situated within the city limits of said city of Needles or adjacent thereto, in the State of California comprising a total of

492.6 acres more or less (all range references are to San Bernardino base and meridian):

(a) The southwest quarter of the northeast quarter of section 29 in township 9 north, range 23 east, comprising 12.6 acres more or less.

(b) The southwest quarter of the northwest quarter of section 30 in township 9 north, range 23 east, subject to Atchison, Topeka, and Santa Fe Railway right-of-way, comprising 40 acres more or less (otherwise described as Government lot 2 in said section 30).

(c) The southeast quarter of the northwest quarter of section 30 in township 9 north, range 23 east, subject to Atchison, Topeka, and Santa Fe Railway right-of-way, comprising 40 acres more or less.

(d) The south half of the southeast quarter of the southwest quarter of section 30, township 9 north, range 23 east, comprising 20 acres more or less.

(e) The north half of the north half of the northeast quarter of the northwest quarter of section 31 in township 9 north, range 23 east, comprising 10 acres more or less.

(f) The northeast quarter of section 31 in township 9 north, range 23 east, comprising 160 acres more or less.

(g) The southeast quarter of the northwest quarter of section 32 in township 9 north, range 23 east, comprising 40 acres more or less.

(h) The southeast quarter of the southeast quarter of section 32 in township 9 north, range 23 east, subject to United States Highway 66–95 right-of-way, comprising 40 acres more or less.

(i) All premises described in lease from United States to city of Needles, dated June 7, 1960:

PARCEL 1. Those portions lying west of the present west bank of the Colorado River of the lands acquired by the United States from Monaghan and Murphy Company, a California corporation, by grant deed recorded August 20, 1947, in book 2069 at page 128 of the official records of San Bernardino County, California.

PARCEL 2. Those lands acquired by the United States from said Monaghan and Murphy Company by grant deeds recorded August 20, 1947, in book 2063 at page 479 and book 2065 at page 195 of said official records.

PARCEL 3. Those lands acquired by the United States from Daniel J. Murphy and others by grant deed recorded September 17, 1947, in book 2133 at page 215 of said official records.

PARCEL. 4. The following lots and blocks in the city of Needles, county of San Bernardino, State of California:

(A) Lots 1 to 12 inclusive, and 20 to 24, inclusive, in block 40, saving and excepting therefrom those portions of lots 22, 23, and 24 in said block 40, lying north and east of a line drawn from the northwest (northeast) corner of said lot 22, to a point in the east boundary of said lot 24, distant 75 feet south from the northeast corner of said lot 24, as conveyed to California, Arizona, and Santa Fe Railway Company, as per deed recorded in book 630 of deeds, page 105, records of said county.

All of blocks 41, 42, 43, together with the easterly half of Water Street as shown on the hereinafter referred to map of Needles from the south lines of Pinney Avenue to the northerly line of the station grounds of the Atchison, Topeka, and Santa Fe Railway Company, and the alley lot 25 feet wide lying within said block and extending from the south line of Pinney Avenue to the northerly line of said station grounds,

Lot 1 of block 44, together with the westerly one-half of Water Street as shown on said map from the south line of Pinney Avenue to the northerly line of said station grounds,

Lot 8 in block 51.

Lots 7 and 8 in block 52.

All of block 53, excepting therefrom lots 17 and 18,

All of block 54,

All of block 55, excepting therefrom lots 8 and 9,

Lots 1 to 4, inclusive, in block 101, and

Lots 1 to 6, inclusive, in block 102,

according to map of Needles, in the city of Needles, in said county and State, as per plat recorded in book 13 of maps, pages 17 and 18, and in book 19 of maps, pages 65 and 66, records of said county.

(B) Lots 2 to 6, inclusive, and lots 9 to 12, inclusive, in block 1.

Lot 1 in block 2, saving and excepting therefrom the following: Beginning at a point 120 feet north of the southeast corner of lot 1, block 2 of Pinney addition to city of Needles; thence north 30 feet; thence west 20 feet on the north boundary line of said lot; thence south 30 feet to a point 20 feet west of the point of beginning; thence 20 feet to the point of beginning.

Lots 1 and 2 in block 6, except from said lot 2, the northerly 60 feet thereof; all in Pinneys addition to Needles, in the city of Needles, county of San Bernardino, State of California, as per plat recorded in book 11 of maps at page 38, records of said county.

(C) All of blocks 21, 38, and 39 and lots 21 to 31, inclusive, in block 48 of Denair's subdivision, sometimes called Denair's subdivision numbered 2, in the city of Needles, in said county and State, as per plat recorded in book 16 of maps, at pages 53 and 54, records of said county,

together with any lands adjoining said parcels 1 to 4, inclusive, acquired by the United States by reason of abandonment of streets and alleys.

SEC. 2. The conveyance authorized and directed by this Act shall be made subject to any existing valid claims against the lands described in the first section of this Act, and to any reservations necessary to protect continuing uses of said lands by the United States.

SEC. 3. All moneys received from the conveyance of lands under the terms of this Act shall be disposed of in the same manner as moneys received from the sale of public lands, except that moneys received as reimbursement for costs of appraisal, survey, and extinguishing adverse claims may be used by the Secretary for said purposes without appropriation.

SEC. 4. The lands described in the first section of this Act shall be segregated from all forms of appropriation under the public land laws including the mining and mineral leasing laws, from the date of approval of this Act, until the Secretary shall provide otherwise by publication of an order in the Federal Register.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following language:

"That the Secretary of the Interior shall issue to the city of Needles, in the county of San Bernardino, State of California, upon payment by the city into the Treasury of the United States, not more than five years after the Secretary has notified the city of the purchase price which shall be an amount equal to the fair market value plus the cost of any appraisal of the lands as of the effective date of this Act as determined by the Secretary after the appraisal of the lands by contract appraisal or otherwise, a patent or deed for the following described lands situated within the city limits of said city of Needles or adjacent thereto, in the State of California comprising a total of 340 acres more or less (all range references are to San Bernardino base and meridian with a reservation to the United States of the coal, phosphate, sodium, potassium, oil, gas, oil shale, native asphalt, solid and semisolid bitumen and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried), together with the right to prospect for, mine, and remove the same under applicable provisions of law:

"(a) The southwest quarter of the northwest quarter of section 30 in township 9 north, range 23 east, subject to Atchison, Topeka, and Santa Fe Railway right-of-way, comprising 40 acres more or less (otherwise described as Government lot 2 in said section 30) whenever the Secretary of the Interior determines that there is no further Federal need for this parcel.

"(b) The southeast quarter of the northwest quarter of section 30 in township 9 north, range 23 east, subject to Atchison, Topeka, and Santa Fe Railway right-of-way, comprising 40 acres more or less.

"(c) The north half of the south half of the southeast quarter of the southwest quarter, and the southwest quarter of the southwest quarter of the southeast quarter of the southwest quarter, and the southeast quarter of the southeast quarter of the southeast quarter of the southwest quarter section 30, township 9 north, range 23 east, comprising 15 acres more or less.

"(d) The northeast quarter of the northeast quarter of the northeast quarter of the northwest quarter, and the northwest quarter of the northwest quarter of the northeast quarter of the northwest quarter section 31, township 9 north, range 23 east, comprising 5 acres more or less.

"(e) The northeast quarter of section 31 in township 9 north, range 23 east, comprising 160 acres more or less.

"(f) The southeast quarter of the northwest quarter of section 32 in township 9 north, range 23 east, comprising 40 acres more or less.

"(g) The southeast quarter of the southeast quarter of section 32 in township 9 north, range 23 east, subject to United States Highway 66–95 right-of-way, comprising 40 acres more or less.

"SEC. 2. The conveyance authorized and directed by this Act shall be made subject to any existing valid claims against the lands described in the first section of this Act, and to any reservations necessary to protect continuing uses of said lands by the United States.

"SEC. 3. The lands described in the first section of this Act shall be segregated from all forms of appropriation under the public land laws including the mining and mineral leasing laws, from the date of approval of this Act, until the Secretary shall provide otherwise by publication of an order in the Federal Register.

"SEC. 4. The execution of the patents or deeds described in section 1 of this Act shall not relieve any person of any liability to the United States arising prior to the date of such conveyances for unauthorized use of the conveyed lands."

The committee amendment was agreed to.

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

The title was amended to read as follows: "A bill to direct the Secretary of the Interior to convey certain public lands in the State of California to the city of Needles."

A motion to reconsider was laid on the table.

INVESTIGATION OF CLAIMS FOR PROPERTY DAMAGE DUE TO ARTIFICIAL RAISING OF WATER LEVEL OF LAKE ONTARIO

The Clerk called the bill (H.R. 10955) to authorize the Foreign Claims Settlement Commission of the United States to investigate the claims of citizens of the United States who suffered property damage in 1951 and 1952 as the result of the artificial raising of the water level of Lake Ontario.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, does this open the door to payment of damages out of the U.S. Treasury because the Canadian Government artificially raised the water level in Lake Ontario? Does this open the door to our payment of damages that have been inflicted by the Canadian Government or by Canadian interests?

Mr. LANE. Mr. Speaker, may I say to the gentleman there is nothing in this bill that will authorize us to pay any of these claims. This is merely an authorization that the Government seeks to have the Foreign Claims Settlement Commission investigate these claims, because, after all, there was an agreement back some years ago that Canada would reimburse those who were damaged as a result of the flooding of this area. This has been under consideration for some period of time.

Our Government felt that the only way to find out here what the situation was was to have the Foreign Claims Settlement Commission review the claims of these citizens of the United States who suffered this damage back in 1951.

Mr. GROSS. Is there any question about the fact that damages were sustained by citizens of the United States by virtue of the construction of this dam in the St. Lawrence River?

Mr. LANE. As I understand it, there are about 1,000 claims.

Mr. GROSS. Is there any question about the fact that they did suffer damage?

Mr. LANE. As I answered the gentleman, there is a question as to whether or not the damages they claim come especially from the flooding or whether they were from other particular reasons.

Mr. GROSS. Let me ask the gentleman this question:

Is it not true that the Canadian Government now refuses to arbitrate?

Mr. LANE. Yes; at the present time. I will say further to the gentleman that this matter was taken into court and claims were filed there, and the decision was rendered not on the claims themselves or the validity of any of these claims but, rather, on the service that was made on the Canadian Government. We feel now that much of this information is available to the Foreign Claims Settlement Commission through the Corps of Engineers, because when these claims were filed some time ago—a few years back——

Mr. GROSS. Yes; 10 or 12 years ago, was it not?

Mr. LANE. Yes; that is right. Much of this information is available, but it has to be gathered together.

Mr. GROSS. Does the gentleman think we could refer this to the United Nations for settlement?

Mr. LANE. I hardly doubt that.

Mr. GROSS. This is an international case, is it not?

Mr. LANE. To a certain extent, but it just goes back to this agreement.

Mr. GROSS. Does the gentleman suppose we could get the United Nations Emergency Police Force to collect from the Canadians, as the U.N. is now trying to put the pressure on Tshombe in Katanga? Does the gentleman suppose we could get the United Nations police force to collect from the Canadians, if it is found that they do owe American citizens for damages?

Mr. LANE. All the bill does is to authorize the Claims Commission to investigate the claims of the citizens and to give them consideration so we will know whether or not our citizens are entitled to claims.

Mr. GROSS. The Canadian Government absolutely refuses to arbitrate a matter of this kind, is that not correct?

Mr. LANE. At the present time the Canadian Government has not done anything.

Mr. GROSS. Mr. Speaker, in the hope that someone somewhere can work out a settlement that will be acceptable and provide justice to the Americans who have suffered damage in this case—a settlement that will not come out of the U.S. Treasury—I am going to withdraw my objection.

However, I would like to observe that had the U.S. Government or American interests caused damage to Canadian property owners—had the situation been reversed—the State Department and others would have long since rushed to Congress and secured legislation to pay all claims. This ought to be a real good lesson for those who are so free with the dollars gouged out of American taxpayers.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent that S. 2978 to authorize the Foreign Claims Settlement Commission of the United States to investigate the claims of citizens of the United States who suffered property damage in 1951 and 1952 as the result of the artificial raising of the water level of Lake Ontario, an identical bill, be considered in lieu of H.R. 10955, the House bill.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Foreign Claims Settlement Commission of the United States (hereinafter referred to as the "Commission") is authorized and directed to accept claims of citizens of the United States for damages caused during 1951 and 1952 by the construction and maintenance of Gut Dam in the Saint Lawrence River by the Canadian Government, and the Commission is further authorized and directed with respect to each such claim to determine the validity thereof and the amount of damages caused by Gut Dam.

SEC. 2. Within sixty days after the enactment of this Act the Commission shall give public notice by publication in the Federal Register of the time when, and the limit of time within which, claims may be filed, which limit shall not be more than twelve months after such publication.

SEC. 3. The Commission shall, as soon as practicable after all claims are determined by it, submit to the President a report and a list of claims determined to be valid, and the amount of each such claim and a list of claims determined to be invalid, for such action by the President as he may deem appropriate.

SEC. 4. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) The Commission is authorized and directed to utilize its existing personnel and facilities to the maximum extent practicable to carry out the provisions of this Act.

(c) Nothing herein shall be construed as authorizing the Commission to pay or certify for payment any claim filed hereunder.

SEC. 5. If the Government of Canada enters into an agreement with the Government of the United States providing for arbitration or adjudication of the claims filed under this Act, the Commission shall discontinue its investigation and determination of the claims and transfer or otherwise make available to the Secretary of State all records and documents relating to the claims or, on the request of the Secretary of State, return to claimants documents filed in support of their claims.

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

A similar House bill, H.R. 10955, was laid on the table.

PROVIDING FOR THE RELIEF OF CERTAIN ENLISTED MEMBERS OF THE COAST GUARD

The Clerk called the bill (H.R. 12459) to provide for the relief of certain enlisted members of the Coast Guard.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to ask someone on the committee a question concerning this proposed legislation.

Does this legislation, if enacted into law, absolve everybody of any responsibility for the error that was made?

Mr. LANE. Will the gentleman yield?

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

Mr. LANE. I would like to answer the gentleman from Michigan by saying that it certainly would. I know the gentleman's interest with reference to the disbursing officer who has certified these payments to these servicemen, and I realize the gentleman's interest in absolving the disbursing officers from time

to time in such cases, but in this particular case may I say, Mr. Speaker, in answer to the gentleman from Michigan [Mr. FORD] that these payments were certified on the basis of a determination by the military commander—the officer who was in charge of the base there. There was no Government mess available to those units concerned. This was made on the basis of the particular military mission of the units and their required high state of operational readiness, and it would be equitable not to relieve the officers.

What I am trying to say, Mr. Speaker, is that the commanding officer has certified these payments and the disbursing officer had to take his order from the commanding officer. For that reason, these payments for this mess were taken care of because of these enlisted men who were there on this emergency service.

Mr. FORD. The enlisted men were completely without fault in this case, were they not?

Mr. LANE. That is very true; in each of these cases.

Mr. FORD. But in each of these instances there is someone at fault, and unless we start pinning responsibility on somebody—I do not care whether it is the commanding officer or the disbursing officer—we are not going to get the job done properly according to the law or regulations. The people who received the money were the unfortunate beneficiaries of the error of someone else.

The gentleman from Massachusetts and I have gone round and round on these problems. I want him to know that unless we start pinning the responsibility on somebody, whether it is the commanding officer, or some disbursing officer, I will not permit these bills to pass on the Consent Calendar.

Mr. GROSS. Mr. Speaker, will the gentleman yield for one observation?

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

Mr. GROSS. I will say to the gentleman that he should take a look at the Private Calendars if he wants to see this sort of thing being carried on. I want to commend the gentleman for his protest on this bill.

Mr. FORD. I am delighted to have the gentleman from Iowa alert me to things that are going on on the Private Calendar about which I was not informed. All I can do as a member of the Consent Calendar objector's committee, is to handle the problems we have here. The gentleman from Massachusetts [Mr. LANE] knows my attitude. He does seek to hold these bills under some control. But I just want to alert him again that unless we pin the responsibility on someone, these problems are going to grow, they are going to be more numerous and be more prevalent rather than otherwise.

So, Mr. Speaker, I withdraw my reservation and ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDING THE HATCH POLITICAL ACTIVITIES ACT

The Clerk called the bill (H.R. 12661) to amend section 9(b) of the act entitled "An act to prevent pernicious political activities"—the Hatch Political Activities Act—to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would point out that this bill strikes out the 90 days' suspension for violation of the Hatch Act and leaves it completely discretionary with the Civil Service Commission whether an employee is suspended for 5 days or 500 days. I do not like leaving it discretionary so that the Civil Service Commission can make fish of one and fowl of another for violating the Hatch Act.

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

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

There was no objection.

The SPEAKER pro tempore. This concludes the call of the eligible bills on the Consent Calendar.

NATIONAL BANK BRANCHES IN FOREIGN COUNTRIES

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1771) to improve the usefulness of national bank branches in foreign countries.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 25 of the Federal Reserve Act, as amended, is amended by adding the following new paragraph at the end thereof:

"Regulations issued by the Board of Governors of the Federal Reserve System under this section, in addition to regulating powers which a foreign branch may exercise under other provisions of law, may authorize such a foreign branch, subject to such conditions and requirements as such regulations may prescribe, to exercise such further powers as may be usual in connection with the transaction of the business of banking in the places where such foreign branch shall transact business. Such regulations shall not authorize a foreign branch to engage in the general business of producing, distributing, buying, or selling goods, wares, or merchandise; nor except to such limited extent as the Board may deem to be necessary with respect to securities issued by any 'foreign state' as defined in section 25(b) of this Act, shall such regulations authorize a foreign branch to engage or participate, directly or indirectly, in the business of underwriting, selling, or distributing securities."

The SPEAKER pro tempore. Is a second demanded?

Mr. McDONOUGH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. SPENCE. Mr. Speaker, this bill is designed to increase the usefulness of foreign branches of our national banks. We have an expanding economy in a world that is growing smaller all the time. Our foreign trade means much to us. These foreign branches of American banks are helping to carry out the policy of our national goals. They help to encourage the same purposes as the Export-Import Bank, the Inter-American Bank, the International Bank for Reconstruction and Development, and the International Monetary Fund. They help us in our competition in foreign trade. They help to increase our foreign trade. Our competition in foreign trade is growing greater all the time. This has been caused in part by international agreements of which the European Common Market is an example.

Mr. Speaker, there was no substantial opposition to the bill and I ask that it be passed.

Mr. McDONOUGH. Mr. Speaker, I asked for the second for the purpose of informing the House of the pertinent parts of this bill and the purpose and intent of it.

The bill, as the chairman of the committee explained, provides for branches of national banks in foreign countries. To remove any doubt in the minds of any Member of the House that this may provide any tax evasion opportunities, it is definitely not for that purpose and will not provide any such opportunity for any bank that operates a branch in a foreign country.

It does provide for a broader facility for foreign trade and the foreign exchange. There was no objection to the bill as far as the committee was concerned. There were no negative witnesses. There is no particular reason in my mind why the bill should not pass. I wanted this opportunity of explaining our side of the question.

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

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

Mr. GROSS. It is my understanding that the Federal Reserve System is continuing to buy a substantial amount of foreign currency to bolster the position of the dollar in the international money market. It seems to me I read over the weekend, if I recall the figures correctly, that $468 million was purchased in a comparatively recent time of foreign currencies. I notice gold is continuing to leave this country despite the fact we are investing in foreign currencies. Is this bill intended to encourage the purchase of foreign currencies?

Mr. McDONOUGH. No, there is nothing in the bill that would stimulate that. The bill does not prevent that, but there is nothing in the bill to stimulate it. As a matter of fact, the bill is designed to help the facilities of banks which have branches in foreign countries. I would not say that it would encourage the

reduction of our gold balance or our balance of payments.

Mr. GROSS. The gentleman would not say this was just another step along the path of one-world government, one-world association, or as some people call it, the independent interdependent one world?

Mr. McDONOUGH. I would not say it would move in that direction. However, many of the things we are doing move in that direction, there is no question about it.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill S. 1771?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

REAL ESTATE AND CONSTRUCTION LOANS APPLICABLE TO NATIONAL BANKS

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7796) to amend certain lending limitations on real estate and construction loans applicable to national banks.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth sentence of the first paragraph of section 24 of the Federal Reserve Act (12 U.S.C. 371) is amended to read as follows: "No such association shall make such loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of 70 per centum of the amount of its time and savings deposits, whichever is the greater."

SEC. 2. The first sentence of the third paragraph of section 24 of the Federal Reserve Act (12 U.S.C. 371) is amended to read as follows:

"Loans made to finance the construction of industrial or commercial buildings and having maturities of not to exceed eighteen months where there is a valid and binding agreement entered into by a financially responsible lender to advance the full amount of the bank's loan upon completion of the buildings and loans made to finance the construction of residential or farm buildings and having maturities of not to exceed eighteen months, shall not be considered as loans secured by real estate within the meaning of this section but shall be classed as ordinary commercial loans whether or not secured by a mortgage or similar lien on the real estate upon which the building or buildings are being constructed: *Provided,* That no national banking association shall invest in, or be liable on, any such loans in an aggregate amount in excess of 100 per centum of its actually paid-in and unimpaired capital plus 100 per centum of its unimpaired surplus fund."

The SPEAKER pro tempore. Is a second demanded?

Mr. McDONOUGH. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. SPENCE. Mr. Speaker, national banks can now lend upon real estate only the amount of their unimpaired and paid-in capital stock and unimpaired surplus or 60 percent of their time and savings deposits. This bill increases the amount they can lend upon real estate mortgages from 60 to 70 percent of their time and savings deposits. The bill also increases the maturity of construction loans on residential and farm dwellings from 9 to 18 months. It will enable the banks to make more loans for the building of homes for our people. The amount for this purpose would be theoretically increased by $4 billion. Under this legislation banks in smaller communities would be enabled to make more mortgage loans for much needed homes.

This bill was endorsed by all interested governmental agencies.

Mr. McDONOUGH. Mr. Speaker, I asked for a second in order that we might be sure that the House was advised of the purpose and intent of the bill.

The bill provides for additional funds to be made available in the construction and real estate market. There is an increase of 60 to 70 percent in the time and savings deposits of the national banks, and of the time from 9 to 18 months on loans.

There is no opposition that I recall in the committee, none of any consequence.

I do not object to the bill's passing. I merely wanted to have its purpose and intent explained.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H.R. 7796?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT

Mr. TEAGUE of Texas. Mr. Speaker, I would like to announce to the House that I have asked the Speaker to withdraw from consideration under suspension this afternoon the next bill. This request was made because of a number of requests that have come to the gentleman from Texas that this bill be considered under a rule. I have asked the chairman of the Rules Committee for a hearing and I do not contemplate that this will delay the legislation in any way, shape, or manner.

LIBERALIZING EFFECTIVE DATES

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7600) to amend title 38, United States Code, to revise the effective-date provisions relating to awards, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3010 of title 38, United States Code, is amended to read as follows:

"§ 3010. Effective dates of awards

"(a) Unless specifically provided otherwise in this chapter, the effective date of an award based on an original claim, a claim reopened after final adjudication, or a claim for increase, of compensation, dependency and indemnity compensation, or pension, shall be fixed in accordance with the facts found, but shall not be earlier than the date of receipt of application therefor.

"(b) The effective date of an award of disability compensation to a veteran shall be the day following the date of his discharge or release if application therefor is received within one year from such date of discharge or release.

"(c) The effective date of an award of disability compensation by reason of section 351 of this title shall be the date such injury or aggravation was suffered if an application therefor is received within one year from such date.

"(d) The effective date of an award of death compensation, dependency and indemnity compensation, or death pension, where application is received within one year from the date of death, shall be the first day of the month in which the death occurred.

"(e) The effective date of an award of dependency and indemnity compensation to a child shall be the first day of the month in which the child's entitlement arose if application therefor is received within one year from such date.

"(f) An award of additional compensation on account of dependents based on the establishment of a disability rating in the percentage evaluation specified by law for the purpose shall be payable from the effective date of such rating; but only if proof of dependents is received within one year from the date of notification of such rating action.

"(g) Subject to the provisions of section 3001 of this title, where compensation, dependency and indemnity compensation, or pension is awarded or increased pursuant to any Act or administrative issue, the effective date of such award or increase shall be fixed in accordance with the facts found but shall not be earlier than the effective date of the Act or administrative issue. In no event shall such award or increase be retroactive for more than one year from the date of application therefor or the date of administrative determination of entitlement, whichever is earlier.

"(h) Where an award of pension has been deferred or pension has been awarded at a rate based on anticipated income for a year and the claimant later establishes that income for that year was at a rate warranting entitlement or increased entitlement, the effective date of such entitlement or increase shall be fixed in accordance with the facts found if satisfactory evidence is received before the expiration of the next calendar year.

"(i) Whenever any disallowed claim is reopened and thereafter allowed on the basis of new and material evidence resulting from the correction of the military records of the proper service department under section 1552 of title 10, or the change, correction, or modification of a discharge or dismissal under section 1553 of title 10, or from other corrective action by competent authority, the effective date of commencement of the benefits so awarded shall be the date on which an application was filed for correction of the military record or for the change, modification, or correction of a discharge or dismissal, as the case may be, or the date such disallowed claim was filed, whichever date is the later, but in no event shall such award of benefits be retroactive for more than one year from the date of reopening of such disallowed claim. This subsection shall not apply to any application or claim for Government life insurance benefits.

"(j) Where a report or a finding of death of any person in the active military, naval, or air service has been made by the Secretary concerned, the effective date of an award of death compensation, dependency and indemnity compensation, or death pension, as applicable, shall be the first day of the month fixed by the Secretary as the month

of death in such report or finding, if application therefor is received within one year from the date such report or finding has been made; however, such benefits shall not be payable to any person for any period for which such person has received, or was entitled to receive, an allowance, allotment, or service pay of the deceased."

SEC. 2. Section 3012 of title 38, United States Code, is amended by striking out subsection (b), and by amending subsection (c) to read as follows:

"(b) The effective date of a reduction or discontinuance of compensation, dependency and indemnity compensation, or pension—

"(1) by reason of marriage or remarriage, or death of a payee shall be the last day of the month before such marriage, remarriage, or death occurs;

"(2) by reason of marriage, divorce, or death of a dependent of a payee shall be the last day of the month in which such marriage, divorce, or death occurs;

"(3) by reason of receipt of active service pay or retirement pay shall be the day before the date such pay began;

"(4) by reason of change in income or corpus of estate shall be the last day of the month in which the change occurred;

"(5) by reason of a change in disability or employability of a veteran in receipt of pension shall be the last day of the month in which discontinuance of the award is approved;

"(6) by reason of change in law or administrative issue, change in interpretation of a law or administrative issue, or, for compensation purposes, a change in service-connected or employability status or change in physical condition shall be the last day of the month following sixty days from the date of notice to the payee (at his last address of record) of the reduction or discontinuance;

"(7) by reason of the discontinuance of school attendance of a payee or a dependent of a payee shall be the last day of the month in which such discontinuance occurred;

"(8) by reason of termination of a temporary increase in compensation for hospitalization or treatment shall be the last day of the month in which the hospital discharge or termination of treatment occurred, whichever is earlier;

"(9) by reason of an erroneous award based on an act of commission or omission by the beneficiary, or with his knowledge, shall be the effective date of the award; and

"(10) by reason of an erroneous award based solely on administrative error or error in judgment shall be the date of last payment."

SEC. 3. Section 351 of title 38, United States Code, is amended by striking out "; except that no benefits shall be awarded unless application be made therefor within two years after such injury or aggravation was suffered, or such death occurred", and by adding at the end thereof the following: "Where an individual is hereafter awarded a judgment against the United States in a civil action brought pursuant to section 1346(b) of title 28, United States Code, or hereafter enters into a settlement or compromise under section 2672 or 2677 of title 28, United States Code, by reason of a disability, aggravation, or death treated pursuant to this section as if it were service-connected, then no benefits shall be paid to such individual for any month beginning after the date such judgment, settlement, or compromise on account of such disability, aggravation, or death becomes final until the aggregate amount of benefits which would be paid but for this sentence equals the total amount included in such judgment, settlement, or compromise."

SEC. 4. (a) Chapter 53 of title 38, United States Code, is amended by adding the following new section:

§ 3110. Payment of benefits for month of death

"If, in accordance with the provisions of section 3010(d) of this title, a widow is entitled to death benefits under chapter 11, 13, or 15 of this title for the month in which a veteran's death occurs, the amount of such death benefits for that month shall be not less than the amount of benefits the veteran would have received under chapter 11 or 15 of this title for that month but for his death."

(b) The analysis of chapter 53 of title 38, United States Code, is amended by adding at the end thereof the following:

"3110. Payment of benefits for month of death."

SEC. 5. (a) Sections 3004 and 3011 of title 38, United States Code, are repealed.

(b) The analysis of chapter 51 of title 38, United States Code, is amended by striking out "3004. Disallowed claims." and "3011. Effective dates of increases".

SEC. 6. Sections 110 and 359 of title 38, United States Code, are amended by adding the following sentence at the end of each section: "The mentioned period shall be computed from the date determined by the Administrator as the date on which the status commenced for rating purposes."

SEC. 7. This Act shall take effect on the first day of the second calendar month which begins after the date of enactment of this Act, but no payments shall be made by reason of this Act for any period before such effective date. Payments for any period before such effective date shall be made under prior laws and regulations. The provisions of this Act with respect to reductions and discontinuances shall be applicable only where the event requiring such reduction or discontinuance occurs on or after such effective date. If such event occurred before such effective date, action shall be taken pursuant to the prior laws and regulations.

The SPEAKER pro tempore. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second to be sure that there may be some explanation of the bill.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas will be recognized for 20 minutes and the gentleman from Iowa for 20 minutes.

The gentleman from Texas is recognized.

Mr. TEAGUE of Texas. Mr. Speaker, this bill, H.R. 7600, requested by the Veterans' Administration and supported by the American Legion, Veterans of Foreign Wars, Disabled American Veterans, and AMVETS, primarily makes certain desirable modifications in the provisions of existing laws governing the effective dates of awards, reductions, and discontinuances of monetary benefits—service-connected disability and death compensation, non-service-connected disability and death pension, educational payments, and so forth.

Enactment of this bill would make more nearly uniform all effective date provisions and resolve a number of problem areas. Generally, the basic changes fall under five headings:

First. Disability benefits, in the event of the veteran-payee's death, would be discontinued the last day of the month before such death occurs, and death benefits would be awarded effective the first day of the month in which the death occurs—if claim therefor is filed within 1 year from death. Currently, disability benefits are discontinued as of the date of the veteran's death and benefits to his survivors are awarded effective the next day—if claim therefor is filed within 1 year from death. This change would considerably simplify administration. In the light of a savings provision in section 4 of the bill, no eligible widow would be adversely affected by this change.

Second. The 2-year statute of limitation—set forth in 38 U.S.C. 351—within which claim must be filed for disability or death compensation or dependency and indemnity compensation authorized by that section for disability or death suffered as a result of hospitalization or medical or surgical treatment, or the pursuit of a course of vocational rehabilitation, would be repealed. Also, duplicate recoveries from the United States for the same disability or death under section 351 and the Federal Tort Claims Act would be precluded by providing a setoff against compensation benefits of the amount of any recovery pursuant to a civil judgment, settlement, or compromise.

Third. A uniform rule would be provided, for the first time, governing the effective dates of liberalizing laws or administrative issues that are enacted or promulgated in the future. This provision would, in many cases, obviate the necessity of a potential beneficiary filing a specific claim for the new benefit and would instead permit the Veterans' Administration, where feasible, to identify such beneficiaries and apply the provisions of the liberalized law and administrative issue on its own initiative. The provision would permit a retroactive period of payment of not more than 1 year, but in no event prior to the effective date of the law or issue.

Fourth. A 1-year period would be provided for the submission of necessary evidence to perfect a claim for compensation and pension reopened after final adjudication as well as a claim for increased monetary benefits, similar to, and under the same circumstances as, the period currently provided by law for the perfection of original claims for such benefits.

Fifth. Uniform rules would be established for the reduction or discontinuance of erroneous awards first, based upon acts of commission or omission by beneficiaries—as of the date of the erroneous award; and, second, based upon administrative error or error in judgment—as of the date of last payment. The latter category would include errors arising from a misunderstanding of instructions, regulations, or the construction of statutes.

The Veterans' Administration advises that there might be some slight additional cost and at the same time there would be a slight savings, roughly offsetting each other, thus there would not be any substantial impact on the present cost levels.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill, H.R. 7600, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the

rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

HOSPITAL AND MEDICAL CARE FOR CERTAIN PEACETIME VETERANS

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3109) to amend chapter 17 of title 38, United States Code, in order to authorize hospital and medical care for peacetime veterans suffering from noncompensable service-connected disabilities. I may say that H.R. 9922 is identical with this Senate bill.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 610(a) of title 38, United States Code, is amended to read as follows:

"(1) (A) any veteran for a service-connected disability; or

"(B) a veteran of any war for a nonservice-connected disability if he is unable to defray the expenses of necessary hospital care;".

SEC. 2. Section 612(a) of title 38, United States Code, is amended to read as follows:

"(a) Except as provided in subsection (b), the Administrator, within the limits of Veterans' Administration facilities, may furnish such medical services as he finds to be reasonably necessary to any veteran for a service-connected disability. In the case of any veteran discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty, such services may be so furnished for that disability, whether or not service connected for the purposes of this chapter."

The SPEAKER pro tempore. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas will be recognized for 20 minutes and the gentleman from Iowa for 20 minutes.

The gentleman from Texas is recognized.

Mr. TEAGUE of Texas. Mr. Speaker, this proposal, which is favored by the Veterans' Administration, seeks to provide hospital and medical care to peacetime veterans who are suffering from noncompensable service-connected disabilities. Under existing law wartime veterans are entitled to hospitalization under these conditions. Peacetime veterans, on the other hand, must have a disability which is compensable; that is, 10 percent or more in degree.

Enactment of this legislation will permit a peacetime veteran to receive medical and hospital care for this disability even though he is not receiving service-connected compensation for it.

The Veterans' Administration estimates that the cost will be $1,562,000 for the first year, with the cost generally decreasing over the succeeding 4 years.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill S. 3109?

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider and a similar House bill (H.R. 9922) were laid on the table.

CERTAIN VETERANS BLINDED BY REASON OF A SERVICE-CONNECTED DISABILITY AFFORDED VOCATIONAL REHABILITATION TRAINING

Mr. TEAGUE of Texas. Mr. Speaker, the bill H.R. 10857 is identical to a Senate bill, S. 2869, which has passed the Senate.

Mr. Speaker, I move to suspend the rules and pass the bill (S. 2869) to amend chapter 31 of title 38, United States Code, to afford additional time during which certain veterans blinded by reason of a service-connected disability may be afforded vocational rehabilitation training.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 31 of title 38, United States Code, is amended by adding after section 1502 the following new section:

"§ 1502A. Blinded veterans

"A veteran who is found to be in need of vocational rehabilitation to overcome the handicap of blindness resulting from a service-connected disability which affords basic eligibility for vocational rehabilitation under section 1502(a) of this title may be afforded such vocational rehabilitation after the termination date otherwise applicable to him, but not beyond June 30, 1975, if—

"(1) he had not previously been rehabilitated (that is, rendered employable) as the result of training furnished under this chapter, or

"(2) his blindness either has worsened, or has developed as a result of the worsening of his service-connected disability, since he was declared rehabilitated to the extent that it precludes his performing his duties of the occupation for which he was previously trained under this chapter."

SEC. 2. The table of sections at the head of chapter 31 of title 38, United States Code, is amended by adding immediately below item 1502 thereof the following:

"1502A. Blinded veterans."

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, the vocational rehabilitation and education program ends for World War II veterans on July 25, 1965, and for the Korean group on January 31, 1968. This bill would extend these termination dates for blinded veterans of World War II and Korea until June 30, 1975, in the following two instances: First, where the veteran has not been previously rehabilitated; and second, where his blindness has worsened since he received rehabilitation training so as to prevent him from pursuing his occupation for which he was trained.

Under date of March 7, 1961, the Committee on Veterans' Affairs reported H.R. 848 which sought to place the vocational rehabilitation program on a permanent basis. It passed the House on March 21, 1961. A clarifying amendment to that bill would have covered blind veterans and all others in this category. That bill was and still is, favored by the Veterans' Administration and is pending in the Senate Labor and Public Welfare Committee.

The Blinded Veterans' Association strongly urges approval of this bill and the Veterans' Administration estimates that the cost would not exceed $500,000 in any one year.

Mr. SAYLOR. Mr. Speaker, S. 2869 would extend the present termination dates for vocational rehabilitation for certain blinded World War II and Korean conflict veterans to June 30, 1975. The extension would be applied only in instances where the veteran has not previously been rehabilitated or his blindness has become severe enough to preclude the pursuit of the occupation for which he was previously trained.

The cost of this benefit, according to the Veterans' Administration, would not exceed $500,000 in any one year. I am pleased to endorse this bill.

Mrs. PFOST. Mr. Speaker, I rise to speak in favor of the two pieces of veterans legislation which are before us for a vote today.

I strongly urge the Members to approve both measures. The first, H.R. 9922 on hospital and medical care for service-connected peacetime veterans, would resolve a minor inequity in the program which, in effect, discriminates against the cold war soldier. And the second bill, H.R. 10857, a highly commendable measure, would extend until June 30, 1975, the time limit for blinded veterans of World War II and the Korean conflict to receive vocational rehabilitation. This program had been scheduled to expire in July 1965 for World War II veterans and January 1968 for Korean veterans.

The Veterans' Administration now provides hospital care and outpatient treatment for the war veteran who was wounded or injured while in uniform, regardless of whether or not the veteran was given a disability discharge or awarded compensation. This means, in short, that the war veteran is always eligible to receive treatment for minor service-connected injuries.

It will apply even though the injury is less than 10 percent disabling and the particular veteran is not being awarded compensation for the injury.

This is a fair arrangement, and only proper, in the light of the sacrifices which the war veteran has made and the risks he has taken in the defense of democracy and freedom in the world.

But it is also well to keep in mind while considering veterans' legislation that where the Korean conflict and World War II left off, the cold war took over. To term the veteran who served his time in the Armed Forces of our country a "peacetime" veteran during

these years of the cold war is hardly appropriate. Even this war, as every Member of the House knows, has often had the stillness shattered by the crackle of machinegun fire and the heavy thump of mortars—witness southeast Asia today. Hence the young man who serves his country during this period of world tension is also entitled to fair treatment from his country should he be injured, even slightly, in the line of duty.

By contrast to the war veteran, these cold war ex-servicemen are not eligible for hospitalization or outpatient treatment unless they were released from service for disability or are receiving compensation for a service-connected disability. These eligibility requirements clearly discriminate against this group of former servicemen and should be corrected. That is what this bill would do—right this inequity.

The cost, moreover, would be very modest. The Veterans' Administration says it would cost an estimated $1.5 million during the first year, with the costs decreasing over the next 4 years. Surely this is a small sum to provide for men who have shouldered arms on behalf of our Nation during these times.

The second bill provides an extended program of vocational rehabilitation for blinded veterans, and deserves quick passage by the House.

The measure would extend the maximum period during which vocational rehabilitation could be given to blinded veterans of World War II by 10 years and of the Korean conflict by more than 7 years.

The time extension is warranted by the fact that some veterans with sight injuries still face the prospect of future blindness and will need help when this eventuality occurs. The cost of the program, as I understand it, will be less than $500,000 in any single year. It is a small program, but it will do so much good, and I urge the bill's passage here today.

In conclusion, I would also urge the House Veterans Committee to undertake studies on other specialized injuries incurred by our veterans—such as paraplegics and others—so that similar long-range programs could be worked out on their behalf should the nature of their injuries deprive them of the means of livelihood in which they might now be engaged.

Mr. Speaker, these bills afford Members of the House an opportunity to show our appreciation to these deserving veterans who have done so much for us. I hope the bills will carry overwhelmingly.

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A similar House bill (H.R. 10857) was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

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

There was no objection.

AMENDING THE ACT AUTHORIZING NATIONAL MEDALS OF SCIENCE

Mr. ANFUSO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4055) to amend the act of August 25, 1959, to authorize the payment of a monetary award to recipients of the National Medal of Science.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(a) of the Act entitled "An Act to establish a National Medal of Science to provide recognition for individuals who make outstanding contributions in the physical, biological, mathematical, and engineering sciences", approved August 25, 1959 (Public Law 86–209), is amended by adding at the end thereof the following new sentence: "Each individual awarded the medal shall also receive as a part of such award a lump-sum payment of such amount, not exceeding $10,000, as the President may prescribe in the case of such individual."

The SPEAKER pro tempore. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

Mr. ANFUSO. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. ANFUSO. Mr. Speaker, the purpose of this bill is to provide additional incentives for scientific achievement and particularly to encourage more young people to undertake the necessary training to follow careers in science and engineering. It is believed that a monetary award to the National Medal of Science would provide a much more meaningful incentive than the medal alone. The 86th Congress enacted Public Law 86–209, which authorized the President to award National Medals of Science to a maximum of 20 individuals in any one calendar year for outstanding contributions to knowledge in the physical, biological, mathematical, or engineering sciences.

Mr. Speaker, that bill which became public law was passed unanimously by the House Science and Astronautics Committee. At that time the committee also provided for the $10,000 cash award. It was brought up on the Consent Calendar in the 86th Congress, and after an objection that portion of the bill providing for a cash award was withdrawn and the bill was passed without the cash award.

The bill was again presented in the 87th Congress. This time, it was again passed unanimously by the committee and the committee authorized that this $10,000 cash award be made. The bill has been approved by the Bureau of the Budget, the National Science Foundation, the National Aeronautics and Space Administration, and the Department of Health, Education, and Welfare.

Mr. Speaker, the National Science Foundation, speaking for the bill on June 14, 1962, and speaking through its Director, Dr. Alan T. Waterman, had this to say:

> We believe that, while the honor is more important than the stipend, additional recognition of the contributions to science made by recipients of the National Medal of Science, through payment of a monetary award, would be desirable, particularly since they may thus be enabled to engage in additional scientific activities. Other awards recognizing outstanding scientific achievement, such as the Nobel Prizes and the Enrico Fermi Award, provide substantial stipends. We feel that provision of stipends would also be appropriate in the case of the National Medal of Science.

Mr. Speaker, Assistant Secretary of the Department of Health, Education, and Welfare, Mr. Wilbur J. Cohen, speaking for the Department of Health, Education, and Welfare, in a letter to the committee dated November 20, 1961, had this to say:

> In our opinion, a cash award, such as that proposed in this bill, is a logical and desirable complement to the National Medal of Science. The prestige and honor associated with the receipt of this medal would, we believe, be enhanced by such a tangible indication of the recognition accorded to outstanding scientists by the Federal Government.
>
> We would also like to point out that the Fermi and Lawrence Awards made by the Atomic Energy Commission for outstanding accomplishments in the field of atomic energy include both medals and cash awards. The provisions of H.R. 4055 would enable the Government to provide more equivalent recognition to outstanding scientists across the entire spectrum of physical, biological, mathematical and engineering sciences.

I might say, Mr. Speaker, that since Public Law 86–291 was passed, so far there have not been any awards made, because the President has had the matter under study. He has appointed a committee of very eminent scientists who at the present time are considering the awards which may be made under this act and would consider cash awards in addition to the medal if authorized under this bill, H.R. 4055.

I would like to mention to the House that the Chairman of this Committee is Prof. Frederick Seitz, of the University of Illinois, who is the head of the National Academy of Sciences.

Other members of the Committee are: Prof. Hans A. Bethe, Department of Physics, Cornell University; Dr. Frank Brink, Jr., the Rockefeller Institute; Dean Gordon S. Brown, School of Engineering, MIT; Prof. Harrison S. Brown, Division of Geological Sciences, California Institute of Technology; Dean Kenneth E. Clark, College of Arts and Sciences, University of Colorado; Prof. Paul M. Doty, Department of Chemistry, Conant Laboratory 308, Harvard University; Dr. Sterling B. Hendricks, U.S. Department of Agriculture—plant physiology; Dr. August B. Kinzel, Union Carbide & Carbon Research Laboratory—metallurgy; Dean Frederick C. Lindvall, Division of Engineering, California Institute of Technology; Prof. W. Albert Noyes,

Jr., Department of Chemistry, University of Rochester; and Prof. Albert W. Tucker, Department of Mathematics, Princeton University.

I am sure everyone will agree that this is a very outstanding Committee. I can assure the House that no individual will receive this award unless he has made an outstanding contribution in the field of science, technology, and engineering.

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

Mr. ANFUSO. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I want to say I favored this bill. It came out unanimously from our Science and Astronautics Committee. However, I would like to ask the gentleman a question: There are 20 medals which may be awarded for scientific achievement by the President each year, but it is not expected that the full 20 will be issued. Likewise, the $10,000 limit per medal as the stipend that goes along with the medal is the maximum. It is not expected that the full $10,000 will be awarded with each medal in every case, and this will be a highly unusual top award? Is this not a fact?

Mr. ANFUSO. The gentleman is absolutely right. At the present time I understand there are only several awards being considered. I might say to the Members of the House that if any one of these gentlemen who is deserving of this award makes a scientific breakthrough it could save the country millions of dollars and possibly even run into billions of dollars.

Mr. FULTON. Actually, this stipend, with an upper limit of $10,000, is a moderate amount compared to the Nobel Prize and other awards, it is not?

Mr. ANFUSO. The Fermi Award, as the gentleman knows, is $50,000, and the Nobel Award is approximately $50,000.

Mr. FULTON. This award which is to be made by the President is not a worldwide program? It is a program limited to the citizens of the United States?

Mr. ANFUSO. This is restricted to American scientists, engineers, and technicians to inspire them to greater achievements for the benefit of mankind.

Mr. FULTON. They must be U.S. citizens and not just visiting here?

Mr. ANFUSO. That is correct.

Mr. FULTON. I would have one criticism of the President's Committee, if you let this open for a criticism.

Mr. ANFUSO. The gentleman certainly may have that opportunity.

Mr. FULTON. I think it is an excellent Committee but, first, I would like a few more people from both industry and labor who are operating in the scientific field as members of this Committee and, second, I am sure the President did not intend it, but he did not include a woman. Women should be encouraged in the scientific field as well.

Mr. ANFUSO. I might say to the gentleman from Pennsylvania, who has worked very hard for the passage of this bill, and also for the general progress made by the House Science and Astronautics Committee, that I shall be glad to join with the gentleman in making further recommendations.

Mr. FULTON. May I compliment my friend, the gentleman from New York [Mr. ANFUSO], on a good statement, and say that he, too, has been trying to give women their adequate place in space.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, it is indeed interesting to discover that the gentleman from Pennsylvania [Mr. FULTON], after a lapse of 2 short years, finds money awards are now very much in order. On August 17, 1959, he joined with our late colleague, the gentleman from Louisiana, Mr. Brooks, who was then chairman of the so-called Space Committee, that it was not at all necessary to provide cash awards to the winners of these medals. Now he has become very liberal, or at least more liberal than he was in the past.

Mr. FULTON. Mr. Speaker, will my good friend yield?

Mr. GROSS. I yield to the gentleman.

Mr. FULTON. The question came up of the method of operation of the funds. We did not then have the assurance that these would be moderate amounts.

Mr. GROSS. The amounts, by the way, are exactly the same as proposed in 1959—$10,000 each to 20 individuals or $200,000 of the taxpayer's money each year.

Mr. FULTON. I might say to my good friend from Iowa that there was an attempt on the floor at that time to cut it out completely. We wanted the award bill, but we were not foreclosing completely the giving of monetary stipends. My feeling is—and I am glad the gentleman brought up the point—that the awards should be moderate in amount and that $10,000 should not be the uniform amount of the award, that $10,000 should be highly unusual. So I am moving along the same line that the gentleman is speaking of.

Mr. GROSS. How many medals have been awarded?

Mr. FULTON. There have been no medals awarded as yet. The Committee has been appointed by the President.

Mr. GROSS. Then how important is this program on which it is asked that we spend $200,000 a year in addition to the awarding of medals?

Mr. FULTON. May I say to the gentleman that I do not expect this program to run more than $15,000 to $25,000.

Mr. GROSS. Then why have you not put that limitation in the bill? It provides for $200,000.

Mr. FULTON. The $10,000 referred to is a maximum for each stipend, not the customary amount. As the gentleman will remember in my colloquy with the gentleman from New York, we already made the point that that would be very unusual. There is a limit of 20 medals that can be awarded under the previous legislation.

Mr. GROSS. Mr. Speaker, let me turn to somebody else for an answer to a question or two. I did not yield for a speech.

Mr. FULTON. I am glad that we agree as much as we do, let me say to the gentleman.

Mr. GROSS. Let me ask the gentleman from New York a question. Why have there been no awards of medals that were authorized in 1959? The House was told then that it was the medals, not money, that was so important.

Mr. ANFUSO. Let me say to the gentleman that the President has been extremely cautious in the selection of an outstanding committee, such as I read off a few moments ago. Now that that Committee has been appointed, we have had the cooperation of the Department of Defense.

Mr. GROSS. What President is the gentleman talking about? This bill was first passed under President Eisenhower.

Mr. ANFUSO. This bill was passed right at the end of the 86th Congress; it was passed in August. When the new Congress came in, the bill was reintroduced. We conducted hearings again. We brought back Dr. Waterman; we brought back the Department of Health and all of the necessary departments. All of them, including the scientific adviser to the President, said that this would be a good thing. I might add also that at the present time these people who are being considered for an award have made outstanding contributions, and if any one of these contributions should prove helpful or effective it would save the country millions of dollars.

Mr. GROSS. Mr. Speaker, let me remind the gentleman that his speech is on my time.

Mr. ANFUSO. I shall be glad to yield the gentleman any additional time he may require.

Mr. GROSS. Let me ask the gentleman, why is it necessary to set this precedent of giving these people $10,000 each in addition to a medal? Why cheapen the medal by giving them a cash award of $10,000 each and this out of a busted U.S. Treasury?

Mr. ANFUSO. The precedent has already been established by the Fermi and the Laurence Awards.

Mr. GROSS. The taxpayers are not paying for those. Mr. Speaker, I decline to yield further to the gentleman.

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

Mr. GROSS. I do not want a speech, I want answers to a few questions, if I can get them.

Mr. FULTON. We all make our living as speakers, so I am surprised at the gentleman's attitude.

I should like to say this seriously to the gentleman. Would the gentleman like a limit in this bill of maybe $50,000 a year in total expenditures?

Mr. GROSS. No. Let me say to the gentleman that I do not believe there should be any cash award. It is not necessary to establish a cash award. If we are going to do that, let us give every winner of the Distinguished Service Cross or any other medal that is awarded by the various military services for exceptional bravery or exceptional duty a $10,000 award. Where is it proposed to stop if you start paying out $10,000 for awards such as these? Just where do you stop? Why should this group be treated differently than those who are willing to lay down their lives for their

country? Must we put a dollar sign on everything we do?

Mr. FULTON. If the gentleman is asking me a question, I will answer it. My point is that this would be $50,000 in awards, and then you could say to the Appropriations Committee, "I do not think you should spend that amount."

Mr. GROSS. Why do you not say that in the bill? I say again you cheapen the medal by handing out a cash award. But tell me, where do you expect this thing to end. The taxpayers of the United States do not pay the cash award that goes with the Nobel Prize. We are talking here about tax money.

Mr. FULTON. One of our problems in this country is meeting this new challenge of this new scientific role that is coming on us so fast that we should encourage and we should honor the scientific men who are meeting this challenge.

Mr. GROSS. This Government is already spending all kinds of money to encourage scientific studies. There are supergrades and scientific and professional grades, Public Law 313. Where do you expect this thing to end?

Mr. FULTON. As the gentleman well knows, I have asked our chairman to refer to the gentleman's committee the matter of hiring extra scientists at higher salaries than the regular grades get. When that came up I asked the Committee on Post Office and Civil Service to look into it. So I do think we have a point on that. On the other hand, we should not be honoring these people who are jazz artists and twist artists in this country. We should give every honor and appropriate stipends to these tremendous scientists who are doing a wonderful job.

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

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

Mr. ANFUSO. I think if I said the money for these awards will go to complete the research that is now being conducted, the gentleman would withdraw his objection. This award is to give incentives to these people to continue their research in or out of Government. They now do it on their spare time.

Mr. GROSS. Do you advocate giving those who are awarded the Congressional Medal of Honor $10,000 or $50,000 to try to encourage others to show exceptional bravery on the battlefield? Why not give awards to any number of people for exceptional service? Where do you think this sort of thing is going to stop?

Mr. ANFUSO. The gentleman is interested in saving the taxpayers' money. In the long run it will save the taxpayers millions of dollars.

Mr. GROSS. That is strictly an assumption on the gentleman's part. This is your theory. Give more people more money and maybe there will be a dollar saved somewhere.

Mr. ANFUSO. Does the gentleman think this will come out of the budget of the National Science Foundation? It spends millions of dollars in research. To spend $50,000 for scientific research, is not an unreasonable amount.

Mr. GROSS. What was the figure the gentleman used? $50,000?

Mr. ANFUSO. I say this is the figure the committee could arrive at. I do not think we should limit it. If they can find $50,000, that is the limit, but if they can find $20,000, that is a different story.

Mr. GROSS. The gentleman has not answered my question. How much further do you suggest the Government go in paying cash awards on this basis? If you get this through, and I hope you will not, and you are not going to get it through today, I promise you that, where do you expect this thing to end? Why not do this for everybody else throughout the country who provides some outstanding service?

Mr. ANFUSO. In the gentleman's own committee, the House Committee on Post Office and Civil Service, you are asking for $20,000 to $25,000.

Mr. GROSS. For what?

Mr. ANFUSO. Incentive awards. Here is a bill through which we are trying to encourage scientists and young men and women to enter the field of science.

Mr. GROSS. The incentive awards program is for those who have made suggestions that result in savings or more efficiency.

Mr. ANFUSO. We have it on the best authorities that these inventions will save the taxpayers an awful lot of money.

Mr. GROSS. What inventions? You say you are going to give $10,000 to inventors.

Mr. ANFUSO. That is right, that is correct. The man might be a technician working for $10,000 or $12,000 a year. He may be working at night, he may be working at home. I think the man who makes an important discovery under such conditions should receive an incentive award.

Mr. GROSS. Mr. Speaker, I yield to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. I think the gentleman from Iowa has very cogently expressed it. There is an emphasis, of course, on science today, but there is also an emphasis, or should be, on excellence in all fields which could make a contribution to the welfare of the country.

The awards system which has been adopted by some foreign governments, and I refer to the National Academy system which for many decades has been an institution in France whereby a person who makes a particularly significant contribution in any of the fields of science or learning is recognized with membership in the academy but he does not receive a monetary stipend. It resolves around the prestige of the award and not the monetary stipend.

Mr. GROSS. That is right.

Mr. HOSMER. I think the time is ripe for something like that in this country.

Mr. GROSS. Our late colleague, the gentleman from Louisiana, Mr. Brooks, said on August 17, 1959, when this same bill ran into trouble on the floor of the House:

> The important thing is the award of the medal, not the money.

So the monetary award was eliminated from the bill in 1959, but here it comes crawling back in under the rug.

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

Mr. GROSS. I yield.

Mr. SCHWENGEL. I rise in support of the gentleman's position. I am opposed to the monetary award. I feel that even though it is insignificant it should not be granted.

There has been quite a little agitation recently for the creation of a National Medal of Merit, but we have heard no monetary standards provided.

All the people who have studied this question have come to the conclusion, and I agree with them, that the monetary stipend would be insignificant compared to the award presented by Congress or a committee set up by Congress for that purpose.

One of the objections I have to this bill is that it does not provide any way by which these people shall be selected or chosen. Even if we disregard and took out the monetary stipend the bill still does not provide for a properly constituted committee to give due consideration to those who make application or for whom application is made.

I think the bill is drawn up in too poor form for us to consider.

Mr. GROSS. Mr. Speaker, I am opposed to the monetary award. I am not opposed to the issuance of medals. I was opposed to the bill in 1959, opposed to the issuance of medals coupled with this kind of monetary award. I say to you that once this bill is passed with this monetary provision in it there will be no stopping it from reaching into the rest of the Government. I am opposed to it.

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

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

Mr. ANFUSO. I yield.

Mr. FULTON. These awards are not specifically to employees of the Federal Government. These awards are made to U.S. citizens whoever or wherever they may be, whether in Government research, private industry, universities, schools, colleges, high schools, or grade schools; and have no fixed educational requirement or qualification. If a young person makes a tremendous discovery—and some of these young people in the field of research are exceptionally intelligent—I think they should be recognized even in a small amount as well as being given a medal, if the contribution is outstanding in science and research. So youth or age is no barrier or qualification.

In all good humor, I would compliment the gentleman from Iowa because I know of his interest in research and development, as well as balancing the budget. He was one of those who voted "aye" on the 23d of May for the increase of $2 billion in the National Aeronautics and Space Administration budget for the fiscal year 1963 increasing the budget to $3,787 milion, including a deficiency authorization. Likewise, the gentleman from Iowa voted for the compromise with the Senate, in the conference report that passed last week on the National Aeronautics and Space Administration budget.

The gentleman is generous in research and development and we should not underestimate him or his interest on programs of that type. So that when he does say he opposes an amount that will equal in all about $50,000 a year as stipends to accompany science medals, he has a right to do it, considering the gentleman from Iowa's past generosity to the Science and Astronautics Committee, for which we thank him humbly.

If the President makes these awards in the spirit that we know the President will, no matter whether the President is a Republican or a Democrat, they will be awarded to national figures, towering figures in science and research for work that we as citizens of the United States are proud of when we face the world. Second, they will have been awarded for tremendous benefits for humanity or revolutionary science progress in every field of basic and applied research and development in this country. The award is a small amount. But it is something more than just pinning a medal on a man. We say, "Here is some money you may have to go ahead with future research and development, or spend for equipment, travel, study, or your family or rest, as you like." We in Pittsburgh are very proud of Dr. Salk for his polio vaccine and the great accomplishment in the field of polio so far as young people are concerned particularly. We feel a man of that stature is a person of the type we are talking about in reference to this kind of a science award.

May I finish with a question. Has not this bill passed our committee unanimously?

Mr. ANFUSO. This bill passed our committee unanimously twice. I might say, to keep the record straight, that Mr. BROOKS voted for the $10,000 stipend. The only reason he made the statement he did on the floor was because there was objection and we wanted to pass the bill from the Consent Calendar.

Mr. FULTON. The gentleman joins me in thanking the gentleman from Iowa for his generosity on May 23 of this year when he was one of the 342 who voted unanimously, with no opposition, for the authorization of the NASA budget when it passed $3.78 billion, an increase of $2 billion in 1 year. Such generosity should not be overlooked by any of us. Does the gentleman not compliment the gentleman from Iowa?

Mr. ANFUSO. I not only compliment the gentleman but I think he is a very distinguished Member of the House and he voted to bring about unanimous passage of a bill which the whole country will recognize as being beneficial.

Mr. FULTON. May I ask the gentleman from New York, Does he think the $2 billion increase this year in NASA authorizations over last year was necessary and that the country will understand that even conservative Members of the Congress, such as the gentleman from Iowa, from New York, and myself, nevertheless voted for the necessary $2 billion increase for research and development in the space field?

Mr. ANFUSO. I do, and the entire House agrees, I am sure.

Mr. FULTON. We of the House Science and Astronautics Committee are appreciative of the gentleman from Iowa having gone along with us on our full research and development program for the current fiscal year, 1963, and should not complain too much when he does not agree on these few small items for moderate stipends for recipients of science medals awarded by the President under this legislation.

Mr. GROSS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I am overwhelmed by all of this kindness. Let me say that if you want to reward me for my generosity with respect to space exploration, you will take this bill back to the committee and knock out the $10,000 awards to these individuals. That will be the best reward I could have for supporting the space program. Furthermore, if you do not have someone showing signs of getting to the moon next year, do not count on me to support another $2 billion increase.

You had better be getting somebody up there awfully close to the moon, or I will be running out of votes in support of your program.

Mr. ANFUSO. I thank the gentleman.

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

Mr. ANFUSO. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I had been a member of the House Foreign Affairs Committee of this House for 14 years before I left to become one of the ranking members of the Science and Astronautics Committee. The gentleman from Iowa should be given a vote of thanks for his vote for the foreign aid program before this House in 1950 when it passed unanimously. We really appreciate the gentleman more than the gentleman thinks today.

Mr. GROSS. Mr. Speaker, if I ever voted for the foreign giveaway program, I do not know when it was. If I did so, it was because I could not get a chance to go on the record against it, if I am ever considered to have been for it.

I will have to go back and look up that record.

Mr. FULTON. It was in 1950. I compliment the gentleman because the gentleman did vote for it.

Mr. GROSS. Voted for the foreign giveaway bill?

Mr. FULTON. Yes. It went through unanimously.

Mr. GROSS. I do not believe that. If it went through unanimously, it was on one of those voice votes where the voice votes are not recorded, because I have never yet voted for it, and never intend to.

The SPEAKER. The question is on the motion of the gentleman from New York [Mr. ANFUSO] that the House suspend the rules and pass the bill, H.R. 4055.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Iowa [Mr. GROSS] makes the point of order that a quorum is not present. In accordance with the unanimous-consent request adopted on last Thursday by the House, further consideration of the bill will be postponed until Wednesday next.

Does the gentleman from Iowa withdraw his point of order?

Mr. GROSS. I withdraw my point of order, Mr. Speaker.

COMMITTEE ON RULES

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain privileged reports for printing under the rule.

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

There was no objection.

COOPERATIVE FORESTRY RESEARCH

Mr. GRANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12688) to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes, with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby recognized that research in forestry is the driving force behind progress in developing and utilizing the resources of the Nation's forest and related range lands. The production, protection, and utilization of the forest resources depend on strong technological advances and continuing development of the knowledge necessary to increase the efficiency of forestry practices and to extend the benefits that flow from forest and related range lands. It is recognized that the total forestry research efforts of the several State colleges and universities and of the Federal Government are more fully effective if there is close coordination between such programs, and it is further recognized that forestry schools are especially vital in the training of research workers in forestry.

SEC. 2. In order to promote research in forestry, the Secretary of Agriculture is hereby authorized to cooperate with the several States for the purpose of encouraging and assisting them in carrying out programs of forestry research.

Such assistance shall be in accordance with plans to be agreed upon in advance by the Secretary and (a) land-grant colleges or agricultural experiment stations established under the Morrill Act of July 2, 1862 (12 Stat. 503), as amended, and the Hatch Act of March 2, 1887 (24 Stat. 440), as amended, and (b) other State-supported colleges and universities offering graduate training in the sciences basic to forestry and having a forestry school; however, an appropriate State representative designated by the State's Governor shall, in any agreement drawn up with the Secretary of Agriculture for the purposes of this Act, certify those eligible institutions of the State which will qualify for assistance and shall determine the proportionate amounts of assistance to be extended these certified institutions.

SEC. 3. To enable the Secretary to carry out the provisions of this Act there are hereby authorized to be appropriated such sums

as the Congress may from time to time determine to be necessary but not exceeding in any one fiscal year one-half the amount appropriated for Federal forestry research conducted directly by the Department of Agriculture for the fiscal year preceding the year in which the budget is presented for such appropriation. Funds appropriated and made available to the States under this Act shall be in addition to allotments or grants that may be made under other authorizations.

SEC. 4. The amount paid by the Federal Government to any State-certified institutions eligible for assistance under this Act shall not exceed during any fiscal year the amount available to and budgeted for expenditure by such college or university during the same fiscal year for forestry research from non-Federal sources. The Secretary is authorized to make such expenditures on the certificate of the appropriate official of the college or university having charge of the forestry research for which the expenditures as herein provided are to be made. If any or all of the colleges or universities certified for receipt of funds under this Act fails to make available and budget for expenditure for forestry research in any fiscal year sums at least as much as the amount for which it would be eligible for such year under this Act, the difference between the Federal funds available and the funds made available and budgeted for expenditure by the college or university shall be reapportioned by the Secretary to other eligible colleges or universities of the same State if there be any which qualify therefor and, if there be none, the Secretary shall reapportion such differences to the qualifying colleges and universities of other States participating in the forestry research program.

SEC. 5. Apportionments among participating States and administrative expenses in connection with the program shall be determined by the Secretary after consultation with a national advisory board of not less than seven officials of the forestry schools of the State-certified eligible colleges and universities chosen by a majority of such schools. In making such apportionments consideration shall be given to pertinent factors including, but not limited to, areas of non-Federal commercial forest land and volume of timber cut annually from growing stock.

SEC. 6. The Secretary is authorized and directed to prescribe such rules and regulations as may be necessary to carry out the provisions of this Act and to furnish such advice and assistance through a cooperative State forestry research unit in the Department of Agriculture as will best promote the purposes of this Act. The Secretary is further authorized and directed to appoint an advisory committee which shall be constituted to give equal representation to Federal-State agencies concerned with developing and utilizing the Nation's forest resources and to the forest industries. The Secretary and the national advisory board shall seek at least once each year the counsel and advice of the advisory committee to accomplish effectively the purposes of this Act.

SEC. 7. The term "forestry research" as used in this Act shall include investigations relating to: (1) Reforestation and management of land for the production of crops of timber and other related products of the forest; (2) management of forest and related watershed lands to improve conditions of waterflow and to protect resources against floods and erosion; (3) management of forest and related rangeland for production of forage for domestic livestock and game and improvement of food and habitat for wildlife; (4) management of forest lands for outdoor recreation; (5) protection of forest land and resources against fire, insects, diseases, or other destructive agents; (6) utilization of wood and other forest products; (7) development of sound policies for the management of forest lands and the harvesting and marketing of forest products; and (8) such other studies as may be necessary to obtain the fullest and most effective use of forest resources.

SEC. 8. The term "State" as used in this Act shall include Puerto Rico.

The SPEAKER. Is a second demanded?

Mr. HOEVEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. GRANT. Mr. Speaker, the purpose of this bill is to establish research in forestry as a definite and specific part of the agricultural research programs which are carried out cooperatively with the U.S. Department of Agriculture, the land-grant colleges, experiment stations, and other State-supported educational institutions.

Mr. Speaker, in the hearings we have the endorsement of the Department of Agriculture, the Association of State Foresters, the American Association of Land Grant Colleges and State Universities, the Commission on Forestry at Land Grant and Other State Institutions, the American Paper & Pulp Association, the American Pulpwood Association, the National Lumber Manufacturers Association, the Society of American Foresters, and the Forest Farmers Association.

Mr. Speaker, briefly, this adds emphasis to the present experiments carried on in research by the land-grant colleges and other colleges in the respective States where they have courses in forestry and courses which lead to forestry degrees.

Mr. Speaker, the gentleman from Maine [Mr. McINTIRE], a member of the subcommittee, has worked very diligently on this subject. I am sure that the gentleman shall be glad to further explain this legislation to the Members of the House.

Mr. HOEVEN. Mr. Speaker, this bill was unanimously reported by the Committee on Agriculture.

Mr. Speaker, I yield to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Speaker, H.R. 12688 is designed to advance the very desirable end of forestry research, doing this by providing Federal matching grants to land-grant colleges and other State-supported institutions qualified for research work in forestry.

In a large sense, this legislation represents a goal long sought after, and it seeks to lend vitality and dynamics to a research force that presently is functioning at considerably less than optimum capacity. The legislation before this House would do this by providing a "line item" authorization directed toward forestry research in the forestry schools and experiment stations of our land-grant colleges and through the facilities of other qualified State-supported educational institutions.

I am convinced that this approach is superior to one that would authorize additional funds for the expansion of forestry research through the Hatch Act and the Forest Service, and I have arrived at this decision through consultation and association with representatives of the U.S. Forest Service, land-grant colleges, and others interested and involved in forestry research work.

I would like to direct attention to the fact that the approach embodied in H.R. 12688 is neither new nor unique, for money flowing from this authorization would be directed to forestry research in much the manner that Hatch Act funds are apportioned for agricultural research. I would further say that presently under the Hatch Act there are some funds extended for furthering forestry research; however, the research permitted through this facility falls far short of the clear-cut and direct approach to forestry research implicit to the legislation before this House of Representatives.

Mr. Speaker, I would like to place particular emphasis on the fact that it is not the object of this legislation to interfere or conflict with existing Federal-State programs; instead, this legislation provides a vehicle for implementing an even stronger than present research service, doing this in coordination with, rather than in opposition to, those Federal-State research programs operating in forestry and agriculture.

In summary, then, this legislation gives recognition to outstanding results that have been, and are being, accomplished through Federal-State cooperative programs. It moves forward to capitalize on the splendid cooperation that presently is in evidence among the States, the U.S. Forest Service, and our schools of forestry. And this very desirable objective would be attained merely by extending support to those programs of forestry research which presently are in process at our land-grant and other State-supported academic institutions.

I heartily urge the approval of H.R. 12688.

Mr. HOEVEN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, I want to take this opportunity to associate myself with the remarks of the distinguished gentleman from Maine [Mr. McINTIRE]. When the hearings were conducted, as I understand it, on the previous bill, testimony in strong support of this forestry research legislation was offered by representatives of the following interests: Department of Agriculture; Association of State Foresters; American Association of Land Grant Colleges and State Universities; Commission on Forestry at Land Grant and Other State Institutions; American Paper & Pulp Association; National Lumber Manufacturers Association; the Society of American Foresters; and Forest Farmers Association.

Also I understand there was no witness who appeared in opposition to this proposed legislation. May I ask the gentleman if that is correct?

Mr. McINTIRE. That is correct.

Mr. GAVIN. Mr. Speaker, I want to say that I wholeheartedly support this legislation and I am pleased at the opportunity to vote for it. The committee deserves our hearty commendations for their work as this is a very worthwhile piece of legislation.

Mr. GRANT. Mr. Speaker, I yield to the gentleman from Florida [Mr. SIKES] such time as he may require.

Mr. SIKES Mr. Speaker, I wish to compliment the distinguished gentleman from Maine [Mr. McINTIRE] and the Committee on Agriculture for bringing this legislation to the floor. It is sound and worthwhile legislation for which there is a definite need. I have introduced an identical bill.

There are many States in which timber resources are among the most important assets. Mine is one of them. Timber and timber products constitute one of Florida's most important industries. Yet in Florida and in many other States where forestry is so important, we do not have a State forestry research program which measures up to the need. The program is handicapped by lack of money and lack of facilities. H.R. 12688 would help to correct these deficiencies.

It is easy to understand also that this bill would provide for the first time close coordination between forestry research programs being carried on in the different States. Possible duplications can be eliminated and a more effective overall approach to the problems of forestry can be provided. It is notable that this is a matching fund program which will require a realistic interest on the part of the participating States.

A well-rounded, progressive program of forestry research certainly is needed to supply the knowledge required to meet the expanding future needs for the resources derived from forest lands of the Nation. This bill can help to provide such a program in all its various aspects of improvement of forestry and related lands and resources and of growing, utilizing, and marketing timber and other products and services of the forest. The support shown for this measure is very widespread, and I am confident there will be no serious opposition to its passage here today.

Mr. GRANT. Mr. Speaker, I yield such time as he may require to the gentleman from Louisiana [Mr. WAGGONNER].

Mr. WAGGONNER. Mr. Speaker, I take this moment or two to ask a question or two of the gentleman from Maine [Mr. McINTIRE]. It is intended, I am sure, that these moneys that will be expended on research will not be spent for duplicated research. What plans have been made to see that identical or similar research projects are not undertaken by more than one school within any one State or area by the State-supported college or university?

Mr. McINTIRE. Mr. Speaker, the legislation provides that the Governor of the State shall designate someone within the State to be the person who shall advise the Secretary of Agriculture which of the institutions within the State that are otherwise eligible shall receive funds and what the proportion of funds available to that State shall be as respecting the institutions designated to participate.

There is provided in the legislation also that the officials of the schools of forestry shall, from among themselves, select a committee which shall advise the Secretary relative to the apportionment of funds. This is a committee, not appointed by the Secretary, but selected by the officials of the eligible schools.

There is also a provision that there shall be another advisory committee within this framework of legislation that the Secretary shall appoint, one-half of whom shall come from the public side, so to speak—the Federal and State representatives in the forestry area of interest—and the other from the nonpublic side. These men will coordinate with the Secretary in examination of the research program and make recommendations to it. There will be the same supervision of the character of research projects to avoid overlapping that we have now as between our agricultural experiment stations, largely under the Hatch Act.

The report also states very specifically that as suggested by the witness from the Department of Agriculture, the administration of these funds will be put into the framework of what is now in the Department, the cooperative experiment stations' services.

The head of this group within the Department has a specific responsibility in making sure there is a minimum contribution.

Mr. WAGGONNER. I have one other question, and it is this. Am I led to believe from the report that undergraduate schools of forestry would be eligible for participation?

Mr. McINTIRE. This is strictly a matter of whether they are publicly supported.

Mr. WAGGONNER. If they are publicly supported and have undergraduate work only and would be approved by the State official, they would be able to participate?

Mr. McINTIRE. Our idea is that this will probably to a large extent support work and research which would be above the baccalaureate degree, but there is no provision on this point.

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

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

Mr. HALL. Mr. Speaker, I rise in support of this bill. I hold in my hand telegrams and communications similarly in support of it. Therefore, I would like to compliment the chairman of the Forestry Subcommittee of the House Committee on Agriculture, as well as the author of the bill—Hon. CLIFF McINTIRE, of Maine—for this worthwhile legislation.

Few realize that we have two of the great national forests in the district I am privileged to represent, the Clark and the Mark Twain. We have a farm advisory committee which has been in the field doing research on this matter on two occasions, because it is important to restore the bluestem grass in this area, where certain diseases have taken over, in addition to the ravages of cultivation and man. They are the winged elm and cedar trees. For example, we have studied chemical defoliating agents vis-a-vis selected "burning" at chosen times, and in prescribed conditions. To our surprise the University of Missouri-U.S. Forestry research findings agree with ours, that under such conditions the controlled burn technique is best, if followed by reseeding and minimal fertilizing so the native bluestem can regain its hold on the thin soil of the hills and valleys. This is essential to our great dairy, grazing and livestock producing areas. The experimental field stations, our committee, and the University of Missouri—a land-grant college—all support this legislation under State guidance.

Mr. GRANT. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. BAILEY] such time as he may desire.

Mr. BAILEY. Mr. Speaker, I should like to advise my colleagues of the House that there is legislation now pending before the Rules Committee which will greatly enlarge the activities of the land-grant colleges and State universities to permit them to receive Federal support for extension work in fields in which Federal funds have not previously been authorized. I think this legislation might be of the kind that would fit in very well with the enlargement of the authority of these colleges. My State of West Virginia, like the State of the gentleman from Maine who has sponsored this legislation, is one in which a large part of the acreage is covered in forest lands. We have two extensive national forests in West Virginia. Naturally, the forests are one of the natural resources of the State of West Virginia and will continue to be so.

I should like to associate myself with the gentleman who sponsored this bill and the activities of the committee which reported it.

Mr. GRANT. Mr. Speaker, I yield such time as he may desire to the gentleman from Montana [Mr. OLSEN].

Mr. OLSEN. Mr. Speaker, I desire to commend the gentleman from Maine [Mr. McINTIRE] for introducing this legislation and the committee for bringing it to the floor. The first district of Montana is extensive in its acreage of national forest reserves and private forests. I rise in support of the bill. I think this legislation will very much broaden and extend research activity in support of the forest products industry so vital to my district and so vital to this country.

I see H.R. 12688 as a kind of decentralization of research in forestry. Until now, research in forestry has been dominated by the Forest Service of the Department of Agriculture, and they have done a most excellent job. However, I think more divergent ideas and a multiplicity of ideas will be obtained by enlisting the State-supported forestry schools of the Nation.

While I am on my feet, I wish to also endorse the other legislation being brought by this Committee on Agriculture to the floor of the House today. H.R. 9728, a bill to authorize an increase in appropriations and in activities in cooperative forest management, deserves support of all of us. One-half of all of the privately owned commercial forest land is in private ownership of small holdings. These are the "woodpile" for tomorrow, and technical assistance is greatly needed to make poorly man-

aged areas more productive. These holdings comprise the most accessible and potentially some of the most productive woodland. This bill will do great service to the Nation by assisting these forest lands to furnish its share of the Nation's future timber supply.

Further, I wish to remark with regard to S. 3064 that it is vital to the Nation that we have an adequate national survey of the forest resources. The additional authorization for a survey, I am sure, we can unanimously agree to.

I recommend all of these bills to my colleagues.

Mrs. HANSEN. Mr. Speaker, I would like to join my colleagues in commending the gentleman from Alabama, Congressman GRANT, chairman of the Subcommittee on Forestry, as well as the gentleman from Maine, Congressman MCINTIRE, for their work on behalf of H.R. 12688. I would also like to again commend the gentleman from Alabama for H.R. 9728 and the entire committee for S. 3064. These three bills are of particular importance to the forest economy of the State of Washington and our Nation.

Each supports a different and essential phase of Federal participation in forest management and development. Two are based on a continuing program of proven usefulness and the third is based on a well-demonstrated need.

I trust the House will pass these pieces of legislation as they were reported from the Agriculture Committee—without objection.

H.R. 9728

H.R. 9728 is a bill to amend the Cooperative Forest Management Act to authorize an increase from $2,500,000 to $5 million in Federal participation in Federal-State technical assistance programs for small forest and woodland owners.

Under this act, Federal funds are made available on a 50–50 matching basis. State and private expenditures, however, have been exceeding Federal outlays at a ratio of about 2 to 1.

As the committee report points out, three-fourths of the 435 million acres of State and private forest lands in the United States are held by nearly 4.5 million small woodland owners.

These holdings, properly managed, will provide an important part of the future timber supply of this Nation. I have been advised that 49 States are participating in the Cooperative Forest Management Act and that soon there will be 50.

The Federal Government should be prepared to meet its share.

H.R. 10853

H.R. 10853 is a bill to amend the act of May 22 relating to the comprehensive survey of timber and forest products required to be made by the Secretary of Agriculture.

The amendment raises the authorization ceiling for appropriations necessary to keep the survey current from $1,500,000 to $2,500,000.

The present authorization was set in 1949. The increase allows for rising costs involved in carrying out this important work.

H.R. 12688

H.R. 12688 is a bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research.

For the past 100 years such assistance has been provided in fields of agriculture research, of which forestry has received a small amount.

The need is great to step up the total research effort in the production, protection and utilization of forest resources. Land grant and forestry colleges are in a position to participate in such effort on a 50–50 matching funds basis, which this measure provides.

This and the two measures previously mentioned have my wholehearted support. I hope the House recognizes the need for their enactment.

Mr. ULLMAN. Mr. Speaker, the bill now before us is designed to advance forestry research by providing Federal matching grants to land-grant colleges and other State-supported institutions qualified to conduct research in forestry.

This bill has the strong support of the Forest Service, officials of the land-grant colleges, as well as members of the private lumber industry. The distinguished gentleman from Maine [Mr. MCINTIRE], who is the author of this bill, states that in the hearings held by the House Subcommittee on Forests not a single witness appeared to offer testimony in opposition to this legislation.

If enacted, it will mark another forward step in the field of forestry research and will no doubt result in many long-range benefits to the lumber industry, the general economy, and to the Nation.

Mr. Speaker, I am happy to support this bill and I urge its passage.

Mrs. GREEN of Oregon. Mr. Speaker, the forest-related industries are a principal economic artery of the Pacific Northwest. They account for the largest single bloc of workers as well as the largest payroll. Thus it is vital that these industries be assisted in a continuing program of research, modernization, and improvement.

Thus, Mr. Speaker, it is on this basis that I support H.R. 12688, designed to assist forestry research by providing Federal matching grants to land-grant colleges and other State-supported institutions qualified to conduct forestry research. I will add that I am delighted as a Representative from the Portland area of the State of Oregon to support this legislation by my distinguished colleague, the gentleman from Maine, Representative CLIFFORD G. MCINTIRE, from the State of Maine which also contains a city by the same name. The gentleman from Maine, Representative MCINTIRE, and I sit on opposite sides of the political aisle and live on opposite coasts of our great country, but we are joined together in support of this bill.

I have received telegrams and letters supporting this legislation from private and public groups in my home State. The director of a very fine forest and agricultural research unit at Oregon State University, Mr. F. E. Price, wholeheartedly endorses the bill. The measure has the support of the Forest Service, the land-grant colleges and the private lumber industry. I understand that not a single opposing witness appeared during hearings on the bill.

Existing programs, such as the Hatch program, do not provide sufficient funds for a forestry research. The bill before us today will strengthen and supplement existing programs. The legislation would stimulate both forestry schools and graduate work in the field. I commend H.R. 12688 for passage, Mr. Speaker.

Mrs. PFOST. Mr. Speaker, I want to thank the gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, for his action in bringing three bills relative to our forest program to the floor today. I know the people of Idaho are grateful to the distinguished chairman and are appreciative of his deep understanding of the problems relative to our forest resources. Idaho ranks second only to Alaska in national forest acreage and that is why every bill affecting forests becomes of special concern to the people there.

The three bills on which the Members will vote today involve cooperative forestry research—H.R. 12688; a forest survey authorization—S. 3064; and an amendment to the Cooperative Forest Management Act—H.R. 9728. I will take them up in that order.

The purpose of the research measure is to specifically establish research in forestry as a definite part of the agricultural research programs now being cooperatively carried out by the Agriculture Department, the land-grant colleges, and their experiment stations and other State-supported educational institutions.

This program as it now stands is on a rather modest scale and it must be broadened considerably if it is to have any kind of meaningful impact on the future.

Research may, indeed, be the key to helping the depressed lumber industry in the Northwest by developing new wood products in the laboratory. I know that this area holds exciting promise for the future in terms of finding yet undreamed of uses for the byproducts of our forests. These studies are being carried out in the Gem State at the University of Idaho, along with other colleges and experimental stations, as well as by private industry.

This bill would enable Congress to specifically set aside appropriations for cooperative foresty research under the guidance of the Agriculture Department. These funds would then be made available to the States on a matching basis, and would be used to widen this research and bolster the programs which now might be underway in the various States.

The second bill to which I wish to address myself is the forest survey authorization.

This measure would increase from $1.5 to $2.5 million the amount authorized to be appropriated annually to keep the timber and forest products survey current. This survey has been undertaken annually since the Congress first initiated the program back in 1928. The data gathered in the survey is the only comprehensive source of basic information on this most important natural resource.

The Congress, from time to time, has increased these authorizations as the need has arisen. The present cost ceiling on this survey program was established in 1949 and costs since then have risen by more than 50 percent.

In addition there is an increasing need for more extensive inventories of our forest and timber resources. What with cuttings, fire losses, and so on, these resources are in a constant state of flux and it is imperative for the various policymaking public agencies to have up-to-date information regarding the production and uses of timber.

I would therefore urge enactment of the bill so that the survey could be effectively continued, with allowance for increases to be made as the demand arises. The production, manufacture, and use of timber products today generates an estimated $20 billion of gross national product annually.

The third bill—and I am happy to see so many forest bills on the floor in a single day, and believe me this is a rare pleasure—would amend the Cooperative Forest Management Act.

This measure would authorize an increase from $2.5 to $5 million in appropriations for Federal participation in the act. Under this program, technical assistance is made available to small forest and woodland owners, of which there are many in Idaho.

It is a fact, for example, that three-fourths of the 435 million acres of State and private forests in this country are held by nearly 4.5 million small woodland owners. An estimated 3.5 million of these are farmers with an average of 49 acres per farm. These small owners hold the "woodpile" of tomorrow in their hands. The technical assistance is needed in order to enrich these areas, which are often poorly managed and neglected, in order to bring them up to a more productive level.

This program is important because it is the only one of its kind. It is geared to help the owner of a small chunk of timberland. Added up, these small chunks are a sizable resource which the Nation will need in the years ahead.

State and private sources have been making increasing expenditures for these small timber farmers with each passing year. The bill officially recognizes that trend and then sets out to nourish the program with a small increase in Federal funds. These funds will be expended on a 50–50 matching basis with the States taking part in the program.

This, and the other two measures I have discussed, should be passed, for they are important to the people and the future of our country.

Mr. PIRNIE. Mr. Speaker, the dramatic advances in agricultural technology underscore the importance of Federal leadership in stimulating expanded research. The proposed bill would assure for forestry research comparable recognition and progress. The program would be administered on a cooperative basis with emphasis on the role of land-grant colleges which have constituted a major force in the scientific development of our land and forestry resources. Increasing demands upon wood products by our growing population require proper preservation and efficient utilization of our Nation's forests.

The concern of my State of New York in such matters spans the entire history of the conservation movement. The contribution of Theodore Roosevelt in this field is well known as well as the leadership of our great land-grant college, Cornell University at Ithaca, N.Y.

Especially commendable is the dedicated, capable leadership provided by our distinguished colleague, CLIFFORD G. McINTIRE, whose close association I enjoyed while serving as a member of the House Committee on Agriculture. I wish to congratulate him for his untiring effort in behalf of this bill.

Mr. JOHNSON of California. Mr. Speaker, the Second Congressional District of California, which I am proud to represent, contains some 12½ million acres of national forest lands plus several other millions of acres of forest administered by the Bureau of Land Management and in private ownership. I, therefore, have had an excellent opportunity to see firsthand the great need for expanded research in the field of forestry. This legislation would authorize the appropriation of funds which can be made available to land-grant colleges or agricultural experiment stations and to other State-supported colleges and universities offering graduate training in the sciences basic to forestry and having a forestry school. The Federal contribution must be matched by other forestry research funds obtained from State and non-Federal sources. All of the various fields of forestry research are eligible for support, including timber management research, watershed management research, range and wildlife management research, forest recreation research, forest protection research, and research in forest products utilization and marketing.

This legislation has great significance to my State. Most of our water comes from forests and related rangelands. Many of our people are dependent upon the timber and range resources and all of us, as well as many visitors from other States, enjoy the wonderful opportunities for outdoor recreation that are to be found in our forested regions.

Our land-grant college is the University of California at Berkeley, one of the foremost universities in the world. Its school of forestry, its forest products laboratory, its wildlands research center and its other scientific schools and departments offer numerous and varied opportunities for research in the sciences basic to forestry. The capabilities and willingness to expand forestry research at the University of California are excellent. Such an expansion is needed and this bill will help to stimulate it.

Finally, I would like to mention the close working relationships in forestry research that have long existed between the University of California and the U.S. Forest Service. For some 25 years the Forest Service maintained an experiment station on the campus at Berkeley in quarters provided by the university. A few years ago, the Forest Service Experiment Station moved into its new laboratory-office building, two blocks away from the campus, but cooperative research relationships with the university are carried on as before. Some 50 different research projects are being carried on, or have been completed jointly by the Federal Forest Experiment Station and the university. Many university students, particularly graduate students training for careers in forestry research, find part-time and summer employment with the Forest Service Experiment Station. This bill will make this coordination even more effective, it will promote the training of more research scientists who are badly needed in forestry and it will benefit my entire State by expanding the fine program of forestry research at the University of California.

Mr. GRANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks in the RECORD on the bill now under consideration.

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

There was no objection.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H.R. 12688, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

FOREST SURVEY AUTHORIZATION

Mr. GRANT. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3064) to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources, as amended.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 9 of the Act of May 22, 1928, as amended (45 Stat. 669, 702; 16 U.S.C. 581h), is hereby amended by striking out "$1,500,000" and inserting in lieu thereof "$2,500,000".

The SPEAKER. Is a second demanded?

Mr. HOEVEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HOEVEN. Mr. Speaker, will the gentleman from Alabama explain the purpose of this legislation?

Mr. GRANT. This is indeed a very short bill. It simply amends the present act, directing a national survey of forest resources. At the present time there is an authorization of appropriation of $1,500,000. The pending bill would increase that sum to $2,500,000.

There was no objection when the bill was reported out by the full committee. It has the approval of the Department of Agriculture and all the allied timber and forest industries.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill, S. 3064, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING THE COOPERATIVE FOREST MANAGEMENT ACT

Mr. GRANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9728) to amend the Cooperative Forest Management Act.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Cooperative Forest Management Act (64 Stat. 473; 16 U.S.C. 568c, 658d) is amended by striking out of the first sentence of section 2 thereof "$2,500,000" and inserting "$5,000,000".

The SPEAKER. Is a second demanded?

Mr. HOEVEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

Mr. HOEVEN. Mr. Speaker, I think it should be pointed out that this is a bill for the small forest and woodland owners. I think it is important to note that three-fourths of the 435 million acres of State and private forest lands in the United States are held by nearly 4.5 million small woodland owners. Of these, 3.5 million are farmers with an average of 49 acres per farm. One-half of all the privately owned commercial forest land is in private ownership. It is these small holdings which comprise the "woodpile" of tomorrow and where technical assistance is badly needed to make poorly managed areas more productive.

This is the only forestry program designed specifically to assist these small timberland ownerships on which the Nation must rely for an important part of its future timber products.

Mr. GRANT. Mr. Speaker, the gentleman from Iowa is correct. I think this is much-needed legislation.

Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Speaker, I wish to congratulate the distinguished gentleman from Alabama [Mr. GRANT] and the Subcommittee on Forests of the Committee on Agriculture for their favorable report on the bill amending the Cooperative Forest Management Act. I have been interested in this farm forestry cooperation between our U.S. Forest Service and the State forest services since it began in 1937. And I am proud that I do not stand alone in this, one of our most popular forestry activities. In fact, many of us who have been in Congress more than a dozen years will remember that when this original legislation was broadened in 1949 and 1950 there was a great deal of bipartisan support. Congressman GRANT will remember, I am sure, because he and I and at least two dozen other Congressmen and Senators had bills which ultimately resulted in the Cooperative Forest Management Act. Furthermore, during the hearings in 1949 there were 27 personal appearances by Congressmen and Senators and 58 statements were recorded. There were no party lines involved, and now, 13 years later, we can be proud that the program has been a success. As a cosponsor of this bill, I strongly support it.

Never have the farm foresters caught up with the demand for their services to the small woodland owners. Each time a farm forester helps a woodland owner put his land under good management, he is helping to make sales which put money in the farmer's pockets. When this happens the neighboring woodland owners also call for the services of a farm forester. It is practical, down-to-earth benefit which makes the States willing to go ahead of us nationally and provide two to four times as much money as the Federal Government. Ten years ago in Florida we had 11 farm foresters; now we have 30 and still not nearly enough. In fiscal year 1961 Florida spent $205,517 for this program, while the Federal contribution was only $53,312. Our budget for the fiscal year just past, 1962, was $213,850 State and $100,000 Federal. Florida and other States would like to have this program on a 50–50 basis as intended in the original act; not to cut back on the program but to secure the needed expansion which additional Federal funds would provide for a valuable program. In order to work toward 50–50 matching, the first step is to amend the act from $2½ to $5 million. This our Subcommittee on Forestry has wisely done, and I sincerely hope that the entire Congress and the President will agree.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H.R. 9728?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

THE SOBLEN CASE

Mr. WALTER. 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 Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I believe that American public opinion ought to be alerted to the fact that a strange combination of forces is in the process of succeeding to thwart American legal processes and prevent the incarceration of the convicted Soviet spy, Robert Soblen.

Every applicable law and proper procedure were applied in this country before Soblen was convicted and sentenced for the hideous crime he committed against the country which granted him asylum, a safe haven, and a very prosperous existence. After the Supreme Court of the United States rendered its final decision, someone in this country neglected to place Soblen under surveillance so as to prevent his escape. This neglect occurred notwithstanding the fact that some years ago, in a similar case, that of the Soviet agent Gerhard Eisler, a very similar flight from justice occurred.

As soon as Soblen succeeded in giving our law enforcement agencies "the slip," a strange series of events began to develop abroad, all pointing to the reluctance of some of our professed friends to recognize the decisions of the courts of the United States. Between the political dissertations and the legal niceties, one thing seems to emerge with most disturbing clarity—the desire not to return Soblen to the United States where he was sentenced to pay his debt to the American society.

I believe, Mr. Speaker, that any friendly country, or any agency of such a country, including a commercial enterprise controlled by the government of that country, must be immediately notified that they will be held responsible for preventing the decision of the U.S. courts to be carried out.

If the Israel El Al Airline, or any other airline, cooperates in the scheme to liberate this convicted spy, it must be notified that its landing privileges in the United States will be revoked instantly. The United States did this when it revoked the landing privileges of the Polish liner *Batory* after it took Eisler aboard in New York and to this day, fortunately, these privileges have not been restored.

An unfriendly act committed by a friend calls for a retaliation just as strong—or stronger—than that which is meted out a hostile government. I call upon the Secretary of State to cause that such notification of intended retaliation be forthwith served upon responsible officials of the El Al Airline.

DUKE DAM AND STEAMPLANT

Mr. DORN. 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 South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, this Congress should authorize, without further delay, Duke Power Co. to build a retaining dam across the Savannah River at Middleton Shoals in my district so that Duke Power Co. can build the largest steamplant in the world in Anderson County.

This proposal by the dynamic, progressive, Duke Power Co. is in keeping with the administration's announced policy of getting the economy moving in the 1960's. The construction of this $280 million steamplant will not only focus the attention of the industrial world on South Carolina and Georgia, but will aid the unemployed coal miners of Virginia, West Virginia, Kentucky, Pennsylvania, and throughout the East. It will be a shot in the arm to our depressed railroads. Mr. Speaker, may I remind the House again that Duke's proposed steamplant when finally completed will use $26 million worth of coal

annually—9,500 tons of coal daily, which must be brought in by rail.

Mr. Speaker, the only real solution to our lagging economy is for the Congress and our Federal Government agencies to give the green light at every opportunity to such free enterprise projects as the fantastic Duke proposal. Great fears have been expressed by many Members of the Congress and people throughout the country about milking the cow dry, about killing the goose that lays the golden egg, of taxing our industries and payrolls out of existence; now Mr. Speaker, here is an opportunity for the Congress to give the nod of approval to a taxpaying project, to approve more cheap power, to create more jobs and larger payrolls. Duke, upon completion of this steamplant, will pay approximately $10 million in taxes annually to the Federal Government. It will also pay annually to the State of South Carolina $7 million in taxes, and to Anderson County $1 million annually, all of this in addition to the increased revenue from larger payrolls and the related industries.

H.R. 6789 is a very simple bill which authorizes a retaining dam across the Savannah to furnish cooling water for Duke's gigantic steamplant. There is no opposition to H.R. 6789. I have not received one telephone call, nor one letter, nor one telegram from anyone in the United States opposing H.R. 6789. Duke has agreed to spend an additional $1,300,000 to raise the level of its dam in order to make its operation compatible with any further development of the Savannah River in the future.

This bill must be approved during this session of the Congress so that Duke can complete its planning, build or acquire railroad facilities in 1963 in order that construction may begin promptly in 1964. I trust and believe H.R. 6789 will be approved before adjournment.

THE POSTAL WORKERS OF THE CITY OF CHICAGO

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a letter.

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

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, words carelessly spoken can destroy reputations that good men and women have built by years of dedication.

I know of no finer group of public servants and of God-fearing Americans, as a whole, than those who are employed as postal workers in the city of Chicago. I am much distressed by a story that I find carried nationwide in an Associated Press dispatch. This is to the effect that there is a possibility that thousands of drug addicts may be employed in the Chicago Post Office, and this statement is made on the authority of an unidentified party on what he says are statistics that indicate that 80 percent of Chicago's unprivileged population use some form of dope.

Mr. Speaker, I am sure that this unidentified party did not intend this insult to the postal workers of Chicago. But it is a statement that I cannot permit to go unchallenged. There are bad eggs in every group. No decent person condones wrongdoing, and surely there should be the greatest vigilance in exposing and prosecuting any person, regardless of the group to which he belongs, engaged in the vicious drug trade.

But to indict an entire group of fine, honest Americans because of the conduct of a few is reprehensible. This is not in the spirit of American fairplay. I absolve this unidentified person and the Asosciated Press from any such intent. But I do think that both this unidentified person and the Associated Press should make it crystal clear that the intent was not to cast reflection upon men and women whose reputation is beyond reproach and who are held high in the esteem and affection of the people of Chicago. Mr. Speaker, I am extending my remarks to include a letter from W. C. Doherty, president of the National Association of Letter Carriers:

NATIONAL ASSOCIATION OF LETTER CARRIERS,
Washington, D.C., August 2, 1962.

Hon. BARRATT O'HARA,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN O'HARA: As a Congressman from Chicago and as an old and valued friend of the National Association of Letter Carriers, I feel that you will be gratified to know that there was not a single letter carrier involved in the dope ring which the Federal Narcotics Bureau recently uncovered in the Chicago Post Office.

The fact that a dope ring of any size or dimension whatsoever exists in a Federal post office is shameful, no matter what employees are participating. However, I deeply resent the implication carried in an Associated Press dispatch of July 28, and attributed to a Narcotics Bureau official, that "there may be thousands of addicts employed in the (Chicago) post office." This is a gross and insulting exaggeration. The Narcotics Bureau official bases his estimate on "statistics published in Washington which indicate that 80 percent of Chicago's underprivileged population use some form of dope." As a Representative from Chicago of many years' standing I know that you will agree that any such statistics, if they exist, are nothing more than vicious nonsense.

I feel that, in defense of the honor of the postal service and in defense of the honor of Chicago, the official making such a wild statement should be identified and the statistics he quotes should be investigated.

The Chicago Post Office (and its substations) employs 25,000 persons. In any such group one is going to find some vicious individuals and some weak characters. These must be rooted out effectively. But no conceivable good, and a great deal of harm, can come from slandering the entire employee force of the Chicago Post Office by making headline-grabbing and sensational statements such as those that have been made.

With warmest personal regards, I remain,
Yours cordially,

W. C. DOHERTY,
President, National Association of Letter Carriers.

IN MEMORY OF JOHN B. LITTLE

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. LANE. Mr. Speaker, some persons become widely known by name and face because of the prominent roles they play in the drama of life. History records the passing fame of most; and the enduring fame of a few.

For the multitude who serve as their public there are no cheers, no headlines, no titles of leadership. They are the anonymous ones who find humble satisfaction in helping others, seeking no credit for themselves. They find their sense of worth in doing the job well, in the happiness of family life, and the hobbies they cultivate in their spare time.

John B. Little was one of these self-effacing persons whose patient labor and unswerving faith make up the true strength of our free society. There were not many people outside the Capitol who knew John. Here he was listed as an assistant document clerk.

But John developed a special knowledge that was invaluable to the Members of the House. And as the word spread, more and more Members sought out Johnny for the answers that came from his well-documented memory.

His position was not influential, but he did inspire confidence. In so many small ways he was helpful to the Members that they came to regard him as a trusted friend to whom they could unburden themselves. He was the understanding listener—this humble man who enjoyed our well-placed trust.

Some years ago, Johnny's boy was a student at Sacred Heart Boarding School in Shawsheen Village, next door to my home city of Lawrence, in Massachusetts. On a number of occasions he visited his son and from these experiences he gained both knowledge and affection for the Bay State, its history, traditions, and its people. Johnny liked to exchange reminiscences with me about Massachusetts.

Life is not alone measured by the success of our personal ambitions, the surplus of achievement over failure, the number of eminent and powerful individuals whom we know on a first-name level, the accumulation of this world's goods, or the fulfillment we find in our homes and with our families. It is the little people whom we meet frequently in the course of our work, upon whom we depend so much without realizing it, who become a part of our own lives.

Johnny was one of these.

He called himself a civil servant of this House, but he was much more than that to us.

In the "busyness" of each day and the traffic of details that claim our attention, we have no time to speak from the heart until it is too late.

Friends suddenly depart and we mourn them with regrets for the things we meant to do and the words we meant to speak.

John B. Little is no longer with us. He has gone to his heavenly rest. Saddened by the loss of his presence, I think of the following prayer-poem by James

J. Metcalfe, which comforts me as I am sure it will comfort Johnny's survivors:

MY SYMPATHY

The grief of sudden tragedy
Is poignant as can be
And all that I can offer you
Is friendly sympathy.

But my condolence really comes
Directly from the heart,
Because I know how sad it is
When loved ones have to part.

I know you will be lonely
As the days and nights go by
And there will be a thousand tears
That you will want to cry.

And yet we must remember that
There is a will divine
And we may never question it
Or fathom God's design.

And so I grieve with you today
And say a fervent prayer
That God will bless and always keep
Your loved one in His care.

—*James J. Metcalfe.*

A SECOND CHANCE FOR VETERANS TO SIGN UP FOR NATIONAL SERVICE LIFE INSURANCE

Mr. LANE. 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 Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, many men and women who served in the Armed Forces of the United States during World War II and the Korean war, did not realize the value of national service life insurance and did not avail themselves of the opportunity to secure this protection for their survivors. Others mistook the advice of the military to sign up for NSLI as a form of pressure; complied in order to conform; but let their policies lapse after they were discharged.

One of the most frequent regrets I have heard expressed by veterans in recent years is:

The biggest mistake that I made was in passing up the bargain-rate Government insurance. A man needed his small service pay for other things. It was a time of war and a man lived from day to day, not thinking of the future. Now that I'm older and with increased responsibilities, I miss this protection for my survivors. Do you think the Government will ever give us a second chance to obtain this coverage?

Military service in war is more rugged than peacetime service, even for those who are never called upon for combat duty. Many a veteran dies before his time because of the demands made upon his physical health during his military service, and the consequences could not be foreseen.

Americans have become more insurance conscious than ever in the past 17 years.

H.R. 12333 does not provide direct financial benefits to a living veteran. It is distinct from disability compensation, or a pension. It recognizes the right to life insurance based upon military service that will provide some security for his survivors.

And it generously recognizes that those veterans who failed to take out such policies, or dropped them in civilian life, should not be deprived of such protection because of their indifference or neglect. Upon submission of evidence of good health satisfactory to the Administrator and payment of the required premiums, any person heretofore eligible to apply for national service life insurance after October 7, 1940, and before January 1, 1957, shall upon application in writing, be granted insurance under the same terms and conditions as are contained in standard policies of national service life insurance.

The Veterans' Affairs Committee has unanimously approved this bill as amended. It will include the service-connected totally disabled, but will not include those veterans of the two wars who still are in service during the 12-month period provided for the proposed reinstatements.

The records show that most men become aware of the need for insurance after the age of 35. However, the right of many veterans to take out national service life insurance ended before that age, when they had neither the earning ability nor the family responsibility that would move them to seek protection.

I find that the Government itself was lax in failing to explain to the veterans the advantages of securing and maintaining coverage under this program. In a sense, therefore, this bill will make amends for that oversight by reopening national service life insurance for a period of 1 year.

It is supported by the veterans' organizations and by the general public. As one of the Members who have sponsored similar or identical bills, I look forward to the enactment of H.R. 12333, as one of the most constructive accomplishments by the 2d session of the 87th Congress in the field of veterans' legislation.

FARM RESEARCH AS A FARMER SEES IT

Mr. KING of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the body of the RECORD and include extraneous matter.

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

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, the citizens of this great Nation are becoming increasingly aware of what a tremendous job our farmers are doing in providing food and fiber for a healthy percentage of the world's population. They do this in spite of Government interference and regulation. The rapid strides are possible because of the program of research which is carried out to improve quality and quantity, increase the uses for our farm products, and develop new uses.

The distinguished president of the Iowa Farm Bureau Federation, Mr. E. Howard Hill, recently appeared before the annual convention of the American Farm Research Association in Ames, Iowa, and pointed out in a wonderful speech what has been accomplished in his lifetime and what lies ahead.

Because these remarks may not have had too great a circulation beyond the convention publications, I feel that they should be brought to the attention, not only of my colleagues in the Congress who wrestle with farm legislation each session, but all readers of the CONGRESSIONAL RECORD. I request that Mr. Hill's speech, "Farm Research as a Farmer Sees It" appear at this point in the RECORD.

FARM RESEARCH AS A FARMER SEES IT

(By E. Howard Hill, president, Iowa Farm Bureau Federation)

Farm research ranks with space research as one of the great miracles of the 20th century. When E. O. Johnston told me last winter that Dr. Scarseth had requested me to speak at this banquet, I accepted primarily because of my great love and admiration for Dr. George. Since his passing, I have thought of him many times—of his philosophy, his love of America, his pioneering in ideas, his challenges to all of us. And so, the first thing I want to do in this talk is to pay tribute to a great leader—a great scientist—and a great American, whom we miss at this meeting and will miss down the years ahead in the field which he loved and to which he gave so much: Farm research.

We, in Iowa, want to welcome AFRA to our State. It is a real honor for us to have you here. You represent the leaders in farm research. We feel it is appropriate that we meet at Iowa State University, for we are proud of its role in the advance of agricultural science. Our president here has a genuine heartfelt interest in agriculture. He and Dean Andre have won a place of respect and affection in the hearts of Iowa farmers.

I want to take two approaches to my subject, "A Farmer Looks at Farm Research." First, I want to recall some of the changes in the past three decades. Then I want to do a little dreaming about the future, forecasting perhaps, some changes I see ahead. This will probably be the least technical presentation made at this conference.

I. CHANGES

In September of 1930, my wife and I moved to the farm where we now reside, and I started working for my father, for $75 a month. In March of 1931, he and I went into partnership, and I went into debt for my half of the inventory—which was $7,900. This included our horses, machinery, a few steers, and a few hogs. It took me about 8 years to pay off this debt.

We have fed cattle and raised hogs every year since 1931. I well remember when I sold my first batch of hogs. I had bought them at $6 on March 1, was offered $5.95 about April 1, and finally sold around May 15 at $4.75. Economic lesson No. 1. Cattle market predictions were made at Cattle Feeders' Day, August 1, in the early thirties, and we were advised to hold our cattle for $10. We took $4.75 in Chicago in January. Economic lesson No. 2.

For the first several years, we had no electricity, and no refrigeration (kept the milk down in the well pit). We had no tractors, no mechanized cornpickers and our water was pumped with a windmill.

Much of our corn was harvested as fodder. I hired men from Perry at 10 cents per shock—and a good man could cut and shock about 13 shocks per day. As you have already figured, I paid the men $1.30 per day—about what a common laborer makes today in many of the South American countries I visited this spring. Their agriculture down there is still pretty much in the hand labor stage.

Near Lima, Peru, where, incidentally, it hadn't rained since 1934, I saw 11 men involved in feeding an old Ghel cutter loose green corn, which was being blown into high-wheeled carts pushed by 3 to 5 men, and which would hold about half a ton. Another place I saw seven men involved in taking silage out of circular pit silos 30 feet deep with a rope and using a big oxhide as a basket. They were using forks. Human resources are cheap down there. They were pretty cheap here 30 years ago.

I remember we improved our operation in the thirties by putting in a 100-foot trench silo. All the fodder was fed by hand into a stationary cutter. We used two horses in the trench to pack the silage.

Our threshing was done with a 22-inch Red River special. A neighbor, Floyd Burkett, and I owned one jointly. He is still one of my closest friends, a friendship which started with this enterprise.

Sometimes I wonder whether—in all of our mechanization—we haven't lost something we had in doing things together, as we used to do years ago. Or has mechanization given us more time to work together in other areas—such as farm bureau and the various commodity organizations. But hand labor was slow and left little time for anything off the farm.

One of the most dramatic breakthroughs of the thirties was hybrid seed corn. Our yield jumped from about 40 to 50 bushels per acre. My father had been growing a few bushels purely on an experimental basis, that he had got from Henry Wallace at what was then Johnston Station. We were still picking most of our seed corn by hand, hanging it with strings from the corncrib rafters and hoping the mice wouldn't cut the strings during the winter.

We had plenty of barnyard manure to put on our corn ground, but we ran into a lot of difficulty which we thought was drought. The corn would fire along in July and August, and the yield would be hurt. Today, we know this was a lack of nitrogen.

There were two ways to handle weeds. In pastures, we could use a horsedrawn mower. Around the outside of the fields, we used a scythe, and, of course, every acre was gone through by hand to get rid of butterprint, cockleburs, shoofly, etc. We had quite an infestation of shoofly on the farm when we moved up there, and I remember my father offered me $100—which was a mint of money—if I would pull these by hand and clean them out. Fortunately, I passed up the offer. Today, with weed sprays, I wouldn't know where to take you to show you shoofly in any of our fields.

There were very few soybeans grown in those days. In fact, they were practically nonexistent. Their production has increased approximately ten-fold since 1940. Their development and use is a fantastic story in itself. Soybeans is one of our large commercial and profitable crops today. We have developed not only varieties, but machines to harvest them and uses for them as food for humans and livestock. In addition, they have many uses in industry, in plastics, paints, oils, etc.

The only fertilizer I can recall using was potash around the rims of our ponds, and a little superphosphate. The entire fertilizer industry in Iowa has developed during this period. This includes introduction of its use, soil tests, rates of application, forms of materials, time of application, etc.—until today, we've raised the yield per acre to new highs.

I remember 10 years ago Dr. Scarseth predicted we might be growing continuous corn. In fact, I believe I had done some of this experimentally. This was about the time I started using an area which has now been in corn continuously for 12 years. Through selection of hybrids and proper use of plant food, and other management practices, farmers have actually been able to increase yields with continuous corn.

Another breakthrough has been in the area of herbicides and insecticides. My father passed away in 1940, and if he were to return today he would have to acquire a whole new agricultural vocabulary. He had never heard of 2,4-D, D-D-T, Stilbestrol, Methoxochlor, Aldrin and many other chemicals in common use today.

Farm chemicals have really hit the field since World War II, and here again research has brought us many blessings in herbicides, insecticides, pesticides, preemergence herbicides, fungicides, grain fumigants and seed treatments.

When we used to plant corn, it was a very simple operation. It was a two-row planter, and the only thing we put on was corn. We did have the complication of a wire. Today, there are four operations involved in corn planting, corn, fertilizer, insecticide, and a herbicide. The cornplanter has become a complicated machine, and nearly as much time is spent in filling the boxes with the various ingredients as in actual planting.

All these developments have resulted in more than doubling our average yields of corn. Last year our 218 acres yielded 124 bushels per acre adjusted to 15 percent moisture. Our corn is processed as high moisture shelled corn, high moisture corn and cobmeal. Some of it is tried, and some of it goes in as silage.

Twenty years ago, it took nearly 5½ pounds of feed to produce a pound of poultry. Now, through breeding and feeding, a pound of poultry can be produced with slightly over 1½ pounds of feed.

The story of producing a dozen eggs through improved breeding and feeding is just as fantastic. On our way home from Des Moines one evening, Lorraine and I stopped and bought some chickens—at 23 cents per pound. Up near Spirit Lake, our daughter and her husband were given some partly raised chicks by a hatchery. They fed them out and kept track of their costs. When they were finished, they could have bought them cheaper, drawn and dressed, than what they had spent on feed for them.

The whole field of antibiotics, serums, vaccines and bacterins have been developed to prevent diseases, cure diseases, increase longevity, and improve efficiency. When hog cholera vaccination first was introduced, my father cooperated with the Department of Agriculture on some tests to prove that vaccination would prevent hog cholera. The number of livestock diseases he had to cope with (or was familiar with) have multiplied many times, and the treatments for diseases are multitudinous compared with those he knew.

Breeding and nutrition have increased the weight of pigs at birth and the size of litters farrowed.

In the dairy industry, artificial insemination has made it possible for the small and large dairy farmers to improve their herds and production through using the top breeding stock in the country.

The mechanization of feeding processes has made it possible for one man to care for hundreds of animals. Man-hours of labor for raising of hogs, beef, and poultry continue to decrease through the use of more mechanization.

Just as the space age has brought a revolution to modern science—so science and the men who have devoted their lives to research in chemicals useful to agriculture have revolutionized American agriculture in the past few years. The farmer himself has become a scientist, an inventor, an economist, and an accountant. The first piece of equipment bought by my son-in-law Ken Joslin was a calculator.

II. TURNING TO THE FUTURE

It is always risky to try to predict what will happen, but it's always rather interesting and entertaining. You see things you want to see—sometimes things you shouldn't see.

Some of you probably wouldn't want to go out on a limb and make predictions. You are scientists—with a great deal more scientific knowledge than I have. But that's what makes my position easier, you see. It's always easier to form opinions if you don't have all the facts. So—recognizing that it's impossible to schedule inventions or discoveries, I am willing to enjoy the luxury of dreaming a little about the future as I see it. There is a legend on the Archives Building in Washington which reads, "All That Is Past Is Prologue." A visitor to Washington asked his taxi driver what it meant. The driver answered, after a little thought, "You ain't seen nothin' yet." I wonder if that isn't true in the area of farm research. Yet I doubt that change or progress in agriculture will be as dynamic during the next 30 years as it has been during the last 3 decades. I do look for some great changes, though, in our thinking and in our techniques.

One thing I predict sounds almost like heresy. This is the disposition of barnyard manure. Already, we are using lagoons for the disposition of hog manure. However, almost every farmer is still hauling cattle manure to the fields. We have been doing some figuring at our place. It takes a very high-quality manure to be equal to 10-5-10, and by the time most of the manure can be moved it is probably equal to half of this, at least from the standpoint of nitrogen. This means that the average ton is probably worth $1 to $1.50. There are very few days in the spring of the year when this material can be hauled to the field without compacting the soil or when the average farmer shouldn't be plowing or preparing the ground. This soil compaction plus the cost of the labor involved raises a real question in our minds as to the economy of hauling manure. This year, we plan to get a bulldozer, clean off our lots, and push the material up into some huge piles as they do in the West and Southwest for the cattle to lie on in the winter. We will haul some manure this fall and winter where we have taken off corn silage.

At our farm, we cultivate the corn once and the soybeans twice. I predict that in the not too distant future we won't be cultivating corn at all. We have been experimenting with four or five preemergent sprays. One or two look pretty good. Undoubtedly, better and cheaper ones will be forthcoming as a result of research.

Ken Joslin is planting about 22,000 kernels per acre. I think we will see hybrid corn varieties adapted for much higher planting populations than this; varieties that will be adapted for wet corn storage, that will be disease resistant, and also resistant to certain insects. I believe that very soon 200 bushel yields will not be uncommon here in Iowa.

While we have had this overwhelming expansion in the production of corn, one of the jobs research has yet to conquer is the handling of hay. Farmers are going to have equipment and processes that involve less labor, less time, and less expense or they are going to go out of the hay business. We consider it one of our most unsatisfactory crops. By feeding 30,000 units of vitamin A per day per steer in our protein supplement, we have been able to get by with corn and cobmeal and about 2 pounds of hay per day to mature cattle. I question whether, with present equipment, we can justify the putting up of hay on the basis of the pure economics of the operation.

In the cattle-feeding area, I would guess that the discussion of quality grading is but the first step in a change in the grading of beef cattle. My guess is that lines will be selected genetically for their ability to pro-

duce lean, tender meat without the present excess of fat which the market demands for well-finished cattle.

I predict many more bulls will be fed. They gain faster than steers and produce leaner carcasses. There are times when bull carcasses actually sell at a premium. Europe is rapidly moving in this direction.

As producers we are going to have to realize that the housewife calls the shots. We will have to produce the type of product she wants to buy.

We have tried to mechanize our cattle-feeding operation. We have a 150-foot auger and bunk. We think it's a good investment not only from the standpoint of saving labor, but also saving feed. We have been happy with it, but of course, we never know how soon it will be obsolete.

As I indicated earlier, we have always raised hogs on our place. We will have about 150 litters this year. Here again we have tried to mechanize, converting our old horse barn into a 24-crate farrowing setup and converting our old dairy barn into a nursery. We have been very fortunate on disease, except for some staph infections which are very common, but which can play havoc with a fresh sow.

We are all familiar with the tremendous progress that has been made in feeding efficiency through better rations and the effort we are all trying to make in producing a meat-type hog. I predict one of the biggest developments in the swine area will be artificial insemination. Here, I think, lies the possibility of eliminating some disease and infection and a tremendous opportunity to improve quality. One top boar can sire half the pigs in an entire township under this program.

Another area, which is not really research, but is one of the things we will all have to work at, is to develop better marketing of our products. This is particularly true in the case of hogs, but it applies to all our farm products. I am sure there will be a continued growth of cooperatives both in the marketing and purchasing fields.

I am not a dairyman, but here again tremendous progress has been made and will be made in the years ahead. The dairyman, too, is going to have to produce what the housewife wants. He must encourage research into more uses for his products, if there is going to be a continued diminished market for butterfat.

In South America, I visited two dairy farms—one, in Lima, had 1,200 cows; the other, in Chile, 500 cows. All of these cows were milked by hand. One man milks 10 cows. This creates quite a labor force on the farms. The social security tax in Chile amounts to 50 percent of the wages—39 percent paid by employers, 11 percent by employees.

Over in Argentina, the national law requires a dairy farmer to pay his cowman 45 percent of the milk check. This cowman doesn't help with the crops. He has no investment. But he receives 45 percent of the milk check. So, you see the dairy farmers in those areas have difficulties, too.

I have referred to my trip to South America several times. Perhaps you would be interested in why I made it. The American Farm Bureau Federation was invited to send four representatives to the meeting of South American farm organizations, which was to be held in Santiago, Chile. President Charles Shuman, Vice President Walter Randolph, L. B. Martin, president of Idaho Farm Bureau, and I were appointed to attend the meeting. It was extremely interesting, and it afforded me the opportunity to return to some of the South American countries which I had visited back in 1940, and to see the progress they have made in their agriculture.

They, too, have made a lot of progress—but, of course, it cannot be compared to ours. Today, 80 percent of the corn in Argentina is picked by mechanical pickers. When I was there before, it was all done by hand. The quality of the cattle has improved. In Argentina, their prices were 7 to 8 cents per pound. There is no rural electrification program down there, and very few Delco-type plants. In Argentina, which is probably the most advanced, the interest rates on land are 12 percent. On operating loans, the interest is 24 percent. Not many can buy land or develop their operations at these rates.

Nevertheless, the extension-type of help which our Government has been providing has encouraged the farmers to make some changes. I visited several farms in company with Agricultural officials and educators who had received their training here at Iowa State University. So, the research done here is paying off for South America as well as for us—but to a limited degree.

South American countries have problems in the way of illiteracy, socialism, unstable currencies, unstable governments. Their farm organizations are responsible organizations. Some of them have long histories and traditions. The farm organization of Chile, for instance, was founded in 1838. But through long dependence on government direction, they are more willing to accept socialistic intervention than we would be.

I am no 10-day expert on South American affairs, but I came home with a renewed appreciation of the system we have here—of our right to make our own decisions on what we will grow and how we will grow it on our own farms.

I visited a large ranch in Argentina which has been owned for many years by two Italians who have never seen it. I visited another, near Lima, that has probably been in the same family since the days of the Spanish conquerors. I visited an irrigated valley in Chile, which owes its life to a tunnel 2 miles long, which was chiseled through the Andes mountains in the late 1800's to intercept a river and bring the water into the valley for irrigation. At one time one man owned the several thousand acres in this valley. Now, it is divided among about 30. One of these men has 17 grandchildren.

On the way to this farm we passed an area which the Government had taken over and broken up into small farms. These are now operated by German farmers, but they have not been successful because they were too small to be efficient and there was too much Government redtape.

I saw other farms which the Government had appropriated from large land owners and distributed to families selected by a Government bureau. I was told that most of these families, even though carefully selected, were ill equipped to handle the responsibilities of ownership, and within a few years the original owners could usually buy back their lands after the new owners had had sad experiences trying to operate them.

Here in the United States we have freedom—freedom to buy land, freedom to plant it, freedom to experiment, freedom to learn, freedom to decide what to do with that learning—these are basic to our way of life. And we take them all for granted.

From time to time we get kind of emotional—especially when the prices get low—and there are pleas to discontinue research which will mean greater production. It is said that research will just mean cheaper production, that the more we raise the less it will be worth, etc. I do not subscribe to this.

Perhaps it will mean fewer people on farms. Is this necessarily bad? In most countries of the world those on the farms are the worst off. Increased efficiency results in higher standards of living for the people in the towns—who, in the last analysis, are our customers. These are the people on whom we really depend.

That is why I feel so strongly about farm programs that would go the quota route—like the turkey referendum would have done—or the farm bill defeated recently. These programs are not conducive to a continuation of the kind of progress that has built the agriculture we have today—the agriculture which this land grant college has helped build, that AFRA has envisioned.

I am optimistic about the future of the efficient family-sized farm. We have an ever expanding market. The development of the European Common Market, our intelligent acceptance of freer trade, and the dramatic increase in population can all contribute to a prosperous agriculture. With the present birth rate of three babies per second being born into the world today, there are 90,000 more people in the world every day, 49 million more people every year. For every 18 deaths, there are 33 births. Every 4 months, the equivalent of the population of Australia is added to the world. We are told that the present world population of 2.8 billion is expected to soar to 6 or 7 billion by the end of this century, which is only a short 38 years from now. The U.S. Department of Commerce figures show that we now have a net population growth in the United States of 1 person every 12 seconds. From 1940 to 1950 the U.S. population was expected to increase 8 million, whereas in actuality it increased 19 million. In the 1950–60 decade, the net increase in U.S. population was 28 million. Since 1950 the population under age 21 in the United States has grown from 53.7 million to 74.4 million at the end of 1961, an increase of 39 percent.

There are many byproducts from living on a farm that have to be taken into consideration. It's a great place to rear a family. We have two little grandsons growing up on our farm. The oldest is already taking an interest in the livestock and the garden. As I watch these boys, I find myself hoping they will see a future in farming, too—and that there will always be an attraction and a challenge in American agriculture.

MANDATORY LIFE SENTENCE FOR ANY PERSON CONVICTED FOR FOURTH TIME OF A FELONY

Mr. KING of New York. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BECKER] may extend his remarks at this point in the body of the RECORD and include extraneous matter.

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

There was no objection.

Mr. BECKER. Mr. Speaker, in line with previous statements I have made on the floor of the House, I have introduced today what is known as the "four-time-loser bill." The bill provides for a mandatory life sentence for any person convicted for the fourth time of a felony, in the District of Columbia.

Mr. Speaker, I do not believe for one moment that this is the cure-all for crime, nor do I believe that heavy punishment is the only deterrent for crime, but I do believe that it will stop a great deal and cause many others to hesitate long before committing a felony. When a person has been convicted of three major crimes, certainly, it is reasonable to assume that he is beyond rehabilitation and should be removed from society and preying on his fellowman. The American people are entitled to this protection from the habitual criminal.

Mr. Speaker, our whole system of law and order is deteriorating, not only in the

District of Columbia, but in most major cities throughout the country and unless we get tough and enforce discipline on these lawless elements, they will soon control society through fear. Does anyone have any doubt that people, and women particularly, living in the District and nearby, are not living in fear? The incidence of rape alone is so prevalent that fear has spread through the community. Some steps have to be taken, now, and then let studies and investigations be made to determine other methods and other approaches to these problems.

Mr. Speaker, I have also introduced today a resolution to have a congressional committee investigate every phase of the crime conditions in the District. It is my understanding that the Congressional District Committee did make an investigation in 1950 and did bring about a number of very fine advances in this field. I believe with an investigation at this time, further advances can be made.

Mr. Speaker, further legislation has to be prepared and introduced to help the police department in their investigative work. At present they are hampered by the Mallory decision and other recommendations and restrictions. I will cover this ground in a few days when I have bills prepared. I sincerely hope the two items introduced today will receive fast action of the committees of the House.

H.R. 8845—OBSTRUCTION OF INVESTIGATION

Mr. KING of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. MEADER] may extend his remarks at this point in the body of the RECORD and include extraneous matter.

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

There was no objection.

Mr. MEADER. Mr. Speaker, Wednesday, we are scheduled to take up H.R. 8845, the so-called obstruction of investigation bill.

I studied this proposed grant of power requested by the Attorney General, both as a member of the Antitrust Subcommittee and the full Judiciary Committee. I believe the bill is a bad bill and should not become law. I also believe if the Members understand the implications inherent in this grant of power, they will not support it.

Accordingly, I am sending today to each Member of the House the following letter and memorandum:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 6, 1962.

DEAR COLLEAGUE: Wednesday, August 8, 1962, we are scheduled to consider H.R. 8845, the so-called obstruction of investigation bill.

This extremely controversial measure was debated and amended extensively in the subcommittee and in the House Judiciary Committee, and there is substantial opposition to it among the members of the Judiciary Committee.

I think it is a bad bill and ought to be defeated. I have set forth my reasons in the attached memorandum which I hope you will have time to read before you vote.

Sincerely,

GEORGE MEADER.

MEMORANDUM BY HON. GEORGE MEADER RE H.R. 8845, OBSTRUCTION OF INVESTIGATION, AUGUST 6, 1962

H.R. 8845, the so-called obstruction of investigation bill, is listed first on the program for Wednesday, August 8, 1962.

A technical, Federal criminal matter, this bill and some of its vague and ambiguous phraseology will be difficult to explain in debate. For that reason, some of us who oppose the bill believe Members should be as fully advised as possible.

H.R. 8845 provides a $5,000 fine, 5 years in jail, or both, for interfering (in certain ways) with "authorized" (?) "investigations" (?)—whatever these words may mean—of the Federal Bureau of Investigation, the Narcotics Bureau, the Internal Revenue Service and the Secret Service (to be added by amendment on floor), into the following Federal crimes: (1) Murder, (2) kidnaping, (3) gambling, (4) narcotics, (5) liquor, (6) prostitution, (7) extortion, (8) bribery, (9) counterfeiting (to be added by amendment on floor), (10) national security.

On the surface this seems desirable. Everyone hates the criminal, particularly the organized, syndicated, interstate racketeer, and wants to do everything necessary to apprehend and punish him.

Looked at more closely, however, it becomes apparent that this bill would vest in Justice and Treasury investigators a weapon, the use of which would not be limited to a few thousand racketeers but would also be available to harass 185 million citizens of the United States.

This widespread effect would have been obviated and could have been restricted to organized, syndicated crime if we had adopted the approach of Representative CRAMER, of Florida, in his omnibus bill, H.R. 6909.

The United States, and many States, long have forbidden the bribery, intimidation, assaulting, threatening, forcing or suborning of witnesses, court officers, jurors and others to interfere with judicial, grand jury or congressional proceedings and to cause a miscarriage of justice.

But for the first time in history, in either State or Federal jurisdictions, a proposal now is seriously advanced to extend the sanctions protecting the integrity of formal court proceedings, these inhibitions on citizen behavior, to support, dignify and enhance the informal, sometimes clandestine, investigative activities of a sleuth.

The Justice Department has failed to show that this additional power in H.R. 8845 is needed. They have not met the burden of proof. The three instances they cited, *Scoratow* (false statement to FHA), *Appalachian* (conspiracy of underworld) and *Scuttles* (auto theft) were investigations of crimes other than those enumerated in H.R. 8845. If H.R. 8845 had been law at the time of these investigations, it would have been no help to the Justice Department.

This legislation has had a stormy history in this Congress. August 2, 1961, after amending S. 1665 (companion Senate bill), the House Judiciary Committee, by a vote of 16 to 10, refused to report it.

This year, in meeting after meeting, both of the subcommittee and the full Judiciary Committee, H.R. 8845 was debated and debated and amended and amended. Finally, on April 3, 1962, a wholly new version, not even printed, with only one typewritten copy being available, was substituted by a vote of 17 to 15, and that is the present H.R. 8845, reported on a voice vote.

This language not being satisfactory to the Justice Department, still further amendments are now in the process of being drafted to be presented during debate on the bill, without having been considered by the Judiciary Committee.

Since a rule was granted May 24, 1962, H.R. 8845 has appeared on the program three times (June 4, 18, 25) and has disappeared three times without explanation. Ordinarily three times is enough.

H.R. 8845 is but one of about a score of bills granting more power requested of this Congress by the Attorney General.

Eleven of these requests became law in the first session of this Congress:

1. Public Law 87-338, amending section 35 of title 18—conveying of false information concerning the doing of any act violating those chapters of title 18 dealing with aircraft, shipping, and railroads.

2. Public Law 87-368, amending section 1073 of title 18—flight to avoid prosecution or giving testimony.

3. Public Law 87-216, amending chapter 50 of title 18—transmission of bets, wagers, and related information.

4. Public Law 87-218, amending chapter 61 of title 18—providing means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia.

5. Public Law 87-306, amending section 1362 of title 18—to further protect the internal security of the United States by providing penalties for malicious damage to communications lines, stations, and systems.

6. Public Law 87-228, amending chapter 95 of title 17—prohibiting travel or transportation in interstate commerce in aid of racketeering enterprises.

7. Public Law 87-371, amending chapter 713 of title 18—prohibiting transportation of fraudulent State tax stamps in interstate and foreign commerce.

8. Public Law 87-336, amending section 5021 of title 18—the Federal Youth Corrections Act.

9. Public Law 87-353, amending chapters 25, 31, and 47 of title 18—the forging, counterfeiting, embezzling or stealing of bonds and obligations of certain lending agencies, and the making of false statements thereof.

10. Public Law 87-197, amending chapter 20 of title 49—violations of Federal Aviation Act.

11. Public Law 87-221, creating chapter 31 of title 15—destruction of property moving in interstate commerce.

During this session of Congress, there has already been another item of criminal legislation enacted:

1. Public Law 87-486, amending section 2385 of title 18—defining the term "organize" as used in the chapter on "advocating the overthrow of Government."

The following four bills have passed the House and are awaiting action in the other body:

1. H.R. 6691, amending sections 871 and 3056 of title 18—providing penalties for threats against the successors to the Presidency and to authorize their protection by the Secret Service.

2. H.R. 8140, amending various chapters of title 18—to strengthen the criminal laws relating to bribery, graft, and conflicts of interest.

3. H.R. 7037, amending section 3238 of title 18—providing for offenses not committed in any district.

4. H.R. 8038, amending section 491 of title 18—prohibiting certain acts involving the use of tokens, slugs, disks, devices, papers, or other things which are similar in size and

shape to the lawful coins or other currency of the United States.

Two bills have passed the House and Senate and are now in conference:

1. S. 167, civil investigative demand (returned by the House July 18, 1962, by a vote of 202 to 200) with instructions to insist on the House limitations on the Attorney General's subpena power.

2. S. 1658, prohibition against interstate transportation of gambling devices containing immunity grants and authorizing the Attorney General to adopt regulations having the force of criminal laws.

And pending in the House Judiciary Committee are three important bills:

1. S. 1655, authorizing grant of immunity of witnesses in labor racketeering cases.

2. H.R. 10185, authorizing wire tapping, including the authority to tap wires, at the sole flat of the Attorney General without court approval.

3. H.R. 2852, premerger notification.

In the last session, the Judiciary Committee reported and the House defeated (by a vote of 223 to 172) on August 29, 1961, H.R. 6242, a request of the Attorney General for power to fix salaries in his Department without regard to the Classification Act.

The manner in which powers granted for one purpose can be used in concerted action to accomplish a wholly different purpose than that for which the grant is made was demonstrated to the country in the calling of grand juries and the FBI agents knocking on doors before dawn in the steel dispute.

Further grants of power (however worded) should be withheld until confidence is established that such power—

1. Is necessary to maintain order;

2. Does not infringe the liberties of citizens more than is essential to accomplish a law enforcement objective for which existing authority is inadequate;

3. Will not be employed to accomplish ends other than that for which delegated.

H.R. 11496: A BILL TO EXTEND TO THE DISTRICT OF COLUMBIA THE ASSISTANCE PROGRAM FOR FEDERALLY IMPACTED SCHOOL AREAS

Mr. KING of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MATHIAS] may extend his remarks in the body of the RECORD at this point and include extraneous matter.

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

There was no objection.

Mr. MATHIAS. Mr. Speaker, on July 31, 1962, I submitted a statement to the General Subcommittee on Education of the House Committee on Education and Labor in support of H.R. 11496 which would extend to the District of Columbia the assistance program for federally impacted school areas. This bill is vitally necessary to the educational system of the District of Columbia which is seriously handicapped for funds due to the extraordinary amount of Federal activity in Washington. The bill would allow the District to receive compensation from the Government for revenue lost from private sources due to this activity and would fulfill the pledge undertaken by Congress to education in 1950. The money would not be a mere windfall, but a compensation for services rendered by the city. The alternatives to this program are first, to decrease the educational facilities, which, as I point out below, is an unwise decision in this day and age; or second, to increase the taxes on the non-Federal segments of the District's population, a patently unfair solution to the problem.

H.R. 11496 is a most important bill for the educational system in the District of Columbia. It is designed to extend to the District of Columbia the provisions of 20 U.S.C. 244(8), entitled "An act to provide financial assistance for local educational agencies in areas affected by Federal activities."

By every standard, irrespective of whether the children reside on or off Federal real estate, the National Capital area, and especially the District of Columbia, is truly an impacted area. The activity of the Federal Government creates a strain on the local budget which is not present when the commensurate activities are carried on by taxpaying private enterprise.

Under the provisions of the act, the Government has an obligation to aid such impacted areas and the failure to enact this amendment would result in the failure of the Federal Government to fulfill its duty to the citizens of the Nation. We cannot in this day and age afford to cut back our educational facilities especially in the Nation's Capital. Therefore, it is most important that this legislation be enacted to enable the District of Columbia to have an educational system that will meet the needs of the city.

ADDITIONAL JUDGES FOR THE DISTRICT OF COLUMBIA JUVENILE COURT

Mr. MATHIAS. 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 Maryland?

There was no objection.

Mr. MATHIAS. Mr. Speaker, from time to time I have commented on the backlog of cases pending in the Juvenile Court for the District of Columbia and on the failure of the administration to appoint judges to try these cases. I have noted that the delay in making these appointments has been extended throughout a period of nearly 5 months.

I am now glad to be able to comment on the fact that the President has appointed two judges of the court as provided by the Congress last winter. I extend to the new judges my personal best wishes. They will need the best wishes of all of us if they are successfully to overcome the initial handicap imposed upon them by the tremendous backlog of cases which faces them.

I should also like to say that it will be the continuing responsibility of the Congress to watch the operation of the court in the coming months. I intend to observe carefully how the expanded court is meeting its responsibilities to all the people of the District of Columbia. It may be that further legislation will be required, and, if it is, the Congress should be prepared to provide it without unnecessary delay.

FEDERAL AVIATION AGENCY

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 25 minutes.

Mr. GONZALEZ. Mr. Speaker, last Tuesday I submitted to the CONGRESSIONAL RECORD an extension of my remarks made in connection with the debate on the Federal Aviation Agency's portion of the independent offices appropriation bill. In this submission I called attention to the fact that we have a "sick" situation within FAA that is in bad need of some doctoring.

I mentioned that this Agency operates under a cloud of concealment and for reasons of its own prefers not to be forthright with the public or this Congress. Indeed, it has developed a patronizing attitude toward Congressmen, as a number of you can testify. I am convinced that the Agency has acquired this attitude by simply adopting or reflecting the attitude of its Administrator, Mr. Najeeb Halaby.

It is Mr. Halaby, and Mr. Halaby alone, who must take the responsibility for having damaged employee morale and security to the dreadful extent to which this has been done in the Agency. I base this remark on my personal conversation with the air traffic control employees both within my district and from a variety of points outside it.

The damage to employee attitudes has now come to the point where it affects the interests of the flying public, and for this Halaby should answer.

In the extension of my remarks in last Tuesday's RECORD I called attention to the fact that FAA was sugar-coating the effectiveness of our air traffic control system. The effectiveness of that system is not fully told in the raw statistics of airplane crashes and passenger fatalities. I called your attention to the fact that Mr. Halaby has reported to you less than one-half the number of near-misses which are occurring in our airlanes. This fact has not yet been published, but I am confident that this will soon be generally known. It is well that it should, for there is no question but that the controllers and coordinators who operate our air route traffic control system should have more modern equipment and better working conditions than they now possess. I am for the Agency having these, and I also feel strongly that the Agency should have a management that inspires confidence and cooperation—something that is absent from the present picture.

Let me give you a timely example of the inadequacy and the dangers latent in the present system. Keep in mind that the Congress created FAA a few years ago giving it broad, unilateral powers greater than those possessed by

most Federal agencies, and that it did this in the wake of a deadly and shocking air accident over the Grand Canyon. The disaster stirred this Nation and the conscience of the Congress produced the powers to prevent future disasters and has provided an ever-increasing budget that will soon approach a billion dollars a year. We must, of course, make allowances for the fact that this was being done at a time when there was lots of catching up to do, for the Nation's air traffic controls were geared to visual flights or the relatively slow-moving DC-3. With the jet age already here, there was much ground to cover in a hurry.

Now we are getting warnings, almost daily, that we have not been in enough of a hurry.

When I remarked on these things last Tuesday, I was dismayed to learn from a telephone call that very night that the Nation had almost been confronted with the worst air mishap of our history. This was another so-called near miss. Let me describe it for you:

Visualize two jet passenger planes, a TWA 880 jet going from St. Louis to Los Angeles and an American Airlines 707 jet bound from Los Angeles for St. Louis. These planes were probably each flying 600 miles an hour. They were approaching each other. Both planes on jet route 80 had been assigned the same 33,000 foot altitude by the FAA air traffic control and were in the same air corridor. They were set on a collision course with each other unbeknown to either pilot and they were approaching each other over Salinas, Kans., at a probable 1,200 miles per hour.

At 5 miles distance an approaching plane is but a tiny speck on the pilot's windshield. Yet, at such a speed, if the pilot sees the speck at all, he has but 15 seconds in which to get instructions from the ground to vector around, or to do it on his own motion. As it happens, the TWA pilot altered his course and missed the other plane by a reported several hundred feet. It was similar to the head-on collision hazard that occurred near Cleveland on March 19, and was reported on almost 3 months later on July 5.

But have you wondered how this incident over Kansas became known and found its way into the press? My information is that it came not from Mr. Halaby or by decision of the Agency. It came from a tip to a reporter who confronted an FAA public relations office with his queries and got confirmation.

But however it came, I say to this House that there are more facts to be related about this Agency and it is our duty to give them attention. We can be grateful that we know about the Kansas incident, if we will take it as a timely warning and a providential reminder that FAA needs and should receive our scrutiny and attention.

Tomorrow the Senate will take up hearings on this Agency's appropriations. I trust it will seize its opportunity to give us some of the answers and some of the facts that Mr. Halaby thinks are none of our business.

SOUTH AFRICA'S POSITION ON THE AFRICAN CONTINENT

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. WILLIAMS] is recognized for 15 minutes.

Mr. WILLIAMS. Mr. Speaker, among the strange disharmonies in the conduct of the foreign relations of the United States over a period of many years are its contradictions, so well illustrated by our dealings with the Republic of South Africa, the only effective pro-Western nation on the African Continent.

Long recognized by our more far-visioned military and naval planners for its strategic importance in event of closure of the Suez Canal and for its logistical value, South Africa has a location with respect to ocean transportation that makes that country vital to Western security. In contrast with the realistic appraisals of our strategists, certain elements in our Department of State have engaged in reckless meddling in the internal affairs of this friendly power.

Unfortunately, the mass media of the United States and their publicists have generally failed to give our people a true picture of South Africa and its problems, thereby contributing toward bringing about serious misunderstandings and confusion that could impair the vital interests of our country and, indeed, of the entire free world.

It was, therefore, refreshing to read an illuminating paper on South Africa, delivered on March 12, 1962, by W. J. LeRoux of the South African Embassy before the distinguished membership of the Cosmos Club in Washington, D.C.

I insert Mr. LeRoux's remarks at this point in the RECORD:

SOUTH AFRICA'S POSITION ON THE AFRICAN CONTINENT

The story of the ever-changing political face of Africa during the last few years and the anticipations and prophesies of further changes to come in the future, reads more like a chapter in a storybook than in a book on international constitutional development. The years 1960 and 1961 were Africa's years and brought about an entirely new picture and vision of dark Africa as it was known up to recent times. It has also brought about a severe impact on world affairs and world philosophies, the full extent of which has not yet been filled. The African metamorphosis of this decade is still in the melting pot and only the foolish may dare to prophesy the influence of the African Continent and the African peoples on world affairs of tomorrow. It may, nevertheless, be said that this situation—the awakening of this continent from its centuries-old slumber—presented a vastly different outlook to world powers with their struggles for allies and alinements in the ever-continuing struggle of balance of power. Africa has, over a few years, forced itself on the attention of even the least observant person in the Western World and probably also in other parts of the globe. Let there be no doubt Africa, in its present stage of development, may be underdeveloped—may in certain places, be uncivilized—but it will, relatively speaking, play a more vital part in the affairs of man on this earth than any other continent. It stands as a buffer between two great ideologies from the East and the West, and the one who eventually conquers Africa could be the victor in world affairs.

This young giant is gradually awakening and at the moment its mood is one of anger and frustration—at times a blind and unrealistic anger. Nevertheless it should be taken into consideration whether this anger is of the masses of Africa or whether it is the anger of a few peoples and groups from this continent, the fact that Africa has emerged, some may think prematurely, to international stature and the fact that it has become an important factor between East and West are the direct results of the actions of the world powers themselves. It is only the foolish who may still argue that Africa, with its recently achieved freedoms, has not become involved in the cold war. It is in the middle of the cold war and it will, in the near future, play an even more important part in the world struggle. With it came a new phenomenon of appeasements and accommodation which is covering up the real problems of Africa—which will not bring about a solution. It is unrealistic and is based on the concept of bargaining with both sides, playing the lowest bidder against the highest and becoming more and more demanding, and less loyal.

For the world, however, the efforts of the white man—who has really developed Africa up to now and who has done most for the development of black Africa's underdeveloped masses, these white men are pushed to the background for the price of African appeasement. The number of independent countries in Africa grew from a few not many years ago to 29 at the present time, and to this number more will have to be added during 1962 and 1963. In the United Nations, whose main objective is the preservation of peace, this new bloc of independent African countries has already claimed for itself an important role—a factor to be reckoned with in the lobbies and voting chambers of this world organization. At times its angers and frustrations, and also its ambitions and inhibitions, are apt to be short-sighted when it comes to the inherent rights of other peoples who have lived on the African Continent for centuries and who can claim to be as much African as the black peoples from that continent.

South Africa is a charter member of the old League of Nations and the United Nations. It has been an independent state long before many of the new African leaders were even born. It has always realized that sooner or later the peoples of Africa will be growing and developing toward nationhood and that the stage would come where the new emerging states of Africa will take their stand, side by side, with other world nations. South Africa has however at all times stressed the important fact that independence should not be granted prematurely and that it should be based on the inherent abilities of these new African nations to rule themselves without outside interference.

Outside assistance should not became more important and more vital than the peoples' own abilities to rule and to govern themselves. This sober attitude has, in postwar years, not always been adhered to and as may have been anticipated brought about scores of basic problems, not only for these new African nations themselves, but also for the world powers, world blocs and the United Nations as such. It is still South Africa's belief that no people worthy of their existence can be oppressed indefinitely but it would, at the same time, be a greater sin to give or to grant independence to such people before they have developed to the extent that they can rule and govern themselves. That has always been our policy and still is and we sincerely hope to be able to continue to act in a sober and healthy attitude toward the future independence of the African peoples within South Africa's own borders. It is my intention to give you later on a picture

of South Africa's efforts toward development of her own African nations, but at the moment please allow me to give you a little background of present-day South Africa—how it has developed to become a bastion of Western civilization, and the strongest fort against communism on the African Continent.

I am addressing you today as an African, a white African—as much an African as any other human being from that continent can claim to be.

What makes an African?

What makes an American?

I am as much an African as you are Americans. At least six generations of my family were born in South Africa. They came to my fatherland centuries ago.

The histories of both our countries go back to about three and a half centuries. The vanguard of our European ancestors of three and a half centuries ago—seeking new continents to discover and new horizons to explore—spread from Europe over the western and southern seas. At about the same time pioneers from the same origins migrated to North America, while others braved the southern oceans. When the Dutch West India Co. sailed to the Americas, the Dutch East India Co. went southward and in 1652 established a halfway station at the Cape of Good Hope and built the Fort of Good Hope—the same time that your Fort Amsterdam was built, which later became New York.

In the same way as peoples from Europe came to the United States of America to form a new nation here, so peoples of different nations and groups came to South Africa to form a nation on African soil.

With the peoples from Europe came their great ideals, values, aspirations, religion and culture which eventually formed the basis of the American nation. In the same way "Europe" with everything it stood for in its great eras of civilization, came to South Africa and with those same values, the new South African nation emerged. As in the case with America, where English Puritans came here first, the first Dutch settlement in South Africa was later strengthened by arrivals from France, Germany, the Scandinavian countries, England, Scotland, and Ireland—thus the new nation was born on African soil.

In the United States of America one language, namely English, survived—in South Africa we today have two languages, English and Afrikaans, with the latter the youngest and one of the most dynamic of Western languages.

The same Atlantic Ocean that brought the greatest civilization the world has ever seen, the civilization of Western Europe, to North America, also brought the civilization to the African Continent—to South Africa, where the Atlantic meets with another great ocean, the Indian Ocean. Here on the southern tip of Africa, where oceans and civilizations meet, the roots of the Western civilization of the Atlantic Ocean, thrived on the soil of a vastly strange continent.

So Europe grew in Africa and with it a new frontier of Western culture was established.

But the parallel goes on.

In the United States the people went west over the prairies until they reached the seas, taking along with them development and civilization. In South Africa the pioneers went north over the plains of southern Africa and with them they also took along their great values, religion, and culture.

Moving through the uninhabited areas of South Africa, the white pioneers encountered many remnants of tribes fleeing from other stronger tribes. Unless attacked themselves these pioneers moving further north into South Africa never destroyed these underdeveloped tribes. They were protectors and gave guidance.

It is essential for the purpose of perspective that we should examine what men of European origin have achieved in South Africa.

Their numbers were, and still are, small, but they have left an unmistakable impression on this part of Africa.

Under the leadership of the white man, his know-how and enterprise, South Africa has been developed to (1) the only industrial giant on the African Continent; (2) the country where the per capita income is 50 percent higher than that of the next African country and three times as high as the average in the rest of Africa; (3) the country which produces three times as much steel (always a criteria of development) than the rest of the African States combined; (4) the country with electrical power generating double that of the rest of Africa; (5) a country which produces 87 percent of the coal in Africa; (6) a country which takes more than one-third of all U.S. exports to Africa; (7) the country which has more U.S. capital invested than any country in the African Continent; (8) the country with railway freight traffic more than half of the total in Africa with the largest network of electric railroads outside Europe and the United States; (9) the country which possesses 41 percent of the motor vehicles in Africa and about 50 percent of its telephones; (10) the country which produces 60 percent of the world's gold annually; (11) the country with the largest oil from coal plant in the world; and (12) the country with political stability without precedent on the African Continent.

Who are the people who developed this industrial giant, this Western civilization and fortress against communism in Africa?

They are (1) 3 million whites; (2) about 10 million Bantu, i.e., blacks, divided into at least seven basic ethnic groups speaking amongst themselves dozens of languages and scores of dialects; (3) about 1½ million coloreds; and (4) about half a million people of Asiatic origin—the descendants of indentured laborers who were brought by the English to South Africa between 1860 and 1910 to work in the sugarcane fields of the then English colony of Natal. The great problem facing South Africa is how to work out a system, a way to live, a modus vivendi, for these different peoples to live in harmony together, taking into consideration (1) the different levels of development and civilization which vary from the very, very primitive to the highest form of Western civilization; (2) the different cultures, with the different backgrounds and languages spoken by all these people—Western, African, and Oriental in outlook; and (3) the different areas in which these peoples have lived for centuries and which could be called their traditional homelands.

In view of all these factors what do we suggest?

Firstly, we reject integration which must mean the eventual submergence of the numerically smaller white nation and his cultures.

We reject a multiracial country because history has shown that it has never worked in the past with majorities and minorities within the same state. Instead of a multiracial society which must lead to the swamping of the developed minority by the underdeveloped majority we suggest a permanent "live and let live" program—a white state setting an example to and adding well-founded, orderly development to neighboring black states within South Africa. Each group, white and black, having full rights and privileges to live the lives to which they are entitled and have developed over the centuries in their own fashion, without the danger of one being destroyed by the other and without the fear of one being subservient to the other.

Secondly, we believe that the development to full nationhood of the Bantu should proceed systematically, in pace with his capabilities.

Unlike other authorities in Africa we did not start at the top—we reversed the process of starting with a small group of the finished product. Instead, we are carefully preparing our Bantu masses for an ever-growing share of responsibility.

Thirdly, we believe in upliftment through self-help and self-rule, leading to truly independent states with truly independent state of minds of the people, contrasting with independence in name only. Independence demands responsibility. The Bantu are being trained to become cognizant of what these responsibilities entail.

Whether a state may stand independently depends entirely on whether its citizenry is capable of handling, and ready for, that responsibility. Spoon feeding has never, in the history of man, created a new nation. Nationhood must come from within the soul of a group or nation, it must come from the inherent or attained abilities of a group of people brought together by the same ideals, the same culture and the same way of life. This must apply not only to political development but also to cultural and economic development. It does not mean that such a new nation should do everything itself—surely it should be aided in its desires—but it must, at all times, be within their capabilities and scope.

Before coming to the present-day developments in South Africa toward nationhood for her black peoples so that white and black can live together in peace, without the one being a danger to the other—I would like to point out a few of the foundation stones on which these structures of nationhood for our black peoples have been built.

The basis of Western society is family life. The same applies to the Bantu peoples. But proper family life is not possible without proper housing.

That was target No. 1 in the upliftment and development not only of individuals but also of families and, eventually, nations. A housing program without parallel on the African continent and one of the most ambitious ever tackled in the world, was started in South Africa about a decade ago. It has advanced to the stage where within 2 years South Africa will have no slums left in the urban areas. More than 150,000 houses were erected in the major cities of South Africa for her Bantu peoples. Thousands of houses in entirely new townships of the Bantu homelands are now being built—more than 89,000.

Target No. 2: An important cornerstone in helping people to help themselves is education. South Africa was not so much interested in the training of a few of the Bantu peoples. It realized that success would lie in the education of the masses. From 1930 to 1960 the number of Bantu pupils increased five times, to 1,500,000. Expenditure on education increased 16 times. It was realized too, that once education had reached this scale, it would be most unfair not to provide education up to the highest levels, and apart from over 6,000 schools for the Bantu and 46 industrial schools there are, at the moment, 2,500 Bantu students enrolled at the various universities, including three universities established during recent years solely for Bantu students in their own future states, for their own people. We have also provided amply in the fields of medical care and amongst the many hospitals—the Baragwanath Hospital for the Bantu, with 2,500 beds, stands out as the biggest on the whole African Continent and Southern Hemisphere. As far as a specialized institution is concerned,

it is one of the leading hospitals in the world. We provide free medical and hospital care for those who require it.

But here again we try to stress the importance of self-help and, apart from more than 200 Bantu medical doctors in South Africa, we also provide for the training of Bantu nurses. At Durban we are training nonwhite doctors and at the various hospitals there are already a few thousand Bantu nurses and trainees.

I can also touch on our efforts as far as social welfare and other services are concerned, including pensions for the aged, but I want to come to one of the most crucial questions and problems of developing the Bantu people of South Africa on a broad basis toward full nationhood.

Having looked after the interests and having provided development for our black people on all these different levels and in these different spheres we are now ready to hand over to some of those capable of handling them, the first responsibilities which will lead to eventual independence.

About a month ago our Prime Minister, Dr. H. F. Verwoerd, announced the first steps toward self-rule and self-government of the peoples of the Transkei territory.

The self-government announcement for the Transkei by the Prime Minister is the natural outcome and follow-through of our policy of separate development. Perhaps we have been misunderstood by many and we have also suffered attacks which quite clearly spring from selfish interests and objectives of countries and individuals with Communists and fellow travelers who have only one goal in mind, and that is to create as much chaos as possible in the most stable country on the African Continent. Destruction of present-day South Africa, the only reliable independent African friend of the West and one of the very few anti-Communist bastions on that continent, will make the conquest of this strategically situated continent much easier for the enemies of the West.

Statements are often made which indicate to an incorrect appreciation of the position of South Africa, as well as the true aims of the Government's policy. For example it is said that it is Government policy to oppress its nonwhite peoples; to insure everlasting domination by the white; to perpetuate a system which denies fundamental human and political rights to nonwhites; and that it will never allow them any form of franchise.

I would like to answer these accusations with documentary evidence of what is being done by showing you a film at the end of my address.

To insure human rights for the Bantu and to make it possible for them not only to participate fully in the affairs of their countries but to be able to achieve absolute authority in their traditional homelands, at present within the borders of South Africa, the South African Government has evolved the policy of separate development.

The situation perhaps becomes clear when one realizes that in the southern portion of Africa, a large, practically uninhabitated area was settled almost simultaneously by the whites from the south and the Bantu from the north, the greater part by white people and a variety of smaller parts of the land by black people from central Africa and further northward.

Fundamentally, white rule, first by the British Government and later by the South African Government, was generally recognized as right until the Second World War when, for reasons well known, the movement for granting separate statehood to national units which were formerly governed by others, grew.

In most cases this did not mean the creation of multiracial states. When minorities of great racial divergence were linked, it soon appeared that they had very little chance of surviving, and certainly none of them retained control even though they may have had experience and a great degree of development.

South Africa wished to fall in line with the new trend of granting separate statehood to national units formerly governed by others. Its problem was how to achieve justice with regard to political rights for each different group, including their right of survival.

The South African Government has, in the light of all this, chosen the only alternative to integration, it has chosen the self-realization, to the utmost extent possible, for each group.

This means that it is willing to grant to the Bantu nations of South Africa the opportunity to work out their own destinies as this was desired by, and granted to, new states in other parts of Africa. Against this background the Prime Minister recently announced details relating to the granting of self-government to the Transkei, the first Bantu homeland. In accordance with the principles of self-determination the Government of the Republic is complying with the request of this Bantu homeland by aiding it, in every possible way, on the road to independence.

The Government is prepared to grant the Transkei a new constitution which will create a parliament and a cabinet of ministers for that territory, based on the principles of Western democracy, and also based on historical political development of this Bantu people, with philosophies at times strange to our Western way of life.

In consultation with the leaders of the Transkei, the details of the constitution is being worked out. It will be a wholly Bantu parliament and cabinet since white South African inhabitants of that area will have no political rights there but will exercise their votes within the Republic of South Africa. In the same way, the Transkei Bantu in the Republic will exercise their votes in the Transkei parliament. A separate Transkei citizenship for the Bantu will be granted. The powers now being entrusted to this new Bantu parliament will be substantial and will increase as the organization becomes capable of undertaking the remaining duties. It is hoped that the new system of self-rule which must lead to political independence, can become operative early in 1963.

Political development must naturally be accompanied by economic development on a substantial scale. Various plans, including a 5-year program for development in the economic sphere of the Transkei, amounting to well over $100 million, were announced. The South African Government will give assistance, too, in the building up of a proper civil service for this new state and others that may follow. White officials will be placed at the disposal of the government of the Transkei in order to train and consult with Bantu civil servants, who will eventually fill all the posts in this new state.

What has been announced for the Transkei is an example of how the South African Government will fully implement its policy of separate development for each of the Bantu nations as soon as they feel capable of taking the same step.

An enormous program for the development and political self-realization of each national group is therefore being entered upon. This must destroy the fallacy that white extremists hold sway in South Africa. The cooperation already being obtained for these programs give lie to the misconception that there is an ever-widening chasm between whites and nonwhites in South Africa. Although external and some internal forces, as well as agitation, have succeeded in creating ill feeling, the white people, with few exceptions, practice great tolerance and are genuinely trying to fulfill their commitments. Provocation from outside South Africa and provocation and criticisms of a small body of nonwhites in the country often inspired by a still smaller body of South African whites, with some very strong leftish leanings—the product of continual incitement and subversion from abroad—have not diminished the Government's determination to solve this unique racial problem calmly and with sincerity. There can be no doubt whatsoever that the stability and even tranquillity which are still characteristic of South Africa in contrast to the conditions of chaos and turbulence in some other parts of Africa, as well as in certain parts of the world, could not have been possible had it not been for the cooperation and the good feeling which exists between most whites and blacks in the country.

This new era in South Africa which is being envisaged by the measures announced holds in it great promise for the building of friendship and cooperation between the races, and gives them all the assurance of the retention of their own identities. We ask of you but understanding and the acceptance of our sincerity.

POLISH MILLENNIUM

The SPEAKER. Under previous order of the House, the gentleman from Nebraska, Mr. CUNNINGHAM, is recognized for 10 minutes.

Mr. CUNNINGHAM. Mr. Speaker, in a short time worldwide celebrations will mark the 1,000th anniversary of Poland as a Christian nation.

This Polish millennium marks the beginning years of Poland's conversion from a pagan state to a Christian state. It was in the early 960's that this change occurred, and so it is that 1,000 years later there will be local, State, and national celebrations to mark the millennium.

This fall, a dignified and impressive service is planned in Omaha, Nebr., to mark this millennium. At the close of my remarks, I will include details of these services as they are described by an article in True Voice, official newspaper of the Omaha archdiocese.

Mr. Speaker, the people of Poland who have come to this country have made great contributions to America. They have joined the melting pot which has brought to all Americans their greatest gift—freedom of thought and action. The list of accomplishments by Polish Americans is endless.

Throughout history it has been the Polish tradition to defend other nations in distress and to take the side of the weak and oppressed. This long tradition in Poland makes us in America feel close to the Polish people, for these are things for which America is also known.

The fierce desire of the Polish people for freedom and their desire to uphold the highest ideals led to the death of many of these patriotic people before and during the onslaught from east and west during World War II. Still today there is the foreign control ever present from the Soviet Communists. A small measure of freedom was restored to the people of Poland following the uprisings of several years ago, yet we know that the hope of real freedom and independence is still nurtured and remains steadfast in the hearts of the people of Poland.

To commemorate this ideal of freedom which has burned in the hearts of its people for 1,000 years, Polish-American groups are marking this millennium. In Nebraska, the Polish-American Congress of Nebraska is preparing to observe the millennium with public thanksgiving to God and with reflections on Poland's noble and brave past, its present plight as a captive nation, and its future.

These activities will culminate in a series of events which are detailed in the True Voice article which follows:

POLES TO OBSERVE MILLENNIUM

OMAHA.—Local observance of the Polish millennium—the 1,000th anniversary of Poland as a nation and its conversion to Christianity—will be launched here September 16 with a pontifical Mass at 4 p.m. in Immaculate Conception Church. The Most Reverend Gerald T. Bergan, archbishop of Omaha, will be celebrant.

Nationwide, the celebration is continuing over a 4-year period (1962–66) culminating in the blessing and dedication of the new chapel of Our Lady of Czestochowa, patroness of Poland, in the National Shrine of the Immaculate Conception, Washington, D.C.

In Omaha, a 6:30 p.m. banquet in the ICC auditorium will be held after the pontifical Mass. Toastmaster for the banquet will be Theodore L. Kowalski with the principal speaker to be named later. Tickets will cost $3, including entertainment.

Officials handling the local observance are Dr. B. J. Koszewski, president and honorary chairman; Dr. E. A. Novak, general chairman; Allan V. Kula, vice chairman, and Father Edmund Placek, chairman of religious affairs.

Similar observances will be held in various U.S. cities, including a mammoth affair scheduled for Chicago to be attended by high church and government officials from around the Nation.

Recently Richard Cardinal Cushing, speaking at services honoring Our Lady of Czestochowa, lauded Poland as "the most religious country in the world" despite efforts of its Communist overlords and its scarcity of priests.

Cardinal Cushing urged Americans to participate in a 9-year novena begun in 1957 by Stefan Cardinal Wyszynsky, primate of Poland.

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. SIKES for 30 minutes tomorrow, August 7, 1962.

Mr. WILLIAMS (at the request of Mr. ALBERT) for 15 minutes today and to revise and extend his remarks and include therein extraneous matter.

Mr. GONZALEZ (at the request of Mr. ALBERT) for 25 minutes today and to revise and extend his remarks.

Mr. CUNNINGHAM (at the request of Mr. KING of New York) for 10 minutes today.

Mr. QUIE (at the request of Mr. KING of New York) for 1 hour on Wednesday, August 8.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. SULLIVAN and to include extraneous matter.

Mr. JOHNSON of Wisconsin.

(The following Members (at the request of Mr. KING of New York) and to include extraneous matter:)

Mr. FINO.

Mr. ALGER.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. CELLER.

Mr. ROSENTHAL.

Mr. POWELL.

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. 3340. An act to repeal a portion of the Second Supplemental National Defense Appropriation Act, 1943, as approved October 26, 1942 (56 Stat. 990, 999), as amended, and for other purposes; to the Committee on Public Works; and

S. 3544. An act authorizing modification of the project for Gloucester Harbor, Mass., to the Committee on Public Works.

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. 3822. An act for the relief of Ahsabet Oyunciyan; and

H.R. 10904. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 405. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes; and

S.J. Res. 91. Joint resolution to establish the St. Augustine Quadricentennial Commission, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on August 2, 1962, present to the President, for his approval, bills of the House of the following titles:

H.R. 10526. An act making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1963, and for other purposes;

H.R. 10786. An act to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes;

H.R. 10802. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes;

H.R. 11289. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes; and

H.R. 11737. An act to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and other purposes.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 39 minutes p.m.) the House adjourned until tomorrow, Tuesday, August 7, 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:

2370. A letter from the Acting Administrator, General Services Administration, transmitting a notice of a proposed disposition of approximately 12,245 long tons of chestnut tannin extract now held in the national stockpile, pursuant to 50 U.S.C. 98b(e); to the Committee on Armed Services.

2371. 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 authorize the Commissioners of the District of Columbia to sell a right-of-way across a portion of the District Training School grounds at Laurel, Md., and for other purposes"; to the Committee on the District of Columbia.

2372. A letter from the Acting Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

2373. A letter from the Director, Office of Emergency Planning, Executive Office of the President, transmitting a report of a claim paid by the Office of Emergency Planning during fiscal year 1962, pursuant to the Federal Tort Claims Act of 1946; to the Committee on the Judiciary.

2374. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 11, 1962, submitting a report, together with accompanying papers and illustrations on a review of the report on the Kanawha River at and in the vicinity of Charleston, South Charleston, and Dunbar, W. Va., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 24, 1958, July 10, 1958, and July 1, 1958; to the Committee on Public Works.

2375. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1962, submitting a report, together with accompanying papers and illustrations on a feasibility report on the Big Sioux River at Sioux Falls, S. Dak.; to the Committee on Public Works.

2376. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 22, 1962, submitting a report, together with accompanying papers and an illustration on a review of the report on Bayou Bonfouca, La., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted January 20, 1959 and June 3, 1959; to the Committee on Public Works.

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. SISK: Committee on Rules. House Resolution 745. Resolution for consideration of H.R. 3460, a bill to amend section 9(a) of the Trading With the Enemy Act, as amended; without amendment (Rept. No. 2138). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 746. Resolution for consideration of H.R. 7283, a bill to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses; without amendment (Rept. No. 2139). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 747. Resolution for consideration of S. 2135, an act to authorize the Securities and Exchange Commission to delegate certain functions; without amendment (Rept. No. 2140). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H.R. 12769. A bill to amend the Trading With the Enemy Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. BECKER:

H.R. 12770. A bill to provide, under the laws of the District of Columbia, for the life imprisonment of any person convicted of four felonies; to the Committee on the District of Columbia.

By Mr. BYRNES of Wisconsin:

H.R. 12771. A bill to amend the Internal Revenue Code of 1954 to provide a 20-percent credit against the individual income tax for certain educational expenses incurred at an institution of higher education; to the Committee on Ways and Means.

By Mr. COHELAN:

H.R. 12772. A bill to amend the Internal Revenue Code of 1954 to provide that amounts received as certain awards under the Japanese-American Evacuation Claims Act of 1948, as amended, shall not be included in gross income; to the Committee on Ways and Means.

By Mr. DONOHUE:

H.R. 12773. A bill to amend title 35 of the United States Code to permit a written declaration to be accepted in lieu of an oath, and for other purposes; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 12774. A bill to amend the Internal Revenue Code of 1954 to provide carrybacks and carryovers for losses arising from restorations of substantial amounts held under claims of right; to the Committee on Ways and means.

By Mr. MACDONALD:

H.R. 12775. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety, efficacy, and reliability of drugs, authorize standardization of drug names, establish special controls for barbiturate and stimulant drugs, and clarify and strengthen existing inspection authority with respect to any articles subject to the act; and to amend related laws; to the Committee on Interstate and Foreign Commerce.

By Mr. MULTER:

H.R. 12776. A bill to revise the District of Columbia Alcoholic Beverage Control Act; to the Committee on the District of Columbia.

By Mr. OSMERS:

H.R. 12777. A bill to amend the Uniform Code of Military Justice; to the Committee on Armed Services.

H.R 12778. A bill to amend the Internal Revenue Code of 1954 to provide for personal and corporate income tax reductions, to encourage the establishment of voluntary pension plans by self-employed individuals, to liberalize certain deductions and provide deductions for certain additional expenditures, to provide additional personal income tax exemptions for handicapped taxpayers, spouses, and dependents, to repeal certain excise taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 12779. A bill to authorize the payment of certain claims for structural or other major defects in homes covered by Federal Housing Administration insured mortgages, and to require indemnification bonds in the case of certain new construction under Federal Housing Administration insured mortgages; to the Committee on Banking and Currency.

By Mr. SCRANTON:

H.R. 12780. A bill to prevent the use of stopwatches, work-measurement programs or other performance standards operations as measuring devices in the postal service; to the Committee on Post Office and Civil Service.

By Mr. STEPHENS:

H.R. 12781. A bill to amend the Internal Revenue Code of 1954 to provide that an election to be treated as a subchapter S corporation may be valid for subsequent years although not initially effective; to the Committee on Ways and Means.

By Mr. VINSON:

H. Con. Res. 509. Concurrent resolution providing the express approval of the Congress, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile; to the Committee on Armed Services.

By Mr. BECKER:

H. Res. 744. Resolution to authorize the Committee on the District of Columbia to conduct an investigation and study of crimes in the District of Columbia; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLANCY:

H.R. 12782. A bill for the relief of Robert Wilkes; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.R. 12783. A bill for the relief of the children of Mrs. Elizabeth A. Dombrowski; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 12784. A bill for the relief of Salomon Darauche; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H.R. 12785. A bill for the relief of Patricia Ruth Woolverton; to the Committee on the Judiciary.

By Mr. ROONEY:

H.R. 12786. A bill for the relief of Mrs. Shoshana Baruchov; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 12787. A bill for the relief of Irina Semenovna Novikova; to the Committee on the Judiciary.

By Mr. SCHWENGEL:

H.R. 12788. A bill for the relief of Mrs. Susan C. O'Connor; to the Committee on the Judiciary.

SENATE

MONDAY, AUGUST 6, 1962

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

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

Lord of all being, we would join the undaunted pilgrims of the ages whose God is our salvation. We would claim kinship with the innumerable company who, in darkness drear, hath found in Thee the one true light.

In the dusty caravan of another day's journey across trackless sands, we would pause at this altar our fathers builded, and where from the birth of our liberty there has burned the sacred fire, that we may keep the bright torch of truth and faith aflame amid the encircling gloom that shuts us in.

May that truth make us free from the prejudices which so often blind our eyes to the things which are excellent, and thus raise false barriers of misunderstanding. May that faith lead us on, as a pillar of cloud and of fire, to the shining city of human brotherhood, whose ways are peace, whose citizenship rests only on character, and whose laws rest on human good.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 3, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 405. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes;

H.R. 3822. An act for the relief of Ahsabet Oyunciyan;

H.R. 10904. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes; and

S.J. Res. 91. Joint resolution to establish the St. Augustine Quadricentennial Commission, and for other purposes.

CALL OF THE CALENDAR DISPENSED WITH

On request of Mr. MANSFIELD, and by unanimous consent, the call of the Legislative Calendar was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

EXECUTIVE SESSION

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

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

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

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

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

COMMISSIONER OF NARCOTICS

The Chief Clerk read the nomination of Henry L. Giordano, of Maryland, to be the Commissioner of Narcotics.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

TAX COURT OF THE UNITED STATES

The Chief Clerk proceeded to read sundry nominations to the Tax Court of the United States.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of Raymond F. Hufft, of Louisiana, to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

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

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

LEGISLATIVE SESSION

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

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

REPORT ON NORTH LOUP DIVISION, MISSOURI RIVER BASIN PROJECT, NEBRASKA

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the North Loup division, Missouri River Basin project, Nebraska, which, with the accompanying report, was referred to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Government Operations, without amendment:

H.R. 6984. An act to provide for a method of payment of indirect costs of research and development contracted by the Federal Government at universities, colleges, and other educational institutions (Rept. No. 1826).

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

H.R. 8100. An act to amend section 109 of the Federal Property and Administrative Services Act of 1949, as amended, relative to the General Supply Fund (Rept. No. 1827).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

S. 2369. A bill to release the right, title, or interest, if any, of the United States in certain streets in the village of Heyburn, Idaho, and to repeal the reverter in patent for public reserve (Rept. No. 1829).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 3507. An act to provide for the withdrawal and reservation for the Departments of the Air Force and the Navy of certain public lands of the United States at Luke-Williams Air Force Range, Yuma, Ariz., for defense purposes (Rept. No. 1830).

By Mr. ALLOTT, from the Committee on Interior and Insular Affairs, with amendments:

S. 3100. A bill to authorize the Secretary of the Interior to convey certain land situated in the vicinity of Georgetown, Colo., to Frank W. Whitenack (Rept. No. 1847).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 3071. A bill for the relief of Hidayet Danish Nakashidze (Rept. No. 1832);

H.R. 2139. An act for the relief of Suraj Din (Rept. No. 1834);

H.R. 2176. An act for the relief of Salvatore Mortelliti (Rept. No. 1835);

H.R. 3127. An act for the relief of Amrik S. Warich (Rept. No. 1836);

H.R. 7549. An act for the relief of Lewis Invisible Stitch Machine Co., Inc., now known as Lewis Sewing Machine Co. (Rept. No. 1837); and

H.R. 10308. An act for the relief of Elizabeth A. Johnson (Rept. No. 1838).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 689. A bill for the relief of Karl Heinz Agar (Rept. No. 1831); and

S. 3090. A bill for the relief of Antonio da Costa (Rept. No. 1833).

By Mr. DIRKSEN, from the Committee on the Judiciary, without amendment:

S. 3380. A bill to designate the second Monday in October as National Teachers' Day (Rept. No. 1840).

By Mr. DIRKSEN, from the Committee on the Judiciary, with amendments:

S. 3338. A bill to incorporate the American Symphony Orchestra League (Rept. No. 1841); and

S.J. Res. 179. Joint resolution authorizing and requesting the President to designate May 1, 1962, as a day for observance of the courage displayed by the uprising in the Warsaw ghetto against the Nazis (Rept. No. 1839).

By Mr. BYRD of Virginia, from the Committee on Finance, with an amendment:

H.R. 852. An act to amend chapter 3 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to establish medical advisory panels to resolve conflicts of evidence in questions involving service connection of disabilities or deaths (Rept. No. 1844); and

H.R. 5234. An act to amend title 38, United States Code, to provide for the restoration of certain widows and children to the rolls upon annulment of their marriages or remarriages, and for other purposes (Rept. No. 1842).

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 857. An act to amend section 4005 of title 38, United States Code, to provide that cases appealed to the Board of Veterans' Appeals shall contain a brief statement of the facts of the case appealed, with a citation and application of the law, together with the recommendations of the office appealed from, and for other purposes (Rept. No. 1843); and

H.R. 3728. An act to amend title 38, United States Code, so as to authorize the Administrator to assign a total rating for compensation to a veteran granted service-connection for blindness of one eye who subsequent to separation from active duty incurs blindness in the remaining eye (Rept. No. 1845).

ESTABLISHMENT OF A COMMISSION ON SCIENCE AND TECHNOLOGY—REPORT OF A COMMITTEE (S. REPT. NO. 1828)

Mr. McCLELLAN. Mr. President, from the Committee on Government Operations, I report favorably, with amendments, the bill (S. 2771) for the establishment of a Commission on Science and Technology, and I submit a report thereon.

Mr. President, this proposed legislation is the result of 5 years of study by the committee and its subcommittees in an effort to strengthen Federal programs in the fields of science and technology, and to eliminate unnecessary duplication and overlapping between Government departments and agencies engaged in scientific and technological research.

There have been three separate hearings before the committee, beginning in 1958. In 1959 a somewhat similar bill was reported to the Senate. Further hearings were held on May 10 and July 24 of this year. These hearings have reflected that there is a steady and relentless increase in the cost of research and development programs of the Federal departments and agencies, amounting to $9 billion in each of the 2 past fiscal

years, and now will exceed $12 billion in the present fiscal year, or more than the entire expenditures of the Federal Government prior to World War II.

Mr. President, this bill provides for the establishment of a Hoover-type commission composed of representatives from the legislative and executive branches of the Government and of persons from private life who are eminent in one or more fields of science or engineering, or who are qualified and experienced in policy determination and administration of industrial scientific research and technological activities.

The objectives of the proposed Commission, which are set forth in detail in the report, provide for a study of all of the programs, methods, and procedures of the Federal departments and agencies which are operating, conducting, and financing scientific programs, with the purpose of bringing about more economy and efficiency in the performance of these essential activities and functions. Deficiencies in some of these programs and the problems relating thereto have been outlined on numerous occasions before the Committee on Government Operations and other committees of the Congress by informed authorities, who have stressed the urgent need for improvement in effecting necessary reorganizations and better coordination of existing programs. Emphasis has also been directed toward the need for developing a program for the elimination of duplication in science efforts, where one agency of Government works on programs which are underway in other agencies, or where research is being done on problems which have already been solved by other scientists. There is reason to believe that this occurs extensively, due primarily to serious deficiencies in the science information retrieval programs of the Federal Government.

The Commission, if established, would be specifically directed to study and recommend ways and means of meeting our scientific manpower needs, which President Kennedy described as one of the most critical problems facing our Nation. There are probably many other critical needs which will require study and exploration, even beyond those included in the objectives of the proposed legislation.

In undertaking its studies the Commission would be vested with authority to set up a Science Advisory Panel of outstanding science, engineering, and technological authorities from all sections of the Nation to assist it in the performance of the functions outlined in the bill. The Commission is further directed to conduct a study of Federal scientific and technical activities, such as the deficiencies in scientific, engineering, and technical information programs, including acquisition, processing, documentation, storage, retrieval, and distribution of scientific information; the urgency for accelerating scientific, engineering, and technical progress in a number of Federal agencies which perform some functions in these areas; and to recommend necessary reorganizations of scientific and technological activities of the Federal Government to improve their operations and to better coordinate their activities.

One of the basic objectives of the bill is to provide a medium through which individual Members and committees of the Congress can obtain information which is not now available to enable them to take appropriate legislative action to establish definite Federal policies in the field of science and technology. The reports and recommendations of the Commission will also provide a basis for an evaluation of programs which are presently in operation as well as those which are being proposed.

Evidence was submitted at the hearings on S. 2771 which indicated that the Bureau of the Budget has found that a detailed evaluation of existing science and technological operations of the numerous agencies operating in these fields has been found to be too difficult. The result has been that the agencies interested in procuring appropriated funds are not required to submit an evaluation of achievement under existing programs, but merely attempt to justify further appropriations of funds. Under this procedure, it was pointed out that Congress is required to appropriate funds on faith alone, since the appropriate committees and individual Members of Congress have no information which would permit them to evaluate the programs or to take the necessary action to eliminate excessive duplication and waste.

Should the Congress enact the bill into law, it will be provided with a means of obtaining information upon which it can develop facts, thus enabling it to perform its normal constitutional functions. The committee is firmly convinced that there is a real need for a bipartisan Commission to study all of the science and technological programs of the Federal Government as proposed by this bill. It is further convinced that its enactment will insure maximum utilization of the resources of private industry and nonprofit research organizations, including universities and other educational or technological institutions, in the formulation of a properly coordinated program with the maximum utilization of the resources of private industry, nonprofit and other technological institutions at a reduced cost.

The committee in recommending this legislation considers it to be an essential first step in achieving these objectives so that the Congress and the President may have the benefit of the recommendation of qualified experts in the fields of science, engineering, and technology upon which appropriate legislative action may be taken to promote more efficiency in the operation of these programs and to effect economies that are essential in conserving Federal funds and technological manpower.

The continued safety and growth of our Nation is the prime concern of the committee in reporting S. 2771. This bill is being reported with the sincere hope that it will be enacted into law in the present Congress so that improved programs in science and technology may be developed which will assist us, as a nation, in meeting the challenge of world communism.

The PRESIDENT pro tempore. The report will be received and printed, and the bill be placed on the calendar.

TEMPORARY SUSPENSION OF THE JONES ACT—REPORT OF A COMMITTEE (S. REPT. NO. 1846)

Mr. MAGNUSON, from the Committee on Commerce, reported an original bill (S. 3614) to authorize the temporary suspension of the Jones Act (46 U.S.C. 883) upon certain findings by the Secretary of Commerce, and submitted a report thereon; which report was order to be printed, and the bill was read twice by its title and ordered to be placed on the calendar.

BILLS INTRODUCED

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

By Mr. DOUGLAS:

S. 3612. A bill to provide that it shall be unlawful to use improperly for certain purposes the key, insignia, or name of the Phi Beta Kappa Society; to the Committee on the Judiciary.

By Mr. BEALL:

S. 3613. A bill to provide that participation by members of the National Guard in the reenactment of the Battle of Antietam shall be held and considered to be full-time training duty under section 503 of title 32, United States Code, and for other purposes; to the Committee on Armed Services.

By Mr. MAGNUSON:

S. 3614. A bill to authorize the temporary suspension of the Jones Act (46 U.S.C. 883) upon certain findings by the Secretary of Commerce; placed on the calendar.

(See the reference to the above bill, which appears under the heading "Reports of Committees.")

RESOLUTION

INVESTIGATION OF COSTS OF CONDUCTING RESEARCH BY GRANTS OR OTHERWISE THAT SHOULD BE PAID BY THE FEDERAL GOVERNMENT

Mr. KEATING (for himself, Mr. BENNETT, Mr. CASE, Mr. JAVITS, Mr. KUCHEL, Mr. McCARTHY, and Mr. SALTONSTALL) submitted a resolution (S. Res. 371) to investigate the costs of conducting research by grants or otherwise that should be paid by the Federal Government, which was referred to the Committee on Government Operations.

(See the above resolution printed in full when submitted by Mr. KEATING, which appears under a separate heading.)

COST STUDY ON FEDERAL RESEARCH GRANTS

Mr. KEATING. Mr. President, on behalf of myself, the Senator from Utah [Mr. BENNETT], my colleague from New York [Mr. JAVITS], the Senator from New Jersey [Mr. CASE], the Senator from California [Mr. KUCHEL], the Senator from Minnesota [Mr. McCARTHY], and the Senator from Massachusetts [Mr. SAL-

TONSTALL], I submit a resolution to provide for a congressional study of indirect costs of Government research projects borne by colleges and universities, and ask that it be appropriately referred.

In the discussion on the Defense Department appropriations bill, considerable dissatisfaction was expressed over the action of the conferees in setting a 20-percent ceiling on the indirect costs of Government research performed by universities. The dissatisfaction, let me make perfectly clear, was not with the Senate conferees, who did the very best they could under the circumstances.

Nevertheless, I am dissatisfied with the manner in which ceilings on indirect costs are dealt with on an agency-by-agency basis, rather than with a consistent policy for the entire Government. For instance, on the Defense bill, the other body placed a 15-percent ceiling, having on a floor vote rejected a 30-percent limit. A few days ago the House acted on the independent agencies appropriation and, again by a floor vote, set a ceiling of 25 percent. What this means is that research grants by the Defense Department will have a 20-percent ceiling, those by NASA may have a 25-percent ceiling.

What is clearly needed is a careful congressional study, preferably by a neutral committee such as the Government Operations Committee with access to information from all Government agencies. In this way guidelines may be laid down not only for the various appropriation subcommittees, but for all such problems on the part of all agencies and universities. These indirect costs, which included administration, space, heat, lighting, library facilities, and which vary very greatly depending on the nature of the study, can be a serious additional burden on university finances.

The Bureau of the Budget, first under President Eisenhower and again under this administration has opposed an arbitrary ceiling and has provided a number of recommendations as to which indirect costs should be included and which should not. Percentages can be misleading, because each university computes them in a different manner, but a full study by the Government Operations Committee would be an excellent guide and clarification for the Senate in this matter. Perhaps the other body might wish to cooperate or conduct a similar study so that common congressional policies can be worked out.

This is a matter of real concern to a number of universities, not only in New York, but throughout the Nation. In my State the Universities of Rochester and Cornell have been particularly affected, but others involved include Harvard, Princeton, and many of the large State universities. We owe it to these institutions to review the situation thoroughly and determine whether a limit is desirable, and if so what that limit should be.

Mr. President, I am pleased to have as cosponsors of the resolution the Senators I have named.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 371) to investigate the costs of conducting research by grants or otherwise that should be paid by the Federal Government, was referred to the Committee on Government Operations, as follows:

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified in rule XXV of the Standing Rules of the Senate to make a full and complete investigation and study of indirect costs involved in conducting research, by grants or otherwise, for Government departments and agencies for the purpose of determining what part, if any, of such costs should be paid by the Government.

SEC. 2. For the purposes of this resolution the committee is authorized through January 31, 1963, (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its finding, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date.

SEC. 4. The expenses of the committee under this resolution, from the date of its agreement through January 31, 1963, shall not exceed $——— and shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

GUARANTEE TO ELECTRIC CONSUMERS IN PACIFIC NORTHWEST—AMENDMENTS

Mr. MUNDT submitted amendments, intended to be proposed by him, to the bill (S. 3153) to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes, which were ordered to lie on the table and to be printed.

REIMBURSEMENT OF CERTAIN VESSEL CONSTRUCTION EXPENSES—AMENDMENT

Mr. WILLIAMS of Delaware submitted an amendment, intended to be proposed by him, to the bill (H.R. 11586) to amend section 502 of the Merchant Marine Act, 1936, as amended, which was ordered to lie on the table and to be printed.

NOTICE OF HEARING ON S. 3118 BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JACKSON. Mr. President, I should like to announce that the Interior and Insular Affairs Committee will hold a hearing on Tuesday, August 14, at 10 a.m., on Senate bill 3118, the conservation fund bill submitted to Congress by the President, to implement the report of the Outdoor Recreation Resources Review Commission. The annual tax or fee on pleasure boats originally proposed in the legislation has been withdrawn, so testimony on this provision will not be heard.

The bill still contains a provision to divert 2 cents a gallon of the tax collected on fuel used in motorboats to the conservation fund, for recreation land acquisition. It is the intention of the Interior Committee to refer this matter to the Finance Committee before the measure finally reaches the floor.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 6, 1962, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 405. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes; and

S.J. Res. 91. Joint resolution to establish the St. Augustine Quadricentennial Commission, and for other purposes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from address prepared by him for delivery at Mukwonago, Wis., picnic on August 5, 1962.

OHIO'S FISHING INDUSTRY

Mr. YOUNG of Ohio. Mr. President, after many years as the world's second largest producer of fish, the United States now finds itself in fifth place, behind Japan, Russia, Red China, and Peru. The decline has been reflected in Ohio's fishing industry. From 1932 to date the population in Ohio has grown from 6 million to nearly 10 million. Contrasting with this population growth has been the decline of Ohio's fishing industry from 28.5 million pounds of fish in 1932 to 18 million pounds in 1960.

This condition in an important industry is serious. What are its causes? A primary reason for our Nation's decline in its fishing industry lies in obsolete vessels and fishing gear and processing equipment. In contrast, the Soviet fishing fleet uses a combination of radar, modern netting techniques, and floating processing factories to outfish the older and obsolete American fleets. Another difficulty, especially on the Great Lakes, is a decline in the number of available fish. This is due mainly to water pollution and invasion of the lamprey. As a result, fishermen on the Great Lakes who formerly caught pike, whitefish, trout, and other fine species, are now reduced

to trying to market smelt, carp, and lesser value fish.

The remedies for this condition are many and complex. Tax relief and incentives for the industry—both in Ohio and throughout the Nation—when companies modernize their fishing vessels and processing equipment, and Federal and State Government efforts in increasing the number of available fish, are needed. In addition, a direct increase in the market for fish could easily be achieved by a review of the Food and Drug Administration's ruling that fish protein, for esthetic reasons, cannot be sold in the United States for human consumption.

Mr. President, it is a fact that fish protein concentrate is a cheap food that meets a pressing human need in our country as well as in poorer nations. We should help our limping fish industry. Incidentally, the consuming public would benefit with more good fresh fish available at modest prices if and when we in Congress take action to protect, encourage, and expand our fishing industry.

Mr. President, last Friday three of our colleagues, the senior Senator from Washington [Mr. MAGNUSON], the senior Senator from Alaska [Mr. BARTLETT], and the junior Senator from Massachusetts [Mr. SMITH], introduced two bills—S. 3610 and S. 3611—which if passed will go far toward reversing the shocking decline of our fishing industry.

This legislation would greatly strengthen the American fishing fleet and enable our fishermen to keep our share of the world's markets and to compete effectively with the fishermen of other nations. Furthermore, it provides for research to test advanced fishing methods. We cannot afford to let our fishing industry die. In our early years as a nation it was one of our major industries. Today it is still a billion dollar industry employing nearly half a million people.

Our colleagues are to be commended on this legislation. They have performed a great public service for the benefit of all Americans. I fervently hope that these bills will be enacted into law before this session of the Congress adjourns.

WARNING SIGNALS ON TRADE LEGISLATION

Mr. BUSH. Mr. President, warning signals to "stop, look, and listen" before rushing into a drastic revision of trade legislation have been hoisted.

This morning's Washington Post carries a dispatch from Brussels, Belgium, under the headline, "Bitter British-French Rift Broke Up Market Talks." The dispatch reports a breakdown in negotiations on the United Kingdom's entry into the European Common Market, and postponement of further discussions for a period of 2 months.

House bill 11970, the proposed Trade Expansion Act of 1962, is based largely upon the assumption that the United Kingdom will join the Common Market. For example, the provisions of the bill permitting the President to eliminate duties on commodities in which the United States and the Common Market jointly control 80 percent of the free world trade are predicated upon that assumption, for unless the United Kingdom joins the Common Market, few commodities will reach the 80 percent bench mark.

The deadlock in the negotiations at Brussels suggests that it may be the course of wisdom for the Senate to set aside House bill 11970 until it is known what the future of the Common Market will be, and whether Great Britain and the Commonwealth nations will be associated with it.

Mr. President, this morning, before the Senate Finance Committee, Prof. Patrick M. Boarman, of Bucknell University, representing the Economists' National Committee on Foreign Trade Policy, outlined dangers which would threaten the domestic economy if House bill 11970 were to be enacted in its present form and if internal economic reforms were not simultaneously undertaken.

Professor Boarman's testimony, coupled with the news from Brussels, emphasizes the desirability of a simple extension of the present Trade Agreements Act until both the international situation and the future of our domestic economy can be more clearly foreseen. Should the Senate decide otherwise, it is essential, in my judgment, that the amendments to House bill 11970 which I submitted, for myself and other Senators, last Thursday, August 2, be adopted.

Mr. President, I ask unanimous consent that Professor Boarman's summary statement and the full declaration of principles by the economists' committee which he represents may be printed in the RECORD following these remarks, together with the article from the Washington Post to which I have referred, and another article from the same newspaper.

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

SUMMARY STATEMENT—DECLARATION OF PRINCIPLES BY THE ECONOMISTS' NATIONAL COMMITTEE ON FOREIGN TRADE POLICY, PRESENTED TO THE SENATE COMMITTEE ON FINANCE ON AUGUST 6, 1962, BY PATRICK M. BOARMAN

My name is Patrick Boarman. I am associate professor of economics at Bucknell University. I am representing here the Economists' National Committee on Foreign Trade Policy which is opposed to the trade liberalization and expansion bill known as H.R. 11970.

It is our belief that unless there are substantial changes in the proposed legislation and unless it is accompanied simultaneously by thoroughgoing internal reforms (which we shall specify), its net effect will be to harm the Nation's domestic economy and worsen its already weak international posture.

Let it be said at the outset that all of us as economists subscribe to free trade, the law of comparative advantage, and all that these terms imply. We oppose protectionism in principle. This much said, however, it behooves us to inquire into the conditions under which the gross gain to the world from free trade will be fairly shared by the participating countries. Free trade was never supposed to operate in a vacuum, but only within the context of certain conditions. There is much loose talk about the invigorating and dynamic impact of foreign competition on the domestic economy. We are told in effect that since the reduction or abolition of tariffs will increase competition, and since competition is per se good, tariffs ought to be abolished whenever and wherever possible. This seemingly unexceptionable economic truism nevertheless holds within it a logical pitfall of the gravest import to the United States.

There is a world of difference between the competition which originates within a country and competition which comes from without via imports. The consumer will admittedly be the beneficiary of increased competition regardless of whence it comes. But to the consumer in his ultimate role as jobholder and as sharer in the general health or sickness of the national economy, the domestic or foreign guise which competition may assume cannot be a matter of indifference. The intensification of competition from within as the result of increased vigilance in the prevention of industrial concentration and more effective legislation to maintain competition both in the labor and in the product markets will normally have the effect of increasing the flexibility and vitality of the system; sales at home and abroad will tend to be stimulated, foreign capital attracted, and job opportunities multiplied.

Competition which takes the form of increased imports, on the other hand, while it may in the short run prove to be a boon to the consumer and subject domestic monopolistic excesses to effective restraint comes at a cost: The dislocation and disemployment of domestic factors of production, stagnation of the domestic economy, excess capacity, outflow of capital in search of the more profitable factor combinations available abroad, and—as a result of all these movements—a worsening of the balance-of-payments situation, increased outflows of gold, and a decline of international confidence in the currency of the affected country.

Let there be no misunderstanding: we believe that competition from abroad is good, provided that it does not continue indefinitely to be the dominant form of competition. The latter will tend to be the case, however, where a nation's domestic economic policies inhibit confidence, risk-taking, and growth, and where its lack of homegrown competition generates a vacuum which is persistently filled by competition from the outside.

To ask for tariff reduction or tariff abolition on the grounds that such action will increase competition and at the same time to refuse to correct the basic maladjustments which make the domestic economy internationally noncompetitive is to ask for the administering of a medicine which, while it may banish the symptoms of disease (in this case, reduce domestic manifestations of monopoly), may simultaneously cripple or perhaps even kill the patient.

It should be added that a most important assumption of a genuinely free trade world is that the participating countries are all following roughly the same fiscal and monetary policies. The postwar period has provided us with some egregious examples of the problems which result where this is not the case.

The notorious chronic export surpluses of West Germany in the 1950's were due primarily to the fact that Germany, remembering her disastrous inflations, was pursuing a determinedly anti-inflationary policy, whereas Britain, France, and the Scandinavian countries, remembering the great depression, were pursuing policies of monetary ease, tolerating inflation for the sake of promoting full employment and the objectives of the welfare state. Equally notorious and annoying, in consequence, were the chronic balance-of-payments deficits registered by

these countries. Indeed, so acute did intra-European imbalance become in the middle 1950's, so scarce the D-mark, that the painfully reerected system of partial multilateralism in Europe was on the point of collapse. It was only when the British in 1957 abandoned the long-dominant cheap money policy (the Bank of England raised its rediscount rate in that year to an all-time high of 7 percent) that a semblance of equilibrium was restored.

More particularly, it was because France, at the end of 1958, put a stop to inflation and devalued the franc, coupling these acts with certain drastic reforms of the domestic economy, that the Common Market became possible. In effect, the Common Market countries all adjusted their internal policies to those of the most disciplined member, West Germany. Had France, the deficit member, not so adjusted its internal price and income levels, the opening of the Common Market on January 1, 1959, would have bankrupted that nation in very short order.

Events proved that the French economy needed only the right policies in order to come alive and realize its full potential; following closely on the heels of the drastic reforms of 1958, the French balance of payments turned from deep deficit to substantial surplus. It was not the establishment of the Common Market which made the Common Market countries economically strong. On the contrary, it was the return to monetary and economic discipline of these countries which made possible the Common Market and the associated benefits of tariff cutting and expanded trade. The Common Market experiment has demonstrated that free trade (or freer trade) and the tariff reductions which it implies, are but pleasant byproducts of prior monetary and fiscal integration and harmonization.

It is now the United States which has moved into the deficit position in the international economy. The dollar shortage—which so mesmerized the attention of economists until a very short while ago—has been converted into a dollar glut. And, if the chronic dollar shortages of the early postwar period were due chiefly to the refusal of some deficit countries to remove excess demand from their economies by appropriate monetary and fiscal policies, the dollar glut must be attributed in great part to the persistent failure of the United States to make the internal adjustments, in particular the stopping of inflation, and the reduction or restraint of labor union monopoly, necessary to maintain balance with the changed world surroundings of the fifties and sixties.

The real issue confronting the United States today in its international economic relationships is not, therefore, whether we should have tariff reform or no tariff reform. It is whether we should have tariff reform with, or tariff reform without simultaneous (or, better still, prior) internal fiscal, monetary, and economic reforms. But, concern for such reforms is conspicuously absent from H.R. 11970.

Free trade is being urged as the answer to almost all our problems, domestic and international. It is important to note that there is a very large assumption on which this expectation is based. The assumption is that the proposed legislation will not only cause exports to increase to an extent equal to the expected increase in imports, but that it will yield a net increase in exports over imports. Only if exports increase faster than imports will it be possible to increase domestic employment, step up the national growth rate, and maintain our present rate of expenditure abroad for national defense and foreign aid without further aggravation of our existing and cumulative balance-of-payments deficits.

There is, however, no guarantee whatsoever that unilateral tariff reduction by the United States, no matter how sweeping, will yield the expected net increase in exports. The reasons for this (which are spelled out in detail in our full statement) are, first, the improbability of the proposed drastic tariff reductions being matched by our neighbors abroad, in particular by the Common Market countries, and, secondly, the slowdown of exports and increases in imports which persistent stagnation-with-inflation in the United States relative to other countries will bring about.

We object especially to the sweeping powers granted to the President to reduce or eliminate at his sole discretion any or all remaining tariffs on U.S. imports, without review or supervision by Congress. It is of significance that the President is also authorized in the proposed legislation "to proclaim such increases in or imposition of, any duty or other import restriction" as he wishes. In short, the incumbent President or some future President could raise tariffs as well as lower them, could use his new powers for protectionism as well as for free trade. In the area of tariff manipulation, the consequences of any given action are not easy to predict and to estimate; if mistakes are made, the damage to the Nation could be considerable and irreparable. Hence, we strongly urge that any legislation which is enacted provide for adequate review by Congress of the President's actions in this field. The grant of powers should be in any case limited to 2 rather than 5 years. This will provide each new Congress with a chance to examine the record and to determine if changes in the program are indicated.

Our committee is disturbed at the structural dislocations in our economy—the unemployment and the underutilization of industrial capacity—which the radical changes in tariffs proposed in H.R. 11970 might cause. It is not at all certain that our economy will be able to handle these dislocations without cyclical upset, especially if the tariff reductions are to be accomplished in as large amounts and within as short a period of time as the proposed legislation implies. But our deepest concern is with the short-run balance-of-payments effects of the anticipated increases in imports. Clearly, increases in imports at this time, where not accompanied by rises in exports (and such rises are based on pure hypothesis) can only enlarge our already alarming payments deficit, aggravate the outflow of gold, and increase the pressures leading to a devaluation of the dollar. There can be little doubt that the latter occurrence would be a catastrophe for the free world and might very well trigger an international liquidity crisis of the kind which ushered in the great depression in 1929.

We believe that the overriding task of the present hour is for our Government and all citizens to do whatever is necessary to activate the full and unquestionably enormous economic potential of the United States. It is a "grand illusion" to believe that, by knocking down a few already low tariffs, we are going to solve all the problems of the U.S. economy at home and abroad.

Other more powerful and elemental forces are at work in the world than the law of comparative advantage, valuable though this principle be. It is the anti-inflationary and anticollectivist free enterprise systems which have emerged in various parts of the free world which are challenging our long dominance of the international economy. If these forces are to be met successfully, they must be met on their own terms, viz., in the area of internal policy, not by engaging all our energies in the tariff issue.

To sound the trumpets on tariff reform, as is now being done, appears courageous on the surface. And it is very popular. Who wants to be called a protectionist? In fact, it is taking the line of least resistance, politically and economically. For such action, and the spirit of righteousness with which it can be undertaken, becomes a substitute for facing up to the real issues: the need to undertake internal reforms, to end domestic inflation, to put a stop to wage and price increases which make our commodities increasingly noncompetitive in world markets, to apply equal energy to the restraint of both business monopoly and labor union monopoly, and to establish strict priorities in Federal spending to the end that deficits of the Federal budget shall be avoided.

DECLARATION OF PRINCIPLES BY THE ECONOMISTS' NATIONAL COMMITTEE ON FOREIGN TRADE POLICY PRESENTED TO THE SENATE COMMITTEE ON FINANCE ON AUGUST 6, 1962

Chairman, Dr. O. Glenn Saxon; cochairman, Dr. James Washington Bell; vice chairman, Prof. Patrick M. Boarman.

THE ECONOMISTS' NATIONAL COMMITTEE ON FOREIGN TRADE POLICY

Chairman, O. Glenn Saxon, professor emeritus, Yale University, New Haven, Conn.; cochairman, James Washington Bell, professor emeritus, Northwestern University, Evanston, Ill., presently secretary, American Economic Association; vice chairman, Prof. Patrick M. Boarman, Bucknell University, Lewisburg, Pa.; Herman H. Beneke, professor emeritus, Miami University, Oxford, Ohio; Prof. Frederick A. Bradford, Lehigh University, Bethlehem, Pa.; Prof. Lewis E. Davids, University of Missouri, Columbia, Mo.; Prof. L. E. Dobriansky, Georgetown University, Washington, D.C.; Prof. Roy L. Garis, University of Southern California, Los Angeles, Calif.; Prof. Harold Hughes, West Virginia Wesleyan College, Buckhannon, W. Va.; J. H. Kelleghan, economic consultant, Chicago, Ill.; Prof. Donald M. Kemmerer, University of Illinois, Urbana, Ill.; Prof. Russell M. Nolen, University of Illinois, Urbana, Ill.; Prof. Clyde W. Phelps, University of Southern California, Los Angeles, Calif.; Prof. Arthur Sharron, C. W. Post College, Long Island University, Brookville, N.Y.; Charles S. Tippetts, professor emeritus, University of Pittsburgh; Prof. J. B. Trant, Louisiana State University (vice president, Guaranty Life Insurance Co.), Baton Rouge, La.; Edward J. Webster, professor emeritus, American International College, Springfield, Mass.; Prof. G. Carl Wiegand, Southern Illinois University, Carbondale, Ill.; Prof. Ivan Wright, University of New York City, New York, N.Y.; and Hudson B. Hastings, professor emeritus, Yale University, New Haven, Conn.

U.S. FOREIGN TRADE POLICY

(A declaration of principles by the Economists' National Committee on Foreign Trade Policy presented to the Senate Finance Committee August 6, 1962, by Patrick M. Boarman, associate professor of economics, Bucknell University.)

I

The committee of economists whom I have the privilege to represent (their names are prefixed to this statement) is not concerned with the special interest of any particular group or entity—firm, industry, occupation or geographical region. Our concern is rather with the interest of the Nation as a whole as we judge this interest to be affected by the proposed tariff reform legislation known as H.R. 11970.

It is our belief that unless there are substantial changes in the proposed legislation and unless it is accompanied simultaneously by thoroughgoing internal reforms (which we shall presently specify), its effect will be to harm the Nation's domestic economy and worsen its already weak international posture.

Let it be said at the outset that all of us as economists support the ideal of universal

free trade and all that it implies. All of us will agree with Adam Smith that "it is the maxim of every prudent master of a family never to attempt to make at home what it will cost him more to make than to buy" and that "what is prudence in the conduct of every private family can scarce be folly in that of a great kingdom."

We favor free trade (or freer trade) and the measures which will promote such trade for reasons which are derived directly from the first principles of economics. Free trade increases economic welfare for all the participating countries. It expands consumers' choices, giving them the possibility of acquiring goods which cannot be had at home, or which can be had at home only at higher prices. Free trade makes it possible for each country to specialize in those lines of economic endeavor in which it is most efficient, thus maximizing the gross gain to the world from the world's resources.

This much said, however, it behooves us to inquire into the conditions under which this gross gain to the world from free trade will be fairly shared by the participating countries. Free trade was never supposed to operate in a vacuum, but only within the context of certain conditions. These are, first, that there will be no quantitative restrictions of trade (quotas) imposed by the trading countries. Reductions of tariffs on specified items will be meaningless where there are limitations on the quantity of the commodity which may be imported.

Secondly, it is assumed that full and complete convertibility of currencies prevails, i.e., that the free trade area in question constitutes, in effect, one homogeneous payment community. Were this not to be the case, reductions in tariffs, whether undertaken unilaterally or multilaterally, could be deprived of any real significance. Of what use would it be to have the tariff reduced on a given import if one cannot freely acquire the foreign exchange needed to buy the import in the first place?

Thirdly, for free trade not to result in unfavorable advantage being taken by one country of another, it is assumed that no special advantages are reserved to one country by virtue of its tax structure, the subsidies it pays to domestic producers, or the domestic monopolies and cartels its laws may permit to exist.

Fourth, while it is not necessary for wages in a multilateral system to be the same in every country—indeed, the existence of trade is to a large extent predicated upon such differences—it is necessary that the ratio of money wage increases to productivity increases be approximately uniform in the free trade area. It is easy to see what the consequence would be if this condition were not met. If the general level of wages in country A is increasing faster in relation to the increases in its productivity than wages are increasing relative to productivity elsewhere, A will find that its cost of production in respect to labor will place it at an increasing disadvantage in the world's markets, leading to a relative fall in its exports. Moreover, where the unfavorable wages-to-productivity ratio is maintained, a general rise in imports will ensue as A's industries lose out to foreign producers even in their own home markets.

These issues are of particular concern to the United States at the present time since the wage-productivity relationship has become increasingly unfavorable for us. The statistics cited by Emile Benoit in his study "Europe at Sixes and Sevens"[1] show that while wages in manufacturing rose 31 percent in the United States between 1953 and 1960, they rose 34 percent in France, 45 percent in Italy, 49 percent in Japan, 60 percent in Great Britain, and 69 percent in West Germany. However, the apparent modest increase in the level of U.S. wages was more than offset by the relative stagnation of U.S. productivity in the same period. Thus, U.S. productivity in manufacturing rose only 15 percent as compared with a rise of 53 percent in Germany, 54 percent in France, 58 percent in Italy, and 71 percent in Japan. Even Great Britain, where productivity growth has lagged, registered an increase of 29 percent, a rate almost twice that of the United States.

It may be argued that in the long run these developments will cease to be a matter of concern as the law of comparative advantage will cause the structure of production to adjust to the new international wage-productivity relationships. Specifically, the United States will be forced ultimately to shift resources into activities where it is most productive and in which its high general level of wages is justified. This is correct but two vital considerations impose themselves in this case.

The first is the extent and the duration of the transitional process involved in the reallocation of the factors of production. A sudden displacement of factors from present employments, where there are no immediate prospects of reemployment, is a situation attended always by the danger of cyclical upset. The larger the quantity of factors involved and the longer the time needed to reabsorb them into other lines of activity, the greater is the likelihood of a domestic collapse of confidence, leading, via the multiplier effect, to the perverse dynamics of a recession. Moreover, the fewer are the alternative uses to which the factors can be put, the more likely it is that factor displacement due to imports will be chronic (for example, sheet-glass factories can be used only to produce sheet glass; there is no other use to which they can be put should imports make domestic sheet-glass production unprofitable). Widespread and chronic underuse of labor and other factors, and the economic stagnation which accompanies unemployment of this kind, must be regarded as a heavy price to pay for the gains of free trade. Indeed, the gains of free trade will in this case accrue only to one segment of the population, namely, those who are still employed and who have incomes available to expend on goods and services, whether of domestic or foreign origin.

The second consideration is that it is at least theoretically conceivable that a wage-to-productivity ratio could become so unfavorable for a given country (in this case, the United States) that there would be continuous shrinkage of domestic employment to industries of the highest productivity. The more unfavorable the overall wage-productivity ratio becomes, the smaller will be the volume of domestic employment that it can support. In an extreme case, 50 percent of our labor force could conceivably be put out of work with the employed 50 percent earning the exceptionally high wages that it is possible to pay in the remaining most productive industries.

A fifth, and most important, basic assumption of a free trade world is that the participating countries are all following roughly parallel fiscal and monetary policies. The postwar period has provided us with some egregious examples of the problems which result where this is not the case. If country A follows a persistently inflationary course whereas country B follows a strictly anti-inflationary course, the resulting relative excess demand in A will tend to consume exportable resources, thus slowing exports to B, and to suck in imports, often regardless of price. Conversely, the relatively restrained level of demand in B will free resources for export to A while simultaneously slowing B's consumption of imports. The combined effects of these movements will be to cause A to have a chronic deficit and B a chronic surplus in its balance of payments. To the extent that tariffs and other barriers to trade are lowered, these imbalances will tend to become even more pronounced.

Other characteristics of a free trade world would be the absence of barriers to the free flow of labor and capital across national borders and security for capital investments against nationalization without just compensation. These and all of the preceding conditions which have been mentioned are indispensable to the operation of a free trade system which is not to result in the exploitation of one country by another or in chronic international disequilibrium, or both. But it is patent that today not one of the conditions mentioned is fulfilled, at least as far as the trade between the United States and the rest of the world is concerned. In particular, there is a glaring lack of parallelism in the monetary and fiscal policies of the United States and other countries. It is this circumstance which will undoubtedly give us the most trouble as we embark upon any program of trade liberalization.

II

Among the most dramatic recent examples of what happens where there is sharp divergence in internal monetary and fiscal policies amongst the members of a trading system is provided within the European complex itself. The notorious chronic export surpluses of West Germany in the 1950's were due primarily to the fact that Germany, remembering her disastrous inflations, was pursuing a determinedly anti-inflationary policy whereas Great Britain, France, and the Scandinavian countries, remembering the great depression, were pursuing policies of monetary ease, tolerating inflation for the sake of promoting full employment and the objectives of the welfare state.

Equally notorious and annoying, in consequence, were the chronic balance of payments deficits registered by these countries. Indeed, so acute did intra-European imbalance become in the middle 1950's, so scarce the deutsche mark, that the painfully reerected system of partial multilateralism in Europe was on the point of collapse. It was only when the British in 1957, under the leadership of Macmillan, the "great deflationist," abandoned the long-dominant cheap money philosophy (the Bank of England raised its rediscount rate in that year to an all-time high of 7 percent) that a semblance of equilibrium was restored.

More particularly, it was because France at the end of 1958 put a stop to inflation and devalued the franc, coupling these acts with certain drastic reforms of the domestic economy, that the Common Market became possible. In effect, the Common Market countries all adjusted their internal policies to those of the most disciplined member, West Germany. Had France not so adjusted its internal price and income levels, the opening of the Common Market on January 1, 1959, even with the relatively modest tariff reductions which then occurred, would have bankrupted that nation in very short order. Frenchmen, with their inflated incomes and prices, would have rushed to buy German goods, whereas Germans, with their relatively lower incomes and lower prices, would have had no particular urge to purchase French commodities in spite of lower French tariffs.

The point is that France in the pre-Common Market era did not suffer from progressively larger deficits because she was poor—she was and is potentially one of the richest nations of Europe. And Germany did not

[1] Emile Benoit, "Europe at Sixes and Sevens" (New York: Columbia University Press, 1961).

enjoy progressively larger export surpluses because she was rich. Two things—wrote Wilhelm Roepke[2] apropos of the French difficulties of 1957—must be kept distinct.

"* * * on the one hand, the economic potential of a country or what may be called the foundations of its wealth and, on the other, its economic-monetary order upon which depends the degree to which this potential is activated. * * * Attention must be directed to the undeniable fact that the economic potential of France is in spite of everything greater than that of Germany by a not inconsiderable margin. * * * Against this, however, Germany was more fortunate in the activation of its economic potential than France * * * the former country succeeded by means of a clearly conceived and for the most part effectively executed economic policy in solving the economic problem No. 1 of every economic system, viz, the problem of economic order.

"This is the secret of everything which has occurred since the reform of summer 1948 under the rubric of the Germany 'economic miracle.' * * * The principle which requires that one not confuse economic potential with economic order, nor superiority of economic condition with economic equilibrium was especially pertinent in the case of German balance-of-payments surpluses and recent French balance-of-payments deficits. The differences in economic condition between France and Germany—differences which are in France's favor—remained in spite of the disturbance to the balance of payments. * * * But it was precisely the perverse effect of the disturbance to balance-of-payments equilibrium between France and Germany and of the associated differences in inflationary pressure between them that the poorer country was forced to become the creditor of the richer country."[3]

It is perhaps unnecessary to add that Professor Reopke's analysis and his prophecy that the French economy needed only the right policies in order to come alive and realize its full potential were fully vindicated in the turnabout in the French balance of payments from deep deficit to substantial surplus. What is of significance here is that it was not the establishment of the Common Market or the lowering of tariffs as such which made the Common Market countries economically strong. On the contrary, it was the return to monetary and economic discipline of these countries and their individual efforts to adjust their internal policies to a common international standard which made possible the Common Market and the associated benefits of tariff-cutting and expanded trade. The Common Market experiment has demonstrated that free trade (or freer trade) and the tariff reductions which it implies are but pleasant byproducts of prior to monetary and fiscal integration and harmonization.[4]

[2] Wilhelm Roepke, professor at the University of Geneva, is an internationally respected authority on European trade problems.

[3] Wilhelm Roepke, "Zahlungsbilanz and Nationalireichtum," in Gegen die Brandung (Erlenbach-Zurich: Eugen Rentsch Verlag, 1960), pp. 306–312.

[4] The Belgian economist, Alexander Lamfalussy, has shown convincingly that recent European progress cannot be ascribed to reductions of tariffs within the Common Market; in fact, the postwar record levels of output, employment, exports, and general economic growth of the Continental economies commenced years before the opening of the Common Market on January 1, 1959. See Alexander Lamfalussy, "Europe's Progress: Due to Common Market?" Lloyds Bank Review (Oct. 1961) pp. 1–16.

III

It is now the United States which has moved into the deficit position in the international economy once held by certain of our European neighbors. The dollar shortage—which so mesmerized the attention of economists until a very short while ago—has been converted to a dollar glut. And if the chronic dollar shortages (and D-mark shortages) of the early postwar period were due chiefly to the refusal of some nondollar (and non-D-mark) countries to remove excess demand from their economies by appropriate monetary and fiscal policies, the dollar glut must be attributed in great part to the persistent failure of the United States to make the internal adjustments, in particular, the stopping of inflation, necessary to maintain balance with the changed world surroundings of the 50's and 60's.

The real issue confronting the United States today in its international economic relationships is not, therefore, whether we should have tariff reform or no tariff reform. It is whether we should have tariff reform with, or tariff reform without simultaneous (or better still prior) internal fiscal, monetary, and economic reforms. But concern for such reforms is conspicuously absent in H.R. 11970.

If the appropriate conditions under which free trade can work to our advantage in the present world situation seem to us to have been unduly neglected in the proposed legislation, it is nevertheless clear that what the proponents of this legislation have in mind is something far more than the simple economic gains to consumers here and abroad which more free trade will bring. The trade expansion program is supposed to achieve in one fell swoop nothing less than the following ambitious goals:

1. Increase in consumer welfare;
2. Increase in employment;
3. Accelerated growth of the U.S. economy;
4. Maintenance of U.S. economic leadership of the free world;
5. Aid to the developing nations;
6. Overcoming of U.S. balance-of-payments deficits and ending of the drain on U.S. gold reserves. (This has been implied by spokesmen for H.R. 11970; there is no specific mention of this objective in the bill itself.)

Free trade, in fact, is being urged as the answer to almost all our problems, domestic and international. It is important to note that there is a very large assumption on which these expectations are based. The assumption is that the proposed legislation will not only cause exports to increase to an extent equal to the expected increase in imports, but that it will yield a net increase in exports over imports. Obviously, if exports increase only at the same rate as imports, none of the stated objectives, except perhaps increased consumer welfare, can be attained. Only if exports increase faster than imports will it be possible to maintain our present rate of expenditure abroad for national defense and foreign aid without further aggravation of the existing and cumulative balance-of-payments deficits. And only if there is a net increase in exports can employment be increased and growth rates accelerated.

There is, however, no guarantee whatsoever that unilateral tariff reform by the United States, no matter how sweeping, will yield the expected net increase in exports. This is evident if we consider, first, the improbability of the proposed drastic tariff reductions being matched by our neighbors abroad, in particular, by the Common Market countries, and secondly, the slowdown of exports and increases in imports which persistent inflation in the United States relative to other countries will bring about.

U.S. tariffs are already at exceptionally low levels as compared both with U.S. tariffs in earlier periods and with the tariffs of other industrial countries now. Using the (admittedly imprecise) gage found in the ratio of total duties collected to dutiable imports, it would appear that the present U.S. tariff level is only one-fifth of what it was in the unlamented days of Smoot-Hawley. And from the Joint Economic Committee of the Congress has come a set of figures which shows the averages of posted tariff rates imposed on industrial goods by various key countries, including the Common Market and the United States taken as a unit. The pertinent rates are shown in the accompanying table:

Industrial tariffs (weighted averages)

	Percent
Japan	19
Austria	19
United Kingdom	17
New Zealand	17
Italy	16
Canada	16
France	15
EEC	14
Australia	12
United States	11
Norway	11
Benelux	11
West Germany	9
Sweden	8
Switzerland	8
Denmark	6

Source: Joint Economic Committee.

The table indicates that only four countries, including one member of the Common Market (Germany), have a lower average tariff than the United States. This being the case, it may be asked why the many benefits (in particular, the expected tariff concessions by other countries) which are alleged to follow a program to reduce tariffs have not as yet become apparent?

At the same time, however, it is needful to emphasize that the low average U.S. tariff is an average, i.e., the resultant of the addition of high tariffs, medium tariffs, and low tariffs. The average figures thus conceal the highly selective nature of many tariffs, the total elimination of which—on those categories of goods covered by the so-called 80 percent rule—could cause havoc in the affected industries. Nor can the psychological reverberations of unfavorable developments in these industries on other industries and, through the multiplier mechanism, on the whole economy, be lost sight of. If factors of production disemployed by imports could be as readily reabsorbed as the theory of international trade has traditionally argued, there would be no cause for concern. But the chronic stagnation of the U.S. economy clearly attests that we have not even succeeded in reabsorbing factors disemployed due to purely domestic shifts in demand and supply functions. What will it benefit the country to deliberately add to the present overall condition of excess capacity as the proposed legislation, consciously or unconsciously, will tend to do?

It is to be noted, nonetheless, that the existing low level of U.S. tariffs on a wide variety of imported commodities gives our negotiators relatively little leeway in making future concessions for the purpose of getting other countries' tariffs against the U.S. reduced. A representative example of the difficulty which confronts us here is the tariff on automobiles. Our import dues on foreign automobiles were reduced recently from 8.5 percent to 6.5 percent in exchange for a much-touted reduction by the EEC group of automobile duties from a proposed high of 29 percent to 22 percent. The actual duty paid by U.S. automobile exporters to Germany and to the Benelux countries, to which the bulk of our automobile exports go, has been 18 percent but will be increased to 22

percent under the new common external tariff of the EEC. Is it likely that reduction of our tariff from 6.5 percent to zero, for example, will bring a reduction of the EEC tariffs from 22 percent to zero?

It would be naive to expect such more-than-proportionate reciprocity from the Common Market group. This being so, the implications of lowered U.S. automobile tariffs are disturbing in the extreme. Demand by Americans for European vehicles is already relatively intense as compared with European demand for American vehicles which is slack. Further lowering of our tariffs on foreign automobiles will bring these close to zero and increase the already significant U.S. demand for such imports. A proportionate lowering of European duties would still leave exports of U.S. vehicles handicapped by a substantial tariff obstacle, not to mention the discriminatory use taxes and horsepower taxes imported on American vehicles in European markets.[5]

But there is no guarantee that even proportionate reciprocity will be forthcoming from the Common Market. It is certainly no secret that the lowering of duties amongst the Common Market countries and the simultaneous raising of external tariffs against outsiders is aimed at creating a mass market in which the economies of scale of mass production—heretofore a U.S. monopoly—will become possible. Moreover, this economic unification and consolidation is viewed only as a way station on the road to the more substantial goal of political unification.

It is thoroughly unrealistic and unreasonable to suppose that the Common Market countries, out of their sheer love for the United States and a desire to help us retain our economic primacy, will veer away from their stated economic and political objectives. It is not to be expected, in short, that our friends abroad will be willing to pull American balance-of-payments chestnuts out of the fire. George Washington's wise words are worth recalling in this connection: "There can be no greater error than to expect or calculate upon real favors from nation to nation. It is an illusion, which experience must cure, which a just pride ought to discard."—Farewell Address.

The truth is that the Common Market has a good thing going and will undoubtedly strive to keep it going. This is an uncomfortable prospect in some ways, so uncomfortable that many of us will wish we had not been so precipitate in encouraging and supporting the closed economic bloc (as contrasted with the original more broadly conceived free trade area) which is now emerging. But it is a prospect which realism requires us to entertain. One of the strangest and most paradoxical omissions in H.R. 11970, in the judgment of our committee, is its almost total failure to make provision for *genuine trade reciprocity*. This omission is naive and it is dangerous.

IV

Even if these guarantees of full reciprocity in tariff reductions by other countries are obtained; even, to use an extreme case, if other countries were to reduce their tariffs to zero, are there other factors involved which would hold back U.S. export growth? The truth of the matter is that it is not primarily foreign tariffs which are keeping our goods out of foreign markets. Large categories of American goods are noncompetitive in the world's markets even where they have no tariffs or other trade barriers to hurdle. In the production of these commodities, other countries simply have lower unit costs that we do, primarily due to their substantially lower wage costs. And in those commodity areas where superior American capital endowment and productivity still gives us an edge in spite of our wage scales, the trends indicate that the U.S. advantage is diminishing; that is, European capital endowments in these areas are increasing substantially. The resulting cost reductions which will be realized will be intensified to the degree that increasing economies of scale are achieved, as will certainly be the case in the European Common Market.

The hope that foreign wage levels will rise and thus make U.S. goods more competitive is at once unrealistic and cynical. It is unrealistic because wages in Germany, for example, are already at inflationary levels, causing great concern to the authorities there, and because the amount of increase in German wages (which are now about 27 percent of average earnings in U.S. industry) needed to bring about equality would be enormous and completely unacceptable to the Germans. Thus, last year, German labor costs increased about 10 percent while U.S. costs increased only 5 percent. But a 10-percent increase of a 75-cent wage is only 7½ cents an hour while a 5-percent increase of a $3 wage is 15 cents an hour. This gap may be closed over a period of years; it certainly will not be closed in the near future. The hope placed in foreign wage-rate increases is cynical because the assumption is that other countries should have inflation merely because we have not had the fortitude or the determination to put an end to it.

It is worth remembering that the unusual political stability of West Germany and her resulting very substantial contribution to the stability and strength of the whole free world is due in no small measure to the singleminded and largely successful German fight against inflation in all its forms. Does our rescue from the consequences of our own homemade inflation require that one of the most dependable of our allies permit the erosion of the monetary foundations of its economic and social order?

What must be recognized is that inflation in the United States, and its continued toleration, will tend to cancel out any increased advantages our goods may enjoy in foreign markets due to reduced foreign tariffs (assuming our tariff reductions are fully matched abroad). Where U.S. inflationary pressures are greater than those abroad, as they are in respect to the Common Market countries and Japan, U.S. producers will tend to concentrate their selling efforts in the domestic rather than in the foreign market. They will do so because, given the relatively high level of domestic costs and the associated relatively high level of domestic incomes, sales in the home market yield more profit than sales abroad. Pep talks to American businessmen to interest themselves in the "vast opportunities" abroad cannot substitute for the fundamental economic incentives for enterprise, whether at home or in foreign markets.

But domestic inflation dampens these incentives. Exports fall off in this situation because the interest in foreign markets diminishes and other countries are increasingly able to undersell and outsell us in third markets. In addition, otherwise exportable resources are diverted to American home consumption because of the inflationary expansion of domestic demand. Conversely, imports tend to rise in a context of inflation, both because they may be more competitive costwise than comparable domestic product and because, apart from price-level differences, they serve to fill "the inflationary gap" (which occurs when the total monetary claims on a nation's resources exceed what is available to satisfy them).

Occasionally, it is asserted that inflation can hardly be the cause of our present international economic difficulties since the U.S. cost of living (the most commonly used barometer of the inflation) has not moved up significantly faster than this same index in the countries now drawing off our gold, e.g., West Germany and France. The answer is that the movement of the cost-of-living index (or of other similar indices) only very imperfectly and partially reveals the extent of domestic inflation. Indeed, it is perfectly possible for severe inflation to coexist with prices stability. For inflation need not, though it often does, take the form of rising prices.

Inflationary pressures emerge in the first instances, where the economy's liquidity i.e., the total monetary claims on its resources, is increasing disproportionately to the rate of increase of real, i.e., physical product. For such over-liquidity (or latent excess demand) two principal escape valves, apart from increased saving, are available: (1) a rise in prices, which offsets or absorbs the increased liquidity and/or (2) an increase of imports over exports, which has the same effect. It is precisely our foreign deficits—the excess of imports over exports[6] which, together with whatever price rises have occurred, reveal the full measure of our home-made inflation. Price stability, in short, is no proof by itself that inflation has been halted.

V

H.R. 11970 is concerned with increasing exports, but it makes no attempt to come to grips with a major and continuing cause of the U.S. balance of payments deficit, viz., the outflow of private capital. It is necessary, however, that the cause of this large and rapid outflow of funds from the United States be analyzed and acted upon if the deficit is to be brought under control. The outflow of private capital is, like the relative diminishment of our export surplus, not unrelated to the domestic inflation of costs, prices, and incomes. Entrepreneurs everywhere seek to invest their capital in projects which will yield the highest return. But returns will tend to be higher—other things being equal—where costs, especially wages, are lower.

While there is in principle no reason to be concerned at the outflow of private capital from a country so plentifully endowed with it as the United States, the close dependence of employment upon capital—the instruments of production—cannot be overlooked. Capital outflow, where it occurs in sufficiently large amounts and rapidly enough to depress opportunities for employment of domestic labor, is something about which one has a right to be alarmed, particularly where the outflow is occurring because inflation makes it uneconomic to invest in the home country.

It is ironic that the same persons who lament the "slack" in the domestic economy tend to favor precisely that course of action—the toleration of inflation for the sake of alleged "growth"—which is creating the slack by forcing domestic capital into foreign enterprises. This is not intended to imply that we should raise artificial barriers to the export of American capital or in any other way interfere with freedom of investors to place their money wherever they choose.

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[5] The diminished international competitiveness of the American automobile industry for reasons other than tariffs is reflected in the fact that in 1951, when tariffs and other foreign obstacles to all classes of American goods were relatively high, U.S. firms produced 72 percent of the world's total output of passenger vehicles. In 1950, despite the intervening substantial reductions of barriers to American exports, the U.S. share of the world auto market was only 48 percent. (Source: George Romney, "Customer Sharing and the Nation's Economy" (verbatim transcript of New York press conference), American Motors Corp., Dec. 15, 1960.)

[6] Exports are defined here as all transactions which give rise to U.S. claims against other countries; imports are defined as all transactions which give rise to foreign claims against the United States.

In this light, it is our contention that to impose a discriminatory tax on undistributed earnings from foreign investments would be a mistake. It would not stop the outflow as such for the bulk of this capital is not going abroad for tax advantages. It is going abroad because costs of production abroad are substantialy lower than in the United States.

If American firms withdrew from foreign production operations, the repatriated capital would not necessarily be used to expand American production of the commodities in question. Rather, foreign firms would move in to fill the vacuum left by the departed American concerns. The competition of American subsidiaries abroad, that is to say, is not with U.S. producers of the same commodities. It is with other foreign producers. A punitive tax on U.S. earnings abroad would place U.S.-owned firms at a tax disadvantage with their real competitors abroad.

What is important is that conditions within the domestic American economy which are giving rise to what may be an unhealthily large capital outflow should be corrected. It is hard to see how our international accounts can be brought into better balance until these issues and the need for internal reforms which they imply are faced and effectively dealt with; it is, however, even more difficult to see how drastic reductions in tariffs will enable us to deal with them.

VI

In sum, U.S. inflationary pressures coupled with a probably lack of full reciprocity by other countries in tariff reductions make it likely that the Nation will experience an increase not of exports, but of imports. Two important consequences may be expected from such a net increase in imports: (1) the disemployment of domestic labor and other factors; (2) the aggravation of the U.S. balance of payments deficit.

There can be no question but that with a significant portion of the labor force already unemployed and with the existing substantial amounts of unused industrial capacity, a further deliberate disemployment of domestic factors would be a reckless course of action. For this would slow down our already low rate of economic growth, demoralize the labor force, and reduce the output of the economy precisely at a time when the fullest possible mobilization of our potential is required.

The "adjustment assistance" portion of H.R. 11970, which is intended to deal with expected dislocations, represents in our judgment a vast and ill-considered scheme to substitute bureaucratic government administration of business for the private-enterprise system. If the adventures of the U.S. Government in agricultural "adjustment and assistance" are any criterion of what may be expected in this field, the prospect of having such a system applied even more extensively throughout the economy must arouse deep misgivings. Our committee strongly urges the most serious consideration of the ultimate implications—in terms of cost, efficiency, and of survival of the free-enterprise system—of a nationwide "dole system" such as the proposed legislation envisages.

Even if exports were to increase pari passu with imports, the problems created by the need to transfer resources disemployed by imports to export industries could be severe. Indeed, not all resources now employed in producing for home consumption are so transferable. Certain tools, certain machines, certain factories, certain workers are suited to do one thing only. No amount of "adjustment assistance" will avoid the losses, possibly substantial, that would be suffered here.

It is in any case clear that too sudden disemployment of domestic factors of production, such as would ensue from large and extensive tariff reductions accomplished in a short period, would cause a catastrophic disruption of existing patterns of consumption, production, and employment. It is on this account that our committee strongly urges that the staging requirements of the present bill be strengthened; reduction in duties should be limited in amount to a reasonable figure, say 5 percent a year. This would allow at least some time for a cushioning of the impact on the economy of the inevitable structural dislocations of reduced tariffs.

VII

What is of deepest concern to our committee is not alone that long-run structural consequences of the radical change in our tariffs proposed in H.R. 11970, but the short-run balance of payments effects of the anticipated increases in imports. It is these effects, as we are all aware, which demand attention as never before. Clearly, increases in imports at this time, where not accompanied by rises in exports (and such rises, as we have seen, are based on pure hypothesis) can only enlarge our already alarming payments deficit and aggravate the outflow of gold.

In the first 6 months of this year alone, the United States experienced net gold losses of $420 million, bringing the total gold stock of the Nation to a new low of $16.4 billion. For its part, Western Europe increased its monetary gold reserves (excluding dollar assets) to more than $18 billion, thereby clearly displacing the United States as No. 1 in monetary strength. Moreover, European gold stocks are mostly free of short-term liabilities; the U.S. stock, however, is doubly mortgaged, both by the statutory 25 percent gold cover requirement of over $11 billion and by foreign short-term claims in excess of $21 billion.

The crucial question is: how much larger can the cumulative deficit become and how much more gold can flow out before international confidence in the dollar, already on very shaky foundations, collapses, and the pressures leading to a devaluation of the dollar become irresistible? The latter occurrence, it seems fair to assume, would be both a national and an international catastrophe. If our reasoning is correct, the proposed legislation, far from helping to cure the ills of the dollar, may have short-run consequences—an inrush of imports—which could precipitate a flight from the dollar and thereby wreck the monetary foundations of the free world. The alleged gains from the proposed tariff reform legislation are too small and too uncertain by far to justify the assumption of risks of such magnitude.

VIII

To sound the trumpets of tariff reform, as is now being done, appears courageous on the surface. And it is very popular. Who wants to be called a protectionist? In fact, it is taking the line of least resistance, politically and economically. For such action, and the spirit of righteousness with which it can be undertaken, becomes a substitute for facing up to the real issues: the need to undertake internal reforms, to end domestic inflation, to put a stop to wage and price increases which make our commodities increasingly noncompetitive in world markets, and to establish strict priorities in Federal spending to the end that deficits of the Federal budget shall be avoided.

There is much loose talk about the invigorating and dynamic impact of foreign competition on the domestic economy. We are told in effect that since the abolition of tariffs will increase competition, and since competition is per se good, tariffs ought to be abolished whenever and wherever possible. This seemingly unexceptionable economic truism nevertheless conceals a logical pitfall of the gravest import to the United States. There is a world of difference between the competition which originates within a country and competition which comes from without via imports. The consumer will admittedly be the beneficiary of increased competition regardless of whence it comes. But to the consumer in his ultimate role as a jobholder and as sharer in the general health or sickness of the national economy, the domestic or foreign guise which competition may assume cannot be a matter of indifference.

The intensification of competition from within as the result of increased vigilance in the prevention of concentration and more effective legislation to maintain competition both in the labor and in the product markets will normally have the effect of increasing the flexibility and vitality of the system: sales at home and abroad will tend to be stimulated, foreign capital attracted, and job opportunities multiplied. Competition which takes the form of increased imports, on the other hand, while it may in the short run prove to be a boon to the consumer and subject domestic monopolistic excesses to effective restraint comes at a cost: the dislocation and disemployment of domestic factors of production, stagnation of the domestic economy, excess capacity, outflow of capital in search of the more profitable factor combinations available abroad, and—as a result of all these movements—a worsening of the balance of payments situation, increased outflows of gold, and a decline of international confidence in the currency of the affected country.

Let there be no misunderstanding: competition from abroad is good, provided that it does not continue indefinitely to be the dominant form of competition. The latter will be the case, however, where a nation's domestic economic policies inhibit confidence, risktaking, and growth, and where its lack of homegrown competition generates a vacuum which is persistently filled by competition from the outside. To ask for tariff reduction on the grounds that such action will increase competition and at the same time to refuse to correct the basic maladjustments which make the domestic economy internationally noncompetitive is to ask for the administering of a medicine which, while it may banish the symptoms of disease (in this case, reduce domestic manifestations of monopoly) may simultaneously cripple or perhaps even kill the patient.

Since there is no formally stated intention to accompany tariff reforms with the vital internal reforms mentioned above, we believe the passage of H.R. 11970 in its present unamended form to be fraught with severe economic risk to the Nation.

We object especially to the sweeping powers granted to the President to reduce or eliminate at his sole discretion any or all remaining tariffs on U.S. imports, without review or supervision by Congress. The effect of this would be to substitute arbitrary Executive discretion for rule of law in what is a critical area of national life. The President is also authorized in the proposed legislation "to proclaim such increases in or imposition of, any duty or other import restriction" as he wishes. This means that the incumbent President or some future President could raise tariffs as well as lower them, or impose new tariffs, or subject imports to any kind of other restriction or control he deemed necessary. As someone has remarked, this section of H.R. 11970 is the granddaddy of all escape clauses. By granting such drastic powers to the President, which he could use either for protectionism or free trade, the Congress in effect would be abandoning its sovereignty in matters upon which in the present conjuncture, a very large part of the national welfare is dependent. In the area of tariff reduction, the consequences of any given action are not easy to predict and to estimate; if mistakes are made, the damage to

the Nation could be considerable and irreparable. Hence, we strongly urge that any legislation which is enacted provide for adequate review by Congress of the President's actions in this field.

One consideration which has been consistently overlooked in the euphoric glow which has surrounded the discussion of tariff reduction is the possibility that U.S. tariff concessions which are not fully matched by the Common Market countries will result in a diversion of third countries' exports to the United States. It is the part of prudence therefore to amend the present bill in such a way that beneficiaries of U.S. tariff concessions be required to admit goods from Asia, Latin America, and Africa on terms (whether these involve tariffs, quotas, or licensing) equal to those accorded by the United States to these areas. European countries will in this way not be able to continue to exchange low-cost goods from the underdeveloped countries with resulting diversion of such goods exclusive into the U.S. market.

It is important in the above connection to note a similar difficulty which could arise as a result of the so-called 80-percent rule. According to this rule, U.S. tariffs will be abolished on all commodities, 80 percent of the world export of which is accounted for by the combined trade of the United States and the Common Market countries. The intent of this section (sec. 211) of the bill is ostensibly that with respect to certain categories of commodities the United States and the Common Market countries are each principal suppliers, so that elimination of duties as between these two suppliers would not benefit third countries primarily.

But the present bill would allow for the reduction of U.S. tariffs to zero even on commodities in which the trade of the United States accounted for only a small fraction of the 80 percent. However, where the United States is not a significant supplier of commodities falling in the 80-percent category (e.g., in cases where the United States supplies 5 percent and the Common Market countries 75 percent), the reason may be that the United States is not competitive in these product categories with the Common Market countries. Hence, the elimination of duties on such product categories would not benefit U.S. exports. On the contrary, reduction of duties in such case might have the effect of worsening our trade balance in such commodities by making it substantially easier for important third-country suppliers to enter U.S. markets. At the very least, the proposed legislation should be amended to require that at least one-quarter of the 80-percent figure be accounted for by trade of the United States.

On the same reasoning, it is essential to eliminate from the estimate of export value for the purposes of the 80-percent rule, agricultural surplus crops donated or exchanged for counterpart funds. These exports, which are not a true measure of U.S. export competitiveness, should not be included in data used to determine those categories of commodities for which all tariff protection may be eliminated. Rather, the domestic policies (parity programs) which make such "dumping" necessary should be drastically revised or abolished. Here as elsewhere, what is required for the internal and external health of the U.S. economy is an internal adjustment of basic economic, monetary, and fiscal policies, not an external gimmick such as is represented by tariff manipulation.

We urge, finally, that the grant of powers be in any case limited to 2 rather than 5 years. This will provide each new Congress a chance to examine the record and to determine if changes in the program are indicated.

Our recommendations

1. The Federal budget should be balanced (by economies in nondefense spending) with the purpose of ending debt monetization and inflation; for inflation raises prices, stimulates imports, reduces exports and employment, and reduces our gold reserves.

2. Our tax structure should be thoroughly overhauled to provide adequate incentives for the modernization of American plant and equipment. The tax burden should be shifted as far as possible from the producers of income and wealth to the consumption and trade sector of the economy. In West Germany's economy, to take that one outstanding example of rapid and steady growth and full employment, more than three-quarters of total tax revenues are derived from consumption taxes and business turnover taxes, less than one-quarter from direct taxes on income and wealth. In the United States, the tax burden is distributed in an exactly opposite ratio, with three-quarters of the tax revenue derived from direct taxes on income and wealth and only one-quarter from consumption and use taxes. We have enjoyed a high-consumption economy as a result, but by the same token we have seriously dampened the incentives that make for growth and prosperity in a free society. We must gain a new appreciation of the truth, long since learned by heart by our European competitors, that it is more important to increase the size of the national cake than to quarrel about the more equal distribution of any smaller cake.

3. Foreign aid funds should be expended in the United States to the maximum extent practical; they will naturally tend to be spent in the United States if domestic inflation is stopped and our goods and services are made otherwise competitive with those elsewhere.

4. Annual productivity gains of U.S. industries should be used primarily to reduce prices, thereby stimulating consumption and employment, encouraging exports, and increasing the real wages and incomes of all Americans.

5. The President should have the authority, with congressional review made mandatory, to negotiate elimination of all trade barriers (not merely tariffs) in amounts and at a rate which will not jeopardize our own economic development and the maintenance of an adequate Defense Establishment.

We believe that the overriding task of the present hour is for our Government and all citizens to do what is necessary to activate the full and unquestionably enormous potential of the United States. In doing this, we must abandon the techniques and the catchwords which were designed especially for the depression phase of our economic history and which have dominated policymaking in the United States in the postwar era.

We must adopt a radically new approach, such as was adopted originally in West Germany, and is now being applied in the other Common Market countries and in Japan, and the results of which are visible to all. It is a "grand illusion" to believe that by knocking down a few already low tariffs we are going to solve all the problems of the U.S. economy at home and abroad. The benefits of H.R. 11970 have been extravagantly overadvertised, in our opinion. Free trade is fine but it cannot save the world. Free trade did not save Europe from the cataclysm of World War I, nor did it insure the economic dominance of Great Britain, the first trade nation. Other more powerful and elemental forces are at work in the world than the law of comparative advantage, valuable though this be. It is the anti-inflationary and anticollectivist free-enterprise systems which have emerged in various parts of the free world which are challenging our long dominance of the international economy. If these forces are to be met successfully, they must be met on their own terms, viz., by adjustments of our internal economic and monetary policies, not by engaging all our energies in the tariff issue.

Tariff reductions coupled with the internal reforms we have specified and within the context of the new approach we have mentioned could go far toward restoring to the United States the economic leadership of the free world of which it is undoubtedly capable. Tariff reductions of the sort envisaged in H.R. 11970, applied without the needed internal reforms, could spell disaster both internally and internationally.

[From the Washington Post, Aug. 6, 1962]

BITTER BRITISH-FRENCH RIFT BROKE UP MARKET TALKS

(By Gaston Coblentz)

BRUSSELS, August 5.—A bitter clash between Britain and France emerged as the direct cause of this morning's abrupt 2-month postponement of further negotiations on Britain's entry into the European Common Market.

The result was new uncertainty over the ultimate success or failure of the negotiations, in which great stakes are involved. The interruption of the talks occurred in unusual circumstances at 7:15 a.m. after an all-night session between Britain and the six Common Market nations, during which Luxembourg Foreign Minister Eugene Schaus, the chairman, became ill with fatigue and had to be replaced in the chair.

It was a night of violently seesawing expectations. At about 2 a.m. the talks appeared to be so close to success that correspondents started filing hold-for-release dispatches on the imminent conclusion of a momentous accord that would have marked a turning point in European and world history.

DISAGREEMENT REVEALED

However, as dawn began to rise, the bad news trickled out. The trouble began after Britain and the six seemed to have gone a long way toward solving the most controversial issue of the nogotiations—the problem of offering reasonable markets in Europe for the vast food exports of Australia, Canada and New Zealand. These are the three members of the British Commonwealth with which London has the strongest economic and sentimental ties.

However, at this point France's Foreign Minister Maurice Couve de Murville presented Britain with an allegedly new document on another extremely intricate aspect of the Common Market's agricultural arrangements—the massive common fund to be derived from agrarian levies.

Lord Privy Seal Edward Heath, Britain's chief delegate, replied that he was stunned at being confronted with a document of such complex ramifications at 3:10 a.m. He said he was not prepared to sign anything of the sort without extensive legal advice.

The French replied that the agrarian fund issue, potentially a pool of money involving hundreds of millions of dollars, was so closely linked to the issue of Commonwealth farm produce that it was impossible for France to agree to the latter without a simultaneous accord on the former.

NEGOTIATIONS FOUNDER

This caused the negotiations to founder in an embittered atmosphere.

France has insisted that every obstacle which its tough negotiating position has created for the British has been based on

scrupulous observance of the terms of the Common Market treaties.

The French argument has been presented with such logic and skill that it has compelled acquiescence by the other Common Market members most of the time.

[From the Washington Post, Aug. 6, 1962]

FRENCH INTERNAL FACTORS PLAYED ROLE AT BRUSSELS

(By Waverley Root)

PARIS, August 5.—An exhausted Foreign Minister returned to Paris today after winning an obstacle race to keep Great Britain out of the Common Market—if one assumes France wants to keep her out, as some observers here do.

Maurice Couve de Murville's obstacle race turned into a marathon last night which kept the weary delegations of the six Common Market countries plus Britain at the conference table until 7:15 this morning.

The reason for this punishing session was the realization that failure to agree now might mean that Britain's entry into the Common Market would be blocked for years if not forever. Yet the conferees failed to reach agreement.

Britain needed the issue settled before the vacation lull of August in order to present a success to the meeting of Commonwealth Prime Ministers scheduled for September 10 in London.

This is a serious situation for a government which has more or less staked its existence on entry into the Common Market.

CONCESSIONS DIFFICULT

From the French point of view, concessions were politically difficult, but in addition there is here a discernible opposition to the British entry.

Official French statements have always expressed willingness to welcome Britain into the Common Market, but always with reservations. If you take the words of welcome for the essential part of these statements, then Couve de Murville did not win a victory because France did not want to put impediments in Britain's way. But if you consider, as many do, that the meat of the French utterances is to be found in the reservations—then the French have won a victory.

The theory that France does not really want Britain in the Common Market rests on a view of Gen. Charles de Gaulle's long-range policy for European organization as based on an initial solid construction of the Six, directed primarily by France through the France-Germany partnership. At this stage, it is held, De Gaulle does not want a rival power in on the organizing. Once he has shaped Europe to his mold, and laid down the laws which any future member must observe, then perhaps he might be pleased to see Britain come in.

ATTITUDE TOWARD BRITAIN

Even this is hardly certain, since De Gaulle is reported to have said in private conversation that "Britain is an island. She never has been and never will be European."

There are strong reasons for the French position. The logical reason is the objection on principle to allowing Britain now to amend the Rome Treaty, signed March 15, 1957, after long and difficult negotiations during which every comma of the document was subjected to minute scrutiny.

There are also practical reasons why France, which, like Britain, is limited as to the concessions it can make by the domestic political situation, is obliged to stick obstinately to its positions. It may not therefore have been entirely fair of Belgian Foreign Minister Paul-Henri Spaak to upbraid Couve de Murville last night—while the British representatives were out of the room—for making insufficient concessions. In any case, before the British returned the French had won their point and the Six presented a united front against the British proposals.

ARGUE OVER AGRICULTURE

The subject of last night's argument was agricultural imports from the "White Commonwealth"—Canada, Australia, and New Zealand. It is precisely on the agricultural front that France is now experiencing difficulties at home which certainly would not lessen if concessions to Great Britain were made in this field. There is already a vaguely anti-Common Market element in the French peasant movement, where competition from the six present members has already resulted in misgivings.

In the recent Breton disorders, a poultry farm whose chickens were slaughtered and a hog-raising establishment whose pigs were let loose to run over the countryside had both been set up with Belgian capital, which the French farmers resented.

To admit wheat from the British Commonwealth duty free would level a particular threat at French agriculture. An exporter of wheat, France counts on the other Common Market countries to absorb her surplus. This will become even more vital for her in the next few years.

VIEWS ON MEAT IMPORTS

Commonwealth meat imports would also affect France, particularly beef. France is the only Common Market country which breeds beef cattle. The others slaughter cows for beef. France also has the problem of disposing of the cheaper cuts of beef, which French eating habits make a drug on the French market, despite governmental attempts to popularize them. She counts on such Common Market countries as Germany and Holland, where stews are popular, to absorb some of her surplus meat. Accordingly she does not relish the prospect that low-priced Commonwealth imports might compete in this market.

Whatever they may think it expedient to say in public, it seems probable that some French ministers are far from dismayed at last night's failure to agree in Brussels. Their opposition is not likely to disappear even if Prime Minister Harold Macmillan succeeds in mollifying his Commonwealth ministers in September. Seen from here, the prospects do not seem good for British entry into the Common Market this year. Some observers doubt that the British will ever make it.

UNITED STATES URGED TO RESIST PROTECTED PRODUCE

The National Planning Association urged yesterday strong U.S. efforts to persuade Western Europe against embarking on trade policies which would set up a protected agriculture.

Such efforts, it said, should be linked with those of Great Britain.

In a policy statement by its agriculture committee, the association said trade decisions made in the near future by the European Common Market area could have disastrous effects on exports of American farm products to the area. The Common Market area consists of France, West Germany, Italy, Luxembourg, Belgium, and the Netherlands.

Great Britain is negotiating for membership in the market area, but it has been urging the adoption of policies which would lower tariffs and trade restrictions on farm products produced outside the area.

The association describes itself as a nonprofit, nonpolitical organization interested in planning by Americans in agriculture, business, labor, and the professions.

MOUNTAIN SHEEP DAM

Mrs. NEUBERGER. Mr. President, proper development of the middle Snake River section of the Columbia Basin has been involved in controversy for many years. Recently, Secretary of the Interior Stewart L. Udall suggested to the Federal Power Commission that the matter be decided by Congress by determining whether the Federal Government should authorize construction of a high dam at the Mountain Sheep site.

In the July 13, 1962, issue of the Oregon Labor Press, an editorial had favorable comment on Secretary Udall's proposal. I ask unanimous consent to include the editorial along with my remarks.

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

[From the Oregon Labor Press, July 13, 1962]

FOR FISH AND POWER

Secretary of the Interior Stewart Udall's recommendation for a Federal High Mountain Sheep dam makes good sense.

It is not surprising that the Pacific Northwest Power Co., a group of four private utilities that want the High Mountain Sheep site on the middle Snake River, should oppose it. Private power companies have always sought, for profit motives, the best hydroelectric sites on our river systems.

They have done so (as they did in the case of Hells Canyon) even when these sites are obviously better suited for Federal multipurpose development. It is too much to hope that the private companies would put the interests of their region and their own customers ahead of profits for their investors.

It is a little surprising, however, and highly ironical that the Washington Public Power Supply System (WPPSS) and other public power spokesmen should be hollering just as loudly as the private utilities over the Udall recommendation.

WPPSS, a group of 16 public utility districts, filed for permission to build a dam on the Nez Perce site (an alternative to High Mountain Sheep), in order to keep this stretch of the Snake River open to public development.

Later they filed for the High Mountain Sheep site, too. But they seem to have forgotten their reason for filing in the first place. If Secretary Udall's recommendation is implemented, and a Federal dam is built, these PUD's will have won their fight for public development. The entire Northwest will owe them a debt of gratitude, and the entire region will profit from lower cost power.

The PUD group should take another look at its hole card. It should consider the damage its opposition may be doing to the Federal power program that has sustained the PUD's and the consumer electric co-ops from their beginnings.

The WPPSS should also consider the fact that if the Federal Power Commission does recommend to Congress a Federal High Mountain Sheep dam, and if Congress rejects such a recommendation, WPPSS will be left as the logical "compromise" choice for licensing by the Federal Power Commission.

(Secretary Udall did not recommend that the pending applications be finally and completely dismissed. WPPSS is still in the ball game.)

Finally, the commercial and sport fisheries interest of the Northwest should take

heart from Secretary Udall's recommendation. There is no question that the fisheries resources of our region can best be protected through Federal development of this stretch of the Snake River.

Here is one issue where the public power and fisheries people of the Northwest should stand together for full multipurpose Federal development. With their combined support, the Federal High Mountain Sheep project can win the necessary congressional approval.

And when that happens, the Federal comprehensive river development program that has helped build the Northwest will be back on the track.

FORD FOUNDATION REPORT

Mrs. NEUBERGER. Mr. President, the report of the board of trustees of the Ford Foundation reviews the purpose of that great organization, and itemizes the program upon which it is embarked. Close reading of the program impressed me with the stress that this report makes regarding education. The itemized list of tenets is prefaced by this remark:

> The reflections on the foundation's future course have also been influenced by some of the profound changes that have taken place in the past decade, or that are now clearly foreshadowed.

This simple sentence takes into account the rapid changes that are going on about us and which we may not be in touch with as we become embedded in following traditional patterns of government, economy, and social welfare. I hope that the Congress of the United States can at least be in the race with equal footing with the Ford Foundation as it looks at:

1. The growing demands of American society on an educational system that requires major adjustment, conceptually and physically;
2. The need for greater concern regarding the quality, content, and moral fiber of life in our society;
3. The growing concentration of American population in and around great cities and the resulting implications for the content of American life;
4. The impact of modern weapons, space exploration, and science and technology generally on domestic as well as international relations; and
5. The growing role of the Federal Government in such fields as basic research, foreign assistance, education, health, and possibly the arts.

A few other points in the program follow this line; and they include such things as the problems brought about by the rapid growth of population, growth of the Soviet power, development of a united Europe, and, finally, "the explosion of knowledge."

The entire report is a mere 16 pages and contains much food for thought for those of us in the legislative process. I only call attention to a few items which develop the program points on which I have just commented. One of these had a subtitle which especially appealed to me, "Educational Innovations." Here the foundation expresses its interest in developing new learning and teaching techniques. What does this mean? It means that the old classroom method that was good for our fathers and grandfathers, and even for us, may not suit the need of the sixties. How can we use our teachers more effectively? Can there be greater flexibility in scheduling classes and variety in choice of curriculum? I presume such research and experimentation may even result in a report as to the year-round use of school buildings, rather than having these million-dollar structures idle for 3 months each year. Furthermore, the innovations will experiment with the use of television for educational purposes, and suggest ways of incorporating the results of their studies into existing school systems.

In the area of international training and research I was particularly interested in the emphasis on the assistance that will be given to improving the teaching of foreign languages. Those of us who have traveled abroad, and who are so uneducated as not to speak a second language, are aware of our shortcomings, individually and as a nation, in this area of linguistics. No better use could be made of some of our school funds than to include a foreign language as an integral part of the curriculum, running parallel with the study of English. This project should be one of the simplest ones for the foundation to develop, as it merely has to look at any of the public school systems in eastern Europe where the dual language system has been a matter of course for years and years.

Every item in the report suggests that the Ford Foundation has embarked upon a program of objectivity in many areas, and has the opportunity to make a great contribution to our Nation.

BIG GOVERNMENT AND OUR PRICELESS HERITAGE OF FREEDOM

Mr. LAUSCHE. Mr. President, in a letter addressed to me and signed by Mr. J. B. Johnson, of Grafton, Ohio, my attention has been called to a statement made by the Honorable Benjamin Harvey Hill, U.S. Senator from Georgia, in this Chamber on March 22, 1878.

Mr. President, many miles have been traveled since the warnings of Senator Hill were made and, regrettably, in the direction that the esteemed and learned Senator feared.

Mr. President, I ask unanimous consent that Mr. Johnson's letter to the Chronical-Telegram of Elyria, Ohio, containing excerpts from Senator Benjamin Hill's speech of 1878 be inserted in the body of the RECORD as part of my remarks.

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

CHRONICLE-TELEGRAM:

I am including in this letter an editorial from the Augusta, Ga., Courier of January 21, 1952. It has reposed in one of my correspondence files for many years and only recently came to light in a research for material on another, but related subject.

It seemed so apropos as relating to current history that it might well be called to the notice of your readers; if "big" government ever prevails over the freedoms we have so long enjoyed the responsibility for the loss will rest squarely upon each and every American who has taken our priceless heritage of freedoms for granted and relinquished all personal responsibility to keep them intact.

It would seem that Senator Hill's warning on March 27, 1878, has long been forgotten but now the "storm warnings" are up and are plainly to be seen. Will they also go unheeded until our priceless freedoms are but a memory of what we used to have but have no more?

BEN HILL'S PROPHECY

Benjamin Harvey Hill was a U.S. Senator from Georgia. In some ways he was wise beyond his times. On one occasion he displayed the powers of perception beyond that of most men. He was able to see down through the years and recognize the dangers inherent in the power of the Federal Government. Speaking before the Senate on March 27, 1878, he said:

"But sir, I have said I do not dread these corporations as instruments of power to destroy this country, because there are a thousand agencies which can regulate, restrain, and control them; but there is a corporation we may all well dread. That corporation is the Federal Government. From the aggressions of this corporation there can be no safety, if it is allowed to go beyond the well defined limits of its power. I dread nothing so much as the exercise of ungranted and doubtful powers by this Government. It is in my opinion the danger of dangers to the future of this country. Let us be sure we keep it always within its limits. If this great, ambitious, ever-growing corporation become oppressive, who shall check it? If it becomes wayward, who shall control it? If it becomes unjust, who shall trust it? As sentinels on the country's watchtower, Senators, I beseech you—watch and guard with sleepless dread that corporation which can make all property and rights, all States and people, and all liberty and hope its plaything in an hour, and its victims forever."

Respectfully submitted.

J. B. JOHNSON.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Is there further morning business? If not, morning business is closed.

FRYINGPAN-ARKANSAS PROJECT, COLORADO

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate and be made the pending business.

There being no objection, the Senate resumed consideration of the bill (S. 284) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

DEATH OF FORMER AMBASSADOR WHITING WILLAUER

Mr. DIRKSEN. Mr. President, it is with some distress that I inform the Senate of the death this morning, of a heart attack, on Nantucket Island, of

former Ambassador Whiting Willauer. Many of us knew and admired him.

Ambassador Willauer served with distinction in Honduras, from 1954 to 1958, and in Costa Rica from 1958 into 1961. He was one of those who from the start insisted that Castro was a Communist and should be dealt with as such.

Ambassador Willauer spent the latter years of his life combating communism, which he knew and understood. Before becoming an ambassador, he was chairman of the board of General Claire Chennault's Civil Air Transport in China, and previous to that in charge of the Far East branch of the Foreign Economic Administration and of China Defense Supplies, Inc., during the war.

Ambassador Willauer graduated cum laude from Princeton in 1928, and obtained his law degree from Harvard in 1931.

He was a distinguished admiralty lawyer, and at one time served as special assistant to the U.S. Attorney General, dealing with criminal matters.

We have lost a strong fighter against communism.

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

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. I wish to join the distinguished minority leader in his remarks about the passing of our mutual friend, former Ambassador Whiting Willauer. I had known Ambassador Willauer for about 20 years. He was a good public servant, and contributed much to the welfare of the Government and the country, and to the future of our foreign relations in Latin America and the Far East. I regret his passing. I was shocked at the news. I express to Mrs. Willauer and his family our deepest sympathy.

Mr. ELLENDER. Mr. President, I wish to join the minority leader and the majority leader in their tribute to former Ambassador Willauer.

I had occasion to visit each of the nations of Central America at least twice during the past 10 years, and as a consequence was able to watch Ambassador Willauer at work in the field. I found no better man than our Ambassador. He was very much interested in the work he was doing, and, as my good friend from Illinois has said, he was a great fighter against communism.

I also wish to add, Mr. President, that the Ambassador was instrumental in finding ways and means of constructing the very important Inter-American Highway which will ultimately connect the United States with the Panama Canal. I often discussed with the Ambassador the advisability of creating a commission which would supervise maintenance of work on the Inter-American Highway. He took the position that it would be folly for us to spend millions of dollars in building one road in Costa Rica and another, let us say, in Guatemala, unless we could get those countries to maintain the road from one end to the other.

Mr. Willauer was one of the leaders in his advocacy of creating a commission, to be composed of members from the various countries, to see that this road would always be kept in top condition.

If I may, I would like to read from the report I filed with the Senate Appropriations Committee following my inspection trip of U.S. Government operations in Latin America in 1958.

This portion deals with Ambassador Willauer's advocacy of the creation of this type commission:

> It is my judgment that ways and means should be devised now to maintain the road after its construction. The actual building of the Inter-American Highway will mean nothing at all to the economies of all of Central America and North America if it is not properly maintained.
>
> The old saying that a chain is as strong as its weakest link can also be applied to the Inter-American Highway.
>
> Should one country fail to properly maintain its one section of the highway then the value of the entire highway will be seriously affected.
>
> In my judgment some type of authority, composed of representatives of all the countries through which the road passes, should be created and made responsible for keeping the entire highway in good repair. In order that the authority would have enough money to make sure that the highway is in proper condition at all times, each country should be assessed a proportionate share of the overall amount needed to provide proper maintenance for the road. Ambassador Willauer of Costa Rica is a strong advocate of such a plan. As far as I know he is the originator of such a plan.
>
> The authority should be empowered to use these funds as it might see fit to insure that the road remains in proper condition for travel at all times.
>
> As a talking point to the individual countries through which the road passes, they should be reminded that each will benefit greatly, particularly by such things as increased values alongside the highway.
>
> With this in mind, the individual countries could assess commercial establishments which use the highway within their respective boundaries, with the proceeds turned over to the Inter-American Highway Authority. On the other hand, an equitable gas tax could be imposed by all countries and the proceeds set aside for maintenance.
>
> However this problem may eventually be handled, planning should begin now.

Mr. President, during my visits to Latin America, I also had the pleasure of meeting Mrs. Willauer, whom I found to be a charming, lovely woman. In this moment of grief, I extend to her my deepest sympathies. We are all poorer by his passing.

INDUSTRIAL CAPACITY HEARINGS VITAL TO INTELLIGENT DECISION ON TAX CUT

Mr. PROXMIRE. Mr. President, in view of the importance of the issues surrounding such proposals as the investment tax credit and the general tax revision, as a member of the Statistics Subcommittee of the Joint Economic Committee, of which subcommittee I am chairman, I call to the attention of the Senate a timely report on the measures of productive capacity. I believe that the report can make a very important contribution to the current discussion in Congress about the merits of the pending tax measures, as well as other suggestions for altering the Nation's fiscal and monetary policy.

I am sure that Senators share my own concern that frequently the information used for important decisions leaves much to be desired in terms of relevance, consistency, and validity. Last December's hearings on unemployment statistics covered one source of information which satisfied most of these necessary characteristics.

Incidentally, during the course of our hearings on plant capacity, it was alleged—and I think generally supported by economists—that the status of our capacity utilization statistics is in about the same position as was true with respect to unemployment statistics more than 40 years ago. Of course, capacity utilization statistics are essential when it comes to making an intelligent conclusion with respect to such measures as investment tax credit, because the level of capacity utilization is the most crucial factor in determining whether or not the country is likely to have an investment boom or bust.

The large array of varying statistics on capacity utilization revealed by the recent hearings is another useful mine of such information. However, statistics in this area are still seriously inadequate. That should continue to command the attention of the committee until further improvement comes about.

The report makes useful suggestions for the improvement of utilization statistics. It is my hope that the publication of this report will provoke and hasten fundamental improvements in the gathering and processing of statistics in this important area.

I feel so strongly about the report that I ask unanimous consent to have a brief excerpt from the report—the "recommendations," on pages 4 and 5; and the "summary of testimony," on page 6—printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

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

RECOMMENDATIONS

> Because of the importance and usefulness of statistics on capacity and its rate of utilization, and the unsatisfactory state of present data and of programs to produce such data, the subcommittee makes the following recommendations:
>
> I. The Office of Statistical Standards of the Bureau of the Budget should take the lead in organizing a cooperative effort, involving both public and private agencies and individual experts, directed toward early development of generally acceptable standards covering the definition of capacity, and setting forth conventions to be generally followed in the construction of standardized measurements of capacity and its utilization. Such standards might well cover also any new standards or conventions which may be necessary for the measurement of inputs into capacity measures, such as the stock of plant and equipment, labor force, materials inputs, etc. It is clear that this is the first and most essential task if substantial improvement is to be achieved in the foreseeable future. Evidence presented in the subcommittee hearings suggests that this can now be done expeditiously, at least on an interim basis, subject to later refinement as experience dictates.
>
> II. The Federal Government should devote increased attention and resources toward the

development of adequate measures of the stock of capital along the lines which already are being pursued and which were outlined at the hearings by the Director of the Office of Statistical Standards, Raymond T. Bowman. The work outlined in the field of measuring capital stocks by the perpetual inventory method appears to deserve aggressive exploitation.

Reliable benchmarks for this work of measuring capital stock by the perpetual inventory method requires an inventory of the Nation's capital whenever the technical problems can be solved. Efforts, therefore, should be made through both public and private channels to solve the problems involved in taking a census of the Nation's wealth, or capital assets, at the earliest date that would be practicable—which, on the basis of the testimony of Mr. Bowman, would appear to be toward the end of the present decade. In connection with this census of national wealth, consideration should be given to the development not merely of data covering the asset side of the national balance sheets but also of data covering the claims or liability side.

III. The Federal Government, under the stimulation and guidance of the Office of Statistical Standards, should devote increasing resources to the exploration and testing of the feasibility of obtaining additional data on capacity through census procedures in connection with the Census Bureau's regular surveys of the American economy. The method now being explored by the Census, as explained by Mr. Bowman at the hearings, certainly deserves attention. We would also urge that study be given to the techniques suggested by Mr. Norton and possibly to an adaptation of the McGraw-Hill technique of direct measurement. It appears an exploration of this latter technique would offer an excellent opportunity for a joint public-private project in which McGraw-Hill, the pioneer in this technique, might work in cooperation with a suitable Government agency.

IV. Both public and private efforts could be usefully devoted to increased research into the analysis of the significance of capacity utilization data for the analysis of public and private economic policies, particularly those in such fields as inventories, prices and costs, monetary policies, and tax policies. Public and private policies influence both the rate at which capacity is expanded and the rate at which demand expands to call into use this capacity. The development of a balance between the consequences of various public and private policies in these two directions is essential to the survival of a system of individual freedom, and, as the Employment Act states among its objectives, "of a system of free private and competitive enterprise."

V. We recommend that the committee continue to probe this field of economic information and analysis, not only through this subcommittee's future work but also in connection with other committee investigations.

MIDWEST TAKES IT ON CHIN AGAIN IN MAN-TO-MOON PROJECT

Mr. PROXMIRE. Mr. President, on Saturday the New York Times concluded its superb series of articles analyzing Project Apollo, the man-to-the-moon space program of the Federal Government. I am deeply concerned about the cost of this program, as are many other Senators, I am sure.

This analysis of the program shows its effect on our entire economy. Those of us who live in the Midwest have expressed for a long time our deep concern over the concentration of research and development contracts on the west coast and also, to a certain extent, on the east coast, ignoring the Midwest.

This fine analysis by the New York Times of Project Apollo shows that the space program, with regard to construction and hardware, is being concentrated in the southern part of our country, resulting also in ignoring the Midwestern part of our country.

I ask unanimous consent, Mr. President, that the last of the series of articles may be printed in the RECORD at this point; together with an article written by Richard Witkin, entitled "Pace of Program Stirs Opposition."

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

[From the New York Times, Aug. 4, 1962]

APOLLO: ECONOMIC AND SOCIAL IMPACT

(By David Binder)

For a thousand miles along the southern crescent of the United States, from Florida's palmetto thickets to the Texas ranchlands below Houston, the Nation's space industry has become a catalyst.

With huge launching pads and rocket vehicle factories. With battalions of scientist-technicians and regiments of construction workers, the space program is causing profound changes on this part of the earth.

One of the major space programs is Project Apollo, by which the United States hopes to land men on the moon, 239,000 miles away, by 1970.

The focal points for the Federal space effort are Cape Canaveral, New Orleans, and Houston.

But the space industry is also altering the economic structure of broad areas on the Florida mainland and in southern Mississippi. All along the crescent it is changing the patterns of living and labor.

"This is foreverland," said a lieutenant colonel at Patrick Air Force Base on Cocoa Beach, just south of the Canaveral launching complexes. "It may be hard to accept, but this loud beach is going to be a piece of Americana for the next five hundred years."

In some areas, like the Florida counties around the cape, the impact will be sharp on housing, schools, hospitals, and roads. The reasons include the peculiar geography of the coast with its small, independent cities strung along the shores for 70 miles.

Already, rocket activity at Canaveral has made the 8-mile, two-lane causeway from Cocoa, on the mainland, to Cocoa Beach a miniature version of the Long Island Expressway. Commuters complain of 50-minute drives to their nearby homes.

In the New Orleans area the space impact will be partly absorbed by the Louisiana metropolis and partly by the vast timber and bayou hinterlands across the State line in Mississippi. These are the places where the Advanced Saturn launching vehicles will be manufactured and tested.

In southeastern Texas the space industry is piling on top of a half dozen booms that have already made Houston the sixth largest city in the country—cotton and cattle, timber and oil, shipping and petrochemical plants.

The space industry will be more an accelerator than a prime mover in the Houston economy—at least for the time being.

However, Texas boosters are quick to point out that the location of the Manned Spacecraft Center 20 miles south of downtown Houston is sure to be a magnet for the next generation of space industries.

Officials of the National Aeronautics and Space Administration try hard to play down the boom talk along the southern crescent. Their policy is caution.

They make population forecasts and community development studies with care and precision in an attempt to dampen enthusiasm with hard facts.

MISSILE CITIES

Nothing the space agency says or does can halt communities like Titusville, Fla., or Picayune, Miss., or Houston from laying claim to titles like "Missile City," "Gateway to the NASA Test Site," and "Spaceport, U.S.A."

Nor can the agency deny that it expects to spend more in a year—one budget forecast is $2 billion a year for the next 20 years—than the entire Federal investment in the Tennessee Valley Administration. The total expenditure on TVA was $1,200 million.

To be sure, a large portion of the space budget will be spent at west coast and Middle West rocket plants and on electronics hardware made in Minnesota, Massachusetts, New York, and Maine.

But the major share to be spent on new space installations will be in the southern crescent.

This, in turn, has engaged the Government space people in a wide range of physical and social endeavors.

They will be digging a new 4-mile channel for the Intracoastal Waterway above the cape, building a private access causeway to the moon launching areas on the Florida coast and participating in a Federal wildlife conservation project to guard 60 varieties of ducks that live on Merritt Island, just inland from the moon launching pads.

RESIDENTS MOVED OUT

In Mississippi, the space people, aided by the Army Corps of Engineers, are engaged in moving 2,695 residents out of a 142,000-acre area that will be the static testing site for Advanced Saturn rocket stages.

They are drawing plans to straighten some sharp bends in the placid Pearl River. This runs through the site and will be used to barge the heavy rockets to the firing line.

Some of the impact is easy to gage in terms of dollars, acreage and population. Some is not.

For example, the Canaveral projects are using large amounts of construction sand from Ocala, Fla., 100 miles away, and steel from Alabama mills, more than 200 miles distant. Demand is growing and suppliers are benefiting accordingly.

More than 50 percent of the employees working on space projects in the New Orleans area are local residents. And the space agency has announced a policy of ordering as much equipment as possible from manufacturers in the immediate area. The same goes for Houston.

Thus, the dollars spent and the dollars generated—for haircuts, medical attention, and groceries—are affecting large areas around the space program sites.

By the same token, some of the human dislocations are relatively simple to measure. Others are sociological problems that defy precise analysis.

The space agency has a good idea of how many people it will be moving in and out of the cape, New Orleans, and Houston areas. But it is not at all sure what is going to happen to the new arrivals or the old residents.

Along the Florida coast, for instance, the space developments have given impetus to the demands of Brevard County's 10,000 Negroes for equal rights in housing, employment, and schools. Resistance to these demands is also mounting. Both Florida whites and Florida Negroes predict violence.

Add to this population an increment of thousands of engineers and technicians—a large number coming from the North—and what happens? The answer is unknown.

Or, take the serene Mississippi and Louisiana communities of Hancock County and St. Tammany Parish, draped in Spanish moss

and aglow with brilliant crepe myrtle—crimson, purple, and pink.

What happens to the people in these towns around the new test site or to the evacuees who have spent their lives in antebellum homes along the Pearl River?

What happens to those dwellers in the slash pine forests to the west who divided their carefree days between angling for green trout and tending cornmash stills, locally reputed to be among "the finest in the country"?

Or what happens to the little theater in Bay St. Louis, the recreation program in Picayune and the school system in Slidell when the space operations people begin settling in the next few months?

Will the program quicken the stately quadrille of business activity in New Orleans? Will it change Rice and Houston Universities in Texas?

Space agency authorities are deeply concerned with most of these questions. And they have answers to a few of them. So do a number of communities that have prepared for the bold changes in the impact areas.

As to the overall effects on communities and regions in the southern crescent, there are already guidelines to be found at Cape Canaveral and Huntsville, Ala., where the space business has been expanding for the last decade.

Here is a closeup of the southern crescent:

CAPE CANAVERAL

To a first-time visitor the cape presents a visual shock with its billboards and gaudy motel facades accentuated in the southern sunlight.

There is a gold rush air of hard work and hard play in the saloons and honky tonks that line the beach strip. And despite the engineers and scientists that live here, the hard-hat society of the construction workers seems to prevail.

A European industrial designer who makes frequent trips to the cape recently termed it a "cultural desert." He added that the highly trained and educated newcomers had arrived with "little or no cultural baggage."

The designer, Jaap Penraat of the Netherlands, concluded: "It is as though we were launching a man to the moon from a billion dollar junk heap."

Yet in Cocoa Beach, the Surfside Players claim sellout audiences for their amateur theatrical productions. The local library has a booming circulation and an amateur artists' group is also active.

Strangely, the dramatic rocket launches have drawn no poets and no novelists to sing the songs of space.

The cape atmosphere is a combination of teamwork and transience. "There is a sense of identity here," said a Cocoa Beach physician who arrived 7 years ago. "Everyone feels they are part of the space team—I love it." Yet the turnover of team members is high. Contract crews move in and out.

One keynote is youth. In Brevard County, the heart of the cape impact area, the median age is 26 years. A long-time resident remarked that Ponce de Leon had passed by Canaveral in 1513 during his search for the fountain of youth and added, "He was 450 years too early."

In the decade from 1950 to 1960, Brevard, home of the Air Force Missile Test Center, grew in population from 23,000 to 111,000. The present population is over 140,000.

Part of this increase could be attributed to the general growth of Florida's coastal counties, which added about 35 percent to their population in the same decade.

But Brevard's growth was more than 200 percent. This was due mainly to the influx of more than 20,000 space program employees who worked at the 17,000-acre Air Force launching area on the cape.

Now, the space agency is enlarging the launching area by 88,000 acres above and inland from the cape for the man-in-the-moon shots.

According to estimates by the Air Force Operations Analysis Office, the new facilities will raise the launching site work force from 24,451 at present to 38,162 permanent employees in 1967. Counting family members, this will add more than 50,000 to the area's population.

During the same period the cape payroll will rise from $150 to $200 million.

FACILITIES WERE STRAINED

The initial space impact severely strained Brevard County's community facilities. Thanks to generous injections of Federal and State aid, it has largely been absorbed.

It would see that the cape area is better prepared for the Apollo impact. Last year Brevard joined with five adjoining counties—Indian River, Volusia, Orange, Osceola, and Seminole—to form the Joint Community Impact Coordinating Committee. Later there will be a regional planning council.

The impact has manifested itself in hundreds of places, not the least in real estate values. Beach property was going at $20 a front foot at the end of World War II. Now some owners are asking $1,000 a front foot—or more in Cocoa Beach.

NEW ORLEANS

In Washington and in other parts of the country, legislators have asked why the Space Administration is concentrating its prime operations along the southern crescent.

The most obvious reply is that ice-free water transportation routes were available here—a must for barging heavy rocket hardware.

But anyone who has had a chance to view the enormous Michoud plant in New Orleans, where Saturn first-stage boosters are to be built, or the future test site across the State line in Mississippi, gains dramatic proof of the fortuitous nature of these locales.

The first windfall was the Michoud plant, an Army Ordnance factory that has nearly 2 million square feet of manufacturing space. Until now it had been a white elephant.

Located 15 miles northeast of downtown New Orleans, the 844-acre site has its own airstrip, access to a barge canal, broad parking areas, a nearby powerplant—just about everything the space agency could desire.

The plant is tooling up for construction of the Saturn boosters under a contract with the Chrysler Corp. Soon the Boeing Co. will take up work on Advanced Saturn stages in the western half of the plant.

Current employment at Michoud is about 1,200, with an annual payroll of $14 million. Peak employment, in the summer of 1963, is expected to be 7,000 with a payroll of $69 million.

Space agency officials are reckoning on a $175 million expenditure on Apollo hardware at Michoud.

Thirty-five miles northeast across Lake Ponchartrain and the five estuary branches of the Pearl River is the space agency test site. Centered in Hancock County, it will take in small corners of Pearl River County to the north and St. Tammany Parish in Louisiana to the west.

Here was another windfall, a sparsely settled area easily reachable from Michoud by water, rail, and road. On the edge, in Slidell, La., was another white elephant, a $2 million, brandnew Federal Aviation Agency computer center being abandoned in favor of a Houston facility. The space agency gratefully took it over.

PROPERTY IS APPRAISED

Already, many of the 195 families in the center of the test site area have cleared out, their property having been paid for following elaborate appraisals by the Army Corps of Engineers. The majority have moved to Picayune, a handsome industrial town of 10,000 on the northern rim of the site.

The rest expect to leave in the next few weeks. They have accepted the change, but few of the citizens of on-site towns like Gainesville are pleased with their prospects.

"They're gypping us," said John Furey, 19 years old. "Where we're going the fishing is no good."

Cora Davis, who is in her nineties and is known locally as Miss Blue, gazed out her window with moist eyes and said to a visitor, "See that oak tree out there—I've watched it grow for 75 years—if I could take it with me I wouldn't mind."

A space agency community specialist, Marion Kent, who has traveled up and down Hancock County, knows exactly how many churches, cemeteries, egg farms, taverns, garages, and schools are being moved out of the test site.

The Mississippi test site will cost about $93 million. It will require a peak of 6,000 construction workers in 1964 and between 1,500 and 2,000 technicians and engineers will be needed to operate it.

Some construction personnel will be drawn from nearby towns, and the bulk of the operations people are expected to settle in neighboring towns of Bay St. Louis and Pass Christian on the gulf coast and Picayune and Slidell farther inland.

These cities appear well prepared for the impact. New schools and hospitals are already established in Bay St. Louis, Picayune, and Slidell. Reasonably priced housing developments are going up.

The only sour note seems to have been struck by the Mississippi State government. In Hancock County, community leaders told a visitor that the officials in Jackson had not lifted a finger to help them prepare for the space impact or to aid in resettling the test site families.

Instead, the Mississippi leaders have busied themselves trying to lure private industries to locate in the southern part of the State.

Over in New Orleans, the space program has drawn an enthusiastic response from city officials, particularly Mayor Victor H. Schiro. Shortly after the site selection, Mr. Schiro appointed a special coordinating committee to deal with impact problems.

The committee, which has more than a hundred members, including three Negro community leaders, is working closely with the space agency.

A New Orleans member of the National Association for the Advancement of Colored People told a visitor that Negroes were satisfied with their share in the program so far.

A visitor leaves the New Orleans-Mississippi area with the feeling that both the urban and rural areas will absorb the space impact without sacrificing either their charm or their culture.

HOUSTON

Ever since Houston was picked as the site of the Manned Spacecraft Center last September there has been talk of pork barrel tactics in Washington and other quarters.

Critics pointed accusing fingers at Vice President JOHNSON, a loyal Texan who is also Chairman of the National Aeronautics and Space Council, and at Texas Representative ALBERT THOMAS, Democrat of Houston, who is chairman of the House Subcommittee on Independent Offices Appropriations which deals with the Nation's space expenditures.

Yet an official who was a member of the site selection team last year said that Houston ran a close second following a location in California for the proposed Spacecraft Center. The selection team also agreed that Houston's water-route proximity to New Orleans and Canaveral made it particularly desirable.

Another prime requisite filled by the Texas locale was the presence of two universities, Houston and Rice.

Both institutions have been asked to provide graduate training facilities and to make

available technical publications for engineers and scientists at the Spacecraft Center.

Houston's share of the pie-in-the-sky is also supposed to include the $30 million Mission Control Center for the lunar landing program.

Both facilities will be on a 1,600-acre site next to Clear Lake, which has a channel opening into Galveston Bay on the gulf coast. Eventually this area will be annexed by Houston, according to local officials.

At present, 575 construction workers are engaged on the project, most of them from the Houston area. The work force is expected to increase to 2,500 within a year as the second and third phases of construction are undertaken. The total budget: about $123 million.

Thus the major portion of Houston's official space industry will be concentrated in a relatively small area and will employ a relatively small number of workers.

But Houston is counting on a large space impact from private industry. Robert Brewer of the chamber of commerce said that five electronics concerns planned to build factories.

The space industry has catalyzed Houston's real estate market. Land prices near Clear Lake have risen from $3,000 an acre to more than $50,000 an acre, according to Mr. Brewer.

QUESTION FOR COMPUTER: WHERE WILL MOON BE?

Calculating where the moon will be when our men get there will not be easy. The moon's orbital movement is simple in gross terms, but extremely complicated in precise terms.

It is affected by such factors as the lopsided shape of both the earth and moon, as well as the constantly changing relative positions of earth, sun, moon, and planets.

Another difficulty, in long-term prediction, is that the moon itself causes time on earth, as we usually define it, to slow down. This is because the tides generated on earth by the moon cause friction, slowing down both the earth's speed of rotation (our "day") and the moon's orbital speed (the traditional "month").

PACE OF PROGRAM STIRS OPPOSITION

(By Richard Witkin)

The wisdom of spending $20 billion this decade to land American astronauts on the moon is questioned by some respected scientists and public figures.

They ask whether it is necessary to move so far so fast.

They express concern that the greatly accelerated effort on manned space flight will hurt other vital programs—scientific, industrial, educational, and military—by absorbing an excessive portion of the available scientific manpower and of the national budget.

A significant part of the general public has felt similar uneasiness about the wisdom of rushing to the moon.

The answer most frequently offered the doubters is that the United States must race the Soviet Union into space because of requirements of prestige, scientific and technical knowledge and, perhaps most important, military advantage.

At the moment, opposition to the accelerated space program is relatively subdued.

This is proved by the fact that authorization of a huge increase in appropriations for the National Aeronautics and Space Administration for the current fiscal year was approved unanimously in both Houses of Congress.

There are two main lines of thought about whether congressional support can be maintained in the future.

Some predict that Congress will be in a much less generous mood as further large increases are sought and as the flush of enthusiasm generated by the first manned Mercury space flights wears off.

QUESTIONS PROGRAM'S PACE

Others, while recognizing this possibility, are looking for new Russian achievements in space. They believe these will help insure congressional approval of more funds for the space program.

In the current Congress, it has been Senator WILLIAM PROXMIRE, Wisconsin Democrat, who has reflected most clearly and insistently the doubts felt about the space program.

In addressing the House Committee on Science and Astronautics at his own request, he said:

"I do not object to our effort to land men on the moon. * * * The significant question is * * * at what rate such a program is carried on and what specific goals are set for it."

Senator PROXMIRE urged the committee to request the space agency to make alternate proposals to show how a slower expansion of funds would affect the timetable for reaching the moon and for other agency programs.

The Senator quoted Dr. James R. Killian, Jr., chairman of the Massachusetts Institute of Technology corporation and science adviser to former President Dwight D. Eisenhower, as saying:

"The Nation must seek to determine whether it is now proceeding too rapidly in this area and whether it can manage the present man-in-space program without weakening other important national programs, including defense."

Another scientist who has expressed doubts about the pace of the program is Dr. James A. Van Allen, whose research led to discovery of the earth-circling radiation belts that bear his name.

He said last fall that the Nation's ambitions in space exploration had greatly outrun its basic scientific competency in space.

CONGRESS THROWAWAY: EXCESSIVE HEW APPROPRIATIONS

Mr. PROXMIRE. Mr. President, there was also published in the New York Times this morning a thought-provoking article discussing the serious problem which Mr. Celebrezze faces as the new Secretary of Health, Education, and Welfare, stating what a nightmare the administration of that Department is, partly resulting from the fault of the Congress in forcing more appropriations on the Department than it can spend efficiently.

Dr. Luther Terry is reported to feel that this has been a serious and very important problem for the Department of Health, Education and Welfare.

Mr. President, I ask unanimous consent that the article may be printed in the RECORD, along with an excellent editorial from the Wall Street Journal on the same subject.

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

MANY TASKS FACING CELEBREZZE IN A "DEPARTMENT OF HEADACHES"

WASHINGTON, August 4.—The Department of Health, Education, and Welfare—sometimes called the Department of Headaches for short—got its fifth Secretary in a little more than 9 years this week.

He is Anthony J. Celebrezze, former mayor of Cleveland, who was sworn in at ceremonies Tuesday. He succeeds Abraham A. Ribicoff, former Governor of Connecticut, who resigned 2 weeks ago to run for the Senate.

Good auguries have surrounded Mr. Celebrezze's appearance on the national scene. His nomination went through the Senate without opposition. Last week, Congress passed a welfare reform bill sponsored by his predecessor that the experts acclaim as the most significant legislative advance in the field in 20 years. And a generous appropriation that may go a few million above the $4,985,100,000 that the Department sought is expected to be voted almost any day.

However, experienced hands here have warned the new Secretary not to be misled by these portents. Whether Congress blows hot or cold, they have said, the Department remains the Department of Headaches in all temperatures, and is one of the toughest major agencies to run with administrative efficiency and political skill.

As most of his predecessors have done, Mr. Celebrezze will discover in time that there are three stubborn and fundamental reasons for this.

First, the Department is the inevitable vehicle for many highly controversial programs. This year alone it has borne the brunt of two of the most damaging political battles the Kennedy administration has fought: aid to education and medical care for the aged. Both were lost.

Second, the Department is less a unified administrative command than a loose confederation of bureaucracies that cling stubbornly to their separate identities. This has blunted the efforts of Secretaries before Mr. Celebrezze.

And third, influential Members of Congress have carved much of the Department up into small, highly personal fiefdoms over which they assert a control equal to, and sometimes surpassing, that of the Secretary.

The Department was born under a cloud of suspicion and distrust, and the shadow has followed it into maturity.

The constitutional injunction upon the Government "to promote the general welfare" has always been viewed with skepticism by some, and by political conservatives of the middle decades of this century, in particular. The injunction was, however, observed grudgingly and piecemeal over the years—a children's bureau, vocational education, social security—by the pressures of political necessity. But the effort to put the pieces together into an administrative whole was blocked through four Presidential administrations—from 1933 through 1952—by cries of "dogoodism," "socialism" and States rights.

It took the first Republican President in 30 years, Dwight D. Eisenhower, to persuade these objectors that a single department to handle the Government's welfare obligations would not result in a headlong plunge to a "welfare state." The Department was voted into being as the 10th Cabinet Department April 1, 1953. But there are stalwarts of the middle and right in and out of Congress who still wonder today if it wasn't all a mistake.

The depot is the fifth largest in manpower—73,000—and about midway of the list in expenditure of appropriated funds—$4,605 million in the last fiscal year. But it almost certainly touches more people in their more sensitive nerve endings than any agency.

In any given month, the beneficiaries of its largess—old-age pensioners, dependent mothers and children, college students on scholarships, research scientists in their laboratories, poor families in public health clinics—run into the many millions. And numbered among them, too, are most Governors, mayors, and public officials with their hands out for Federal grants for a host of welfare and educational programs.

The Department is responsible for administering 112 programs, sometimes in fields

that seem unrelated. There are allocated among these five major divisions.

PUBLIC HEALTH SERVICE

Its two major functions are the operation of one of the world's largest and most diversified medical research programs through the National Institutes of Health, and assisting the States in carrying on their own health services. It has 30,000 employees and in the last fiscal year it was budgeted at $1,391,083,000.

SOCIAL SECURITY ADMINISTRATION

This includes such major operations as old-age and survivors insurance (61 million persons are covered); grants to the States for a variety of public welfare programs ($2,167 million last year), and the Children's Bureau, which is principally an advisory service on child welfare.

OFFICE OF EDUCATION

This dates from 1867, helps to formulate broad educational policies and administers Federal grants-in-aid to the States under the National Defense Education Act of 1958. These grants totaled $436 million in 1961.

OFFICE OF VOCATIONAL REHABILITATION

This provides grants to the States ($55 million last year) and technical guidance in the training of handicapped persons for useful employment.

FOOD AND DRUG ADMINISTRATION

Established in 1906, this unit is the Government's chief enforcement agency to insure the purity of foods, drugs, and cosmetics. With a relatively small staff of 2,260 and a budget last year of $26,323,000, it is frequently embroiled with the powerful industrial groups it is supposed to regulate.

Political controversy is inherent in nearly every area of the Department's responsibility. The conservative-liberal dialog is more easily triggered by the question of the citizen's reliance on Government—paternalism, "creeping socialism," States rights versus centralization, etc.—than by any other topic. And the Department is the "big brother" of Government benevolence.

Mr. Celebrezze's predecessors have fought many memorable battles with Congress, with "the interests" and with public opinion, and this issue has been at or near the heart of each one. To recall a few: compulsory health insurance, extension of social security coverage, the contaminated cranberry episode of 1959, aid to education and, of recent vintage, medical care for the aged.

In the nature of things, he will face similar battles himself.

A former high department official said in an interview recently:

"A Secretary of HEW is never sure his flanks are safe when he goes out to battle. He can be sure of his troops' competence, but he can't always be sure of their loyalty."

His allusion was to the laminated structure of the agency; its composition as a confederation of small, highly professional, ingrown bureaucracies preoccupied with their individual traditions, loyalties and objectives. Dominating the top policy levels of each division and bureau are careerists of long tenure and fixed professional viewpoints. They know their fields, and they have seen Secretaries come and go. In many subtle ways they can frustrate a Secretary's broad objectives when they happened not to agree with them.

It is significant that in the page-and-one-half roster of top Department officials in the current U.S. Government Manual, only seven can be identified as political appointees of Secretary Ribicoff's own choice. Custom dictates that the top policy and executive slots be filled from the career or professional ranks.

The committees of Congress, their chairmen and subchairmen, have an inordinate influence on Department operations. As one old hand in the agency described it:

"This place is chopped up like the map of Africa, the way all the congressional duchies and fiefdoms are staked out.

"And from where they (the chairmen) sit, they can make things run about the way they want them to run."

This is evident in many aspects of operations, but nowhere is it more conspicuous than in the affairs of the Public Health Service and its medical research programs.

Year after year Senator LISTER HILL, Democrat, of Alabama, chairman of the Committee on Labor and Public Welfare, and Representative JOHN E. FOGARTY, Democrat, of Rhode Island, chairman of the Appropriations Subcommittee on HEW, to mention two outstanding examples, have forced unwanted millions of research money on the NIH.

In 1961 the agency asked $400 million; Congress gave it $560 million. Last year it asked $583 million; Congress gave it $738 million. For the current year, it asked $780 million; to date the House has voted for $840,800,000, and the Senate for $900,800,000, with the final sum to be worked out in conference.

So much generosity has come close to gagging some of the research specialists at NIH. They complain privately that they are being forced to waste money. It has created problems, too, for Surgeon General Luther L. Terry, the NIH chief. He confessed recently to the chairman of another congressional committee that the poor administrative record of his agency was largely owing to its continued and unasked for affluence.

The Department is not only prey to a multiplicity of lobbies—the field of welfare nourishes a host of popular crusades—but it is also prey to a multiplicity of congressional interests.

Most executive departments are the "territory" of a single legislative committee; Foreign Affairs for the State Department, for example. But Secretary Celebrezze will have to deal, in the House alone, with Ways and Means, Education and Labor, Public Works, Interstate and Foreign Commerce, and most importantly of all, Appropriations, to keep his varied programs afloat.

Mr. Ribicoff thought that a good way to solve the problems of HEW was to break it up in smaller, more manageable pieces. Mr. Celebrezze may be ready for even more drastic measures when he has had a chance to look over his domain.

POOR MR. RIBICOFF

A tale with significance for every head of a Government agency lies behind passage by Congress of the bill providing funds to run the Health, Education, and Welfare Department in fiscal 1963.

The story begins last fall when Abraham Ribicoff, then Welfare Secretary, heeded a Presidential directive on frugality. Addressing all Federal agency chiefs, the President said Congress had made it clear on many occasions that "appropriations are only a ceiling, not a mandate to spend." And he added firmly: "Agency heads are not required to spend every dollar appropriated."

With this exhortation ringing in his ears, Mr. Ribicoff went back to his office and, looking for a place to economize, ordered more than $76 million whacked from his agency's Public Health Service fiscal 1962 spending program.

Now the scene changes to the Senate Appropriations Committee, weighing agency fund requests for fiscal 1963. When they came to Health, Education, and Welfare, the Senators tumbled to the fact that, thanks to Mr. Ribicoff, this agency had failed to spend millions of dollars previously appropriated.

Greatly disturbed, the Senators said it was "impossible to assess what damage had been done" by Mr. Ribicoff's "arbitrary restraint." And with that they voted the Welfare Department's health unit a fat $182 million more than it had even asked for. Both Houses subsequently went along with the boost.

Mr. Ribicoff, now resigned to enter another political arena, perhaps can shrug off this slap at his good intentions with a wry smile. But its implications certainly won't be lost on any incumbent administrator with a passing inclination to save money.

GRUENING'S EXTRAORDINARY SPEECH ON LATIN AMERICAN MILITARY AID

Mr. PROXMIRE. Mr. President, the outstanding speech by the Senator from Alaska [Mr. GRUENING] opposing our military assistance program to South America, which was one of the finest speeches delivered in the Senate this year, has won editorial comment all over the country and there has been a great deal of discussion all over the United States concerning it. It is one of the rare speeches which is likely to change the policy of the U.S. Government—and I think to improve the policy substantially.

One of the most recent and thought-provoking editorials was published in the Washington Post and Times Herald on Saturday, and I ask unanimous consent that the editorial may be printed in the RECORD at this point.

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

GUNS WITHOUT BUTTER

In a thoughtful speech excerpted elsewhere on this page, Senator ERNEST GRUENING raises some trenchant objections to our military-aid program in Latin America. The program is only a decade old, yet in that brief period has climbed spectacularly from a $200,000 appropriation in fiscal 1952 to $91.6 million in fiscal 1961. Doubtless some useful purposes have been achieved through the half-billion dollars spent over a decade—but have the benefits outweighed the harm?

Mr. GRUENING thinks not; he draws attention to the lamentable symbolism in Peru, where a U.S.-supplied Sherman tank captained by a U.S.-trained Peruvian officer rammed through the presidential palace in a military coup. Clearly this is not the purpose for which military aid was designed. But this episode of itself could be minimized if the overall program contributed in a meaningful way to hemisphere security.

Where the Senator draws the most blood is in his devastating account of how the military-aid program has fanned an arms race among countries that lack the resources to meet minimum public needs. Country after country has acquired flashy jet planes and costly naval aircraft which were obsolete when purchased, which have been poorly maintained and which have contributed only distantly to a system of hemisphere defense. In addition to receiving $4.9 million in military assistance from Washington, Argentina, for example, has been obtaining planes from Britain, Italy, Canada and Germany. And at the same time Argentina is desperately appealing for U.S. loans to bail the country out of a fiscal crisis.

One does not have to go down the line with Senator GRUENING in urging that the program be completely dropped. But there is surely room for a reappraisal, not only here but also in Latin America. Several

years ago, President Alessandri of Chile proposed a hemisphere conference on arms limitation in order to halt a meaningless competition for prestige weapons. The suggestion unfortunately came to nothing, as did a similar proposal made by Costa Rica in the Organization of American States.

In the wake of the Peruvian coup, the proposal might be appropriately reconsidered. The three countries in Latin America that have smallest proportionate military budgets are Mexico, Costa Rica and Uruguay—three of the most progressive and stable republics in the hemisphere. It may be that countries now spending too much on weaponry cannot be persuaded that the hemisphere could be better defended by spending more on economic development. But this does not mean that U.S. policy should abet a wasteful competition for costly status symbols. As Mr. GRUENING remarks:

"If the Latin American governments feel they must sacrifice their precious, meager resources for the maintenance of oversized and obsolete military establishments, I say—let them. But let us not contribute to their folly from our own hard-pressed Treasury, and our mounting debt and our unfavorable balance of payments."

ANTI-SEMITISM IN THE SOVIET UNION

Mr. KEATING. Mr. President, reports of anti-Semitism in the Soviet Union are growing louder as an increased crackdown on so-called black marketeers is taking place. The Communists are seizing this great opportunity to blame the members of the Jewish religion for the failure of their own economic system. Mr. President, it is becoming increasingly clear that the persecutions of the Jews in the Soviet Union are a deliberate act on the part of the Communist central government to find scapegoats for an economic system that is full of flaws and inefficient.

What the Soviet Union is trying to do is to put all the blame on a small minority, when the failure of Communist planning, Communist management, and indeed the very ability of the Communist economic system to meet modern industrial needs is involved. In many areas communism has been a failure. The food industries, and the consumer industries are wholly inadequate to meet the needs of the Soviet people. The heavy industry and manufacturing interests which have received such tender nurture under communism are still incapable of the technical skill and flexibility of Western industry. True, the Soviets can get results, in some areas, such as space work and missilry, but it is at the cost of many other sacrifices throughout the whole structure.

Today, Mr. President, I surmise that the Soviet people, who incidentally have not even been informed by their government that it has set off large scale nuclear explosion in the atmosphere, are beginning to get impatient with hardship and scarcity. Years ago, Khrushchev promised they could catch up with the United States. The average Russian is still waiting, and he is getting more and more anxious to enjoy the fruits of his own labors.

How to distract the Russian people from their lacks, and above all, how to find a scapegoat for the inadequacy of Communist economics are the real reasons behind the new outbreak of anti-Semitism in the Soviet Union. This is an area where the United Nations Human Rights Commission could very profitably conduct a thorough hearing and investigation, to bring to light the depths of deceit and persecution to which the rulers of the Kremlin have stooped to cover their own failure. It would be useful not only as proof of the complete scorn of human rights in the U.S.S.R., but also as strong evidence of the economic failure of communism.

Mr. President, in this respect there is little difference between the Communist regime and the old czarist Russia. Neither dares face the fact of its own inadequacy. Both turn upon the Jewish people as an outlet for government mistakes. In this matter, the Soviet Union is certainly one of the most backward and barbaric nations in the modern world. Its present actions deserve the condemnation of all civilized peoples and nations.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, an article on the subject from the Washington Post by Edward Crankshaw.

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

JEWS CHIEF TARGET IN SOVIET DRIVE

(By Edward Crankshaw)

LONDON, August 4.—Rather more than half those executed in the Soviet Union for embezzlement and currency offenses between May 1961 and July of this year were Jews.

At the mass trial in Frunze, the capital of Khirgizia, which ended a fortnight ago, something like 60 percent of the accused were Jews. So far there has been no detailed report of the sentences. At least nine were shot, but the Central Press gave only four of their names, two of them being Jewish.

At many other trials which have taken place throughout the Soviet Union during the past year, the evidence has been so arranged as to emphasize the Jewish blood of the chief accused when this was not evidenced from their names.

Because of this some Western observers have come to the conclusion that the decree of May 6, 1961, which extended the death penalty to those convicted of large-scale embezzlement and persistent speculation in foreign currency, was conceived as part of an anti-Jewish campaign. The Soviet man-in-the-street, above all in White Russia and the Ukraine where anti-Semitism is better and endemic, is inclined to believe this too. The word has gone round that "they are shooting the Jews," regardless of the fact that nearly half of those shot have in fact been gentiles, some of them in fairly high places.

NOT DISCOURAGED

The Soviet Government has done nothing to discourage this sort of talk; it may even be said to have fostered it. But it is almost certainly an oversimplification and an exaggeration to think of the new attitude toward gross racketeering as a manifestation of a calculated drive against the Jews.

(The Associated Press reported from Moscow today that two Jews, convicted of masterminding a currency speculation ring, have been sentenced to death by shooting in the Ukraine. Four others, all with Jewish names, were sentenced to prison terms.)

The continued shortages of goods of all kinds in the Soviet Union, the absence of an effective distribution system outside a handful of great cities, the centralized control of all production with its proliferation of red-tape, all inevitably lead to widespread corruption and to irregularities of every kind. The Soviet Government knows perfectly well that if everyone in trade and industry obeyed the letter of the law the economy would soon break down; it has to turn a blind eye on all sorts of infringements, and it will continue to do so.

But organized swindling in the grand manner is another story. In past years the state has been robbed of huge sums by determined and ingenious racketeers exploiting to their own advantage, and with extreme boldness, the tolerated weaknesses of the system.

SERIOUS CRACKDOWN

Khrushchev showed his outraged awareness of this, somewhat belatedly, early in 1961. The decree of May 1961 was, on the face of it, the first serious attempt by any Russian Government in any age to differentiate between permitted graft and corruption and wholesale racketeering.

Russia's return to capital punishment should be seen not as a reversion to terror but, rather, as a characteristically melodramatic attempt to bring stern measures to bear against violent crime and excessive corruption.

So far there is no sign of any concerted violence against the Jews. Certainly, for familiar historical reasons, one would expect to find a disproportionately large number of Jews among those engaged in financial and commercial pursuits. No less certainly the proportion reflected in the Soviet death sentences is too high; there are at most 3 million Jews in the Soviet Union today. They are clearly being picked on.

FRYINGPAN-ARKANSAS PROJECT, COLORADO

The Senate resumed the consideration of the bill (S. 284) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado.

Mr. CARROLL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CARROLL. Mr. President, a parliamentary inquiry. What is the pending business before the Senate?

The PRESIDING OFFICER. S. 284, the so-called Fryingpan bill.

Mr. CARROLL. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as amended be considered as original text for purpose of amendment.

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

The amendments, agreed to en bloc, are as follows:

On page 3, line 1, after the word "on", to insert "Castle Creek, a tributary of"; on page 5, line 17, after the word "Numbered", to insert "130"; on page 8, line 4, after the word "reclamation", to strike out "laws, and" and insert "laws"; on page 11, line 7, after the word "or", where it appears the second

time, to strike out "otherwise, and any person or entity whose rights may be affected, impaired, or infringed upon by reason, or as a result, of such noncompliance may maintain an action, suit, or proceeding in the United States District Court in and for the District of Colorado seeking appropriate relief, and consent is hereby given to the joinder of the United States, the Secretary of the Interior, and his subordinate officials, employees, and agents as a party or parties to such action, suit, or proceeding, as a defendant or"; on page 12, line 4, after the word "years", to strike out "thereafter" and insert "thereafter, the expense of said studies to be no part of the financial obligation of the Fryingpan-Arkansas project"; and in line 9, after "$170,000,000", to insert "(June 1961 prices)"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of supplying water for irrigation, municipal, domestic, and industrial uses, generating and transmitting hydroelectric power and energy, and controlling floods, and for other useful and beneficial purposes incidental thereto, including recreation and the conservation and development of fish and wildlife, the Secretary of the Interior is authorized to construct, operate, and maintain the Fryingpan-Arkansas project, Colorado, in substantial accordance with the engineering plans therefor set forth in House Document Numbered 187, Eighty-third Congress, modified as proposed in the September 1959 report of the Bureau of Reclamation entitled "Ruedi Dam and Reservoir, Colorado", with such minor modifications of, omissions from, or additions to the works described in those reports as he may find necessary or proper for accomplishing the objectives of the project. Such modifications or additions as may be required in connection therewith shall not, however, extend to or contemplate the so-called Gunnison-Arkansas project; and nothing in this Act shall constitute a commitment, real or implied, to exportations of water from the Colorado River system in Colorado beyond those required for projects heretofore or herein authorized. In constructing, operating, and maintaining the Fryingpan-Arkansas project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto).

(b) A reservoir at the Ruedi site on the Fryingpan River with an active capacity of approximately one hundred thousand acre-feet shall be constructed in lieu of the reservoir on the Roaring Fork River at the Aspen site contemplated in House Document Numbered 187, Eighty-third Congress. The Secretary shall investigate and prepare a report on the feasibility of a replacement reservoir at or near the Ashcroft site on Castle Creek, a tributary of the Roaring Fork River above its confluence with the Fryingpan River with a capacity of approximately five thousand acre-feet, but construction thereof shall not be commenced unless said report, which shall be submitted to the President and the Congress, demonstrates the feasibility of said reservoir and is approved by the Congress. The Secretary shall expedite completion of his planning report on the Basalt project, Colorado, as a participating project under the Act of April 11, 1956 (70 Stat. 105), and said report shall have the priority status of the reports to which reference is made in section 2 of said Act.

(c) No part of the single purpose municipal and industrial water supply works involved in the Fryingpan-Arkansas project shall be constructed by the Secretary in the absence of evidence satisfactory to him that it would be infeasible for the communities involved to construct the works themselves, singly or jointly. In the event it is determined that these works, or any of them, are to be constructed by the Secretary, a contract providing, among other things, for payment of the actual cost thereof, with interest as hereinafter provided, as rapidly as is consistent with the contracting parties' ability to pay, but in any event, within fifty years from the time the works are first available for the delivery of water, and for assumption by the contracting parties of the care, operation, maintenance, and replacement of the works shall be a condition precedent to construction thereof.

SEC. 2. (a) Contracts to repay the portion of the cost of the Fryingpan-Arkansas project allocated to irrigation and assigned to be repaid by irrigation water users (exclusive of such portion of said cost as may be derived from temporary water supply contracts or from other sources) which are entered into pursuant to subsection (d), section 9, of the Reclamation Project Act of 1939 (53 Stat. 1187), as amended, shall provide for a basic repayment period of not more than fifty years after completion of construction and shall not provide for any development period. Such contracts shall be entered into only with organizations which have the capacity to levy assessments upon all taxable real property located within their boundaries.

(b) Rates charged for commercial power and for water for municipal, domestic, or industrial use or for the use of facilities for the storage and/or delivery of such water shall be designed to return to the United States, within not more than fifty years from the completion of each unit of the project which serves those purposes, those costs of constructing, operating, and maintaining that unit which are allocated to said purposes and interest on the unamortized balance of said construction allocation and, in addition, within the period fixed by subsection (a) of this section, so much of the irrigation allocation as is beyond the ability of the water users and their organizations to repay.

(c) The interest rate on the unamortized balance of the commercial power and municipal, domestic, and industrial water supply allocations shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due or callable for redemption for fifteen years from the date of issue.

SEC. 3. (a) The Fryingpan-Arkansas project shall be operated under the direction of the Secretary in accordance with the operating principles adopted by the State of Colorado on December 9, 1960, and reproduced in House Document Numbered 130, Eighty-seventh Congress.

(b) The Secretary may appoint the two representatives of the United States to the Commission referred to in paragraph 19 of said principles and may, upon unanimous recommendation of the parties signatory to the operating principles, adopt such modifications therein as are not inconsistent with the provisions of this Act.

(c) Any and all benefits and rights of western Colorado water users in and to water stored in the Green Mountain Reservoir, Colorado-Big Thompson project, as described, set forth and defined in Senate Document Numbered 80, Seventy-fifth Congress, shall not be impaired, prejudiced, abrogated, nullified, or diminished in any manner whatever by reason of the authorization, construction, operation, and maintenance of the Fryingpan-Arkansas project.

(d) Except for such rights as are appurtenant to lands which are acquired for project purposes, no valid right to the storage or use of water within the natural basin of the Colorado River in the State of Colorado shall be acquired by the Secretary of the Interior through eminent domain proceedings for the purpose of storing or using outside of said basin the water embraced within that right, and no water, the right to the storage or use of which is so acquired by anyone other than the Secretary, shall be transported through or by means of any works of the Fryingpan-Arkansas project from the Colorado River Basin to the Arkansas River Basin.

SEC. 4. (a) The Secretary is authorized and directed (1) to investigate, plan, construct, operate, and maintain public recreational facilities on lands withdrawn or acquired for the development of said project, (2) to conserve the scenery, the natural, historic, and archeologic objects, and the wildlife on said lands, (3) to provide for public use and enjoyment of the same and of the water areas created by this project by such means as are consistent with the purposes of said project, and (4) to investigate, plan, construct, operate, and maintain facilities for the conservation and development of fish and wildlife resources. The Secretary is authorized to acquire lands and to withdraw public lands from entry or other disposition under the public land laws necessary for the construction, operation, and maintenance of the facilities herein provided, and to dispose of them to Federal, State, and local governmental agencies by lease, transfer, exchange, or conveyance upon such terms and conditions as will best promote their development and operation in the public interest: *Provided,* That all lands within the exterior boundaries of a national forest acquired for recreational or other project purposes which are not determined by the Secretary of the Interior to be needed for actual use in connection with the reclamation works shall become national forest lands: *Provided further,* That the Secretary of the Interior shall make his determination hereunder within five years after approval of this Act or, in the case of individual tracts of land, within five years after their acquisition by the United States: *And provided further,* That the authority contained in this section shall not be exercised by the Secretary of the Interior with respect to national forest lands without the concurrence of the Secretary of Agriculture.

(b) The costs, including the operation and maintenance costs, of the undertakings described in subsection (a) of this section shall be nonreimbursable and nonreturnable under the reclamation laws. The funds appropriated for carrying out the authorization contained in section 1 of this Act shall, without prejudice to the availability of other appropriated moneys for the same purpose, also be available for carrying out the investigations and programs authorized in this section.

SEC. 5. (a) The use of water diverted from the Colorado River system to the Arkansas River Basin through works constructed under authority of this Act shall be subject to and controlled by the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act, and the Mexican Water Treaty (Treaty Series 994), and shall be included within and shall in no way increase the total quantity of water to the use of which the State of Colorado is entitled and limited under said compacts, statutes, and treaty, and every contract entered into under this Act for the storage, use, and delivery of such water shall so recite.

(b) All works constructed under authority of this Act, and all officers, employees, permittees, licensees, and contractees of the United States and of the State of Colorado acting pursuant thereto, and all users and appropriators of water of the Colorado River system diverted or delivered through the

works constructed under authority of this Act and any enlargements or additions thereto shall observe and be subject to said compacts, statutes, and treaty, as hereinbefore provided, in the diversion, delivery, and use of water of the Colorado River system, and such condition and covenant shall attach as a matter of law whether or not set out or referred to in the instrument evidencing such permit, license, or contract and shall be deemed to be for the benefit of and be available to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming and the users of water therein or thereunder by way of suit, defense, or otherwise in any litigation respecting the waters of the Colorado River system.

(c) None of the waters of the Colorado River system shall be exported from the natural basin of that system by means of works constructed under authority of this Act, or extensions and enlargements of such works, to the Arkansas River Basin for consumptive use outside of the State of Colorado, and no such waters shall be made available for consumptive use in any State not a party to the Colorado River compact by exchange or substitution; nor shall the obligations of the State of Colorado under the provisions of the Arkansas River compact (63 Stat. 145) be altered by any operations of the Fryingpan-Arkansas project.

(d) No right or claim of right to the use of the waters of the Colorado River system shall be aided or prejudiced by this Act, and the Congress does not, by its enactment, construe or interpret any provision of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act, or the Mexican Water Treaty or subject the United States to, or approve or disapprove any interpretation of, said compacts, statutes, or treaty, anything in this Act to the contrary notwithstanding.

(e) In the operation and maintenance of all facilities under the jurisdiction and supervision of the Secretary of the Interior authorized by this Act, the Secretary of the Interior is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act (and any contract lawfully entered into by the United States under any of said Acts), the treaty with the United Mexican States, and the operating principles, and to comply with the laws of the State of Colorado relating to the control, appropriation, use, and distribution of water therein. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this section and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 6. The Secretary of the Interior is directed to continue his studies of the quality of water of the Colorado River system, to appraise its suitability for municipal, domestic, and industrial use and for irrigation in the various areas in the United States in which it is used or proposed to be used, to estimate the effect of additional developments involving its storage and use (whether heretofore authorized or contemplated for authorization) on the remaining water available for use in the United States, to study all possible means of improving the quality of such water and of alleviating the ill effects thereof, and to report the results of his studies and estimates to the Congress on January 3, 1963, and every two years thereafter, the expense of said studies to be no part of the financial obligation of the Fryingpan-Arkansas project.

SEC. 7. There is hereby authorized to be appropriated for construction of the Fryingpan-Arkansas project, the sum of $170,000,000 (June 1961 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the project and for future costs incurred under section 4 of this Act.

Mr. CARROLL. Mr. President, the committee report states:

The Fryingpan-Arkansas project has been under study and consideration for over 30 years. It has been ready for authorization for 8 years. However, it was not until recently that all interested parties in the State of Colorado were able to agree on the development.

During the prolonged effort on the part of the State of Colorado and the people of the Arkansas Valley to secure authorization of this project they have expended over $700,000 of their own funds preparing project studies and doing the additional groundwork necessary in getting the conservancy district organized. The greatest portion of this sum came from the people of the Arkansas Valley. In 1958, they organized themselves into the largest water conservancy district in the history of Colorado, in terms both of population and assessed valuation. By doing so, they have demonstrated their willingness to raise from ad valorem taxes approximately $420,000 annually, based on present assessed values, to assist in project repayment and operation.

Legislation to authorize the Fryingpan-Arkansas project passed the Senate in the 83d, 84th, and 85th Congresses.

Mr. President, S. 284 would authorize the Secretary of the Interior to construct, operate, and maintain the Fryingpan-Arkansas project in the State of Colorado.

Fry-Ark is a multiple-purpose development of Colorado's water and land resources which will provide supplemental irrigation water and municipal and industrial water, flood protection for the Arkansas Valley, electric power and energy, fish and wildlife resources, and recreation opportunities.

The Senate Select Committee on National Water Resources has stated:

If bold programs for the construction of storage reservoirs, reclamation projects, flood control facilities, and other works which have been conceived by the agencies involved are carried out, and if new techniques for desalting, evaporation control, and waste disposal now developed or being developed are applied, adequate water, both in quality and quantity, will be available. If we add to these programs the possibility that underground aquifers may be used for additional storage and that necessary interbasin transfers can be worked out, it will be seen that vigorous all-out water resource development will enable the water-short areas to play their full part in the future development of the national economy.

Mr. President, in the terms of the Senate Select Committee on Water Resources, the Fryingpan-Arkansas is a bold program. It is a vigorous, all-out development. It incorporates every facet recommended in the magnificent report from which I have just quoted.

The Senate has passed this project on three previous occasions. The proposal before us today is vastly improved over the ones we have previously considered.

PEOPLE OF ARKANSAS VALLEY WILL PAY FOR PROJECT

This project has vigorous support from the people of the Arkansas Valley.

Such support is evidenced by the fact that the people of the valley have pledged themselves to raise, by ad valorem taxes, about $500,000 a year to help repay the cost of this project. As I have stated, they have already spent over $700,000 in planning the development of the project.

SUPPLEMENTAL CROP WATER

This project will provide about six-tenths of an acre-foot of water per year to 280,000 acres of presently irrigated land. This will allow for two late season irrigations which will provide the vital water necessary to make a crop mature. The crops now have a water deficiency of about 30 percent, which means that as late summer approaches the farmers begin to lose a whole year's income from crops.

All irrigation water will go to presently irrigated lands.

Mr. President, I wish to emphasize this point. All irrigation water will go to presently irrigated lands.

No new lands will be irrigated. I repeat, Mr. President: No new lands will be irrigated.

The surplus crop problem will not be aggravated.

With a firm supply of water, a greater percentage of garden and vegetable crops will be grown, crops not in the surplus category. What are those crops? They are cantaloups, tomatoes, onions, potatoes, sugarbeets, and cucumbers. The Arkansas Valley is well known throughout the Nation for the wonderful crops which are grown there. In effect, this project will be a rescue operation to provide a firm supply of water to a chronic water-short area.

One of the prime purposes of the project is to furnish water to people for domestic use. Twenty thousand five hundred acre-feet of water will be distributed to cities from Colorado Springs and Pueblo to the Kansas line. Colorado Springs alone—and I wish to emphasize this—with its vital defense installations, such as North American Air Defense Command, Fort Carson, Ent Air Force Base, and the Air Force Academy, will get about 10,000 acre-feet of municipal water.

Water for industrial use will become available on the western side of the Continental Divide through the Ruedi Reservoir. It is hoped that this water will help to develop a great oil shale industry in western Colorado.

WATER QUALITY

Now I shall take a moment to discuss the quality of water. The project water going to Arkansas Valley cities will help to improve the quality of their drinking water. The quality of the drinking water of some cities in the valley has been criticized by the U.S. Public Health Service because of its mineral content which is excessively high. Actually, in some places the mineral content is so high that the water is approaching a level where it will be unfit for human consumption. Some of the people of that area realize this and are taking steps to correct the condition. The water com-

ing from the Fryingpan-Arkansas project will dilute the salinity and mineral content of that water and will provide a water supply having an acceptable mineral content level.

Recently the Committee on Interior and Insular Affairs held hearings on the salinity of Colorado River water delivered to Mexico. This is a subject of serious international dispute. It is under conference today between the Mexican Government and the United States Government. Why? Because the Mexican Government says that the water which is going into Mexico has a high salinity content.

I point out that the drinking water in some Arkansas River Valley cities has a higher saline content than the irrigation water about which Mexico is complaining; but Mexico is talking about irrigation water, while we are talking about water for human consumption.

BENEFIT-TO-COST RATIO

The benefit-cost ratio on the project is higher than most reclamation projects in recent years.

Under the now outmoded Budget Bureau Circular A-47 the benefit-cost ratio is 1.64 to 1.

However, under the newly announced criteria the ratio for Fryingpan-Arkansas is 1.87 to 1.

This is a highly feasible project.

PROJECT REPAYMENT

Of the $169 million to be loaned to the people of Colorado to build this project, all but $19 million will be repayed.

About $75 million will be repaid with interest at a rate of 2.632 percent.

Eleven percent of the project cost is allocated for flood control, fish and wildlife, and recreation purposes, and is nonreimbursable.

Sixty-six million dollars, or 38.9 percent, is allocated to irrigation. As is always the case with such projects since the beginning of this program, when the money is loaned for irrigation purposes, the money is repayable with interest.

Twenty-two million two hundred thousand dollars, or 13 percent, is allocated to municipal and industrial water supply, and it also is repayable with interest. When I talk about industrial and municipal water supply, I am speaking about the military establishment in Colorado Springs; I am talking about the great CFI plant in Pueblo, which will receive this water for industrial purposes; I am talking about water to be used by the people of Pueblo; and also drinking water for the people in the Arkansas Valley.

To summarize, 89 percent of the authorized amount will be repaid. I do not know of another project which repays such a high percentage.

PROJECT POWER

The House and Senate hearings contain clear expressions of support from both private and public power interests. With both public and investor-owned electric utilities enthusiastically supporting the project, there can be no power issue. Not one person appeared before the Senate Committee on Interior and Insular Affairs in opposition to the bill. I remind the Senate that although the bill has passed the Senate three times in the course of many years, for the first time, and only a short time ago, the House of Representatives passed the bill with an overwhelming vote, for which we from Colorado are delighted, because, as I previously said, this project has been the dream of Colorado for 30 years. I myself have spoken for this measure ever since 1954. So after 12 years we have reached the point where the bill can become law. Thus we have before us a bill which has had full committee hearings, at which no adverse testimony was given.

This proposal was supported by President Eisenhower. It is a part of the reclamation program of the present administration. All Secretaries of the Interior with whom I have had any contact have favored the project. Reclamation engineers, scientists, and technicians have favored it. Now, in a relatively new administration, we find a new Secretary of the Interior, a new Director of the Bureau of the Budget, and a new President giving full support to this important proposal.

The Bureau of Reclamation is given full authority in the bill to build the necessary backbone transmission lines, and there is no controversy over this phase of the project.

The operating criteria, now formalized as House Document No. 130, together with provision for the construction of the Ruedi Reservoir in lieu of the Aspen Reservoir have resolved the questions and needs of the people of the Western Slope of Colorado. Now the entire State is unified and is 100 percent behind this project.

The former fears of the State of California were largely satisfied by negotiations resulting in protective provisions which are incorporated in the bill before the Senate today.

Mr. President, I express the hope of the people of Colorado that this project will be approved. In Colorado, this is not a partisan issue. Republicans, Democrats, and independents on both sides of the Continental Divide have given their full approval to the bill. The House of Representatives has passed the bill. Shortly, the distinguished senior Senator from Colorado [Mr. ALLOTT] will speak on the bill, and I am sure he will bear out what I have said.

This is not a political issue in our State. It is vital to the economy of southeastern Colorado, not only because it provides irrigation water, but also because it makes water available for municipal and industrial purposes. This water is essential to meet the population increase needs of our State with its expanding industry. Our State is growing. The population increase during recent years is phenomenal. I hope the Senate will pass this bill. This is a project of utmost importance to the people of Colorado.

Mr. PROXMIRE. Mr. President, will the Senator from Colorado yield for a question?

Mr. CARROLL. I am happy to yield.

Mr. PROXMIRE. First, I wish to say that I think the junior Senator from Colorado is a very eloquent and a very effective champion of his State in connection with many issues, and I know how dear to his heart this particular measure is. So it is with great hesitation that I indicate any opposition.

But I wish to obtain some answers; and I am sure the Senator from Colorado can give them, if anyone can.

PROJECT WILL BOOST CROPS ALREADY SURPLUS

It is my understanding that if the project is undertaken, the yield of alfalfa, feed grains, and other agricultural commodities will be substantially increased.

It is estimated that the production of alfalfa will increase by 115,000 tons—from 400,000 tons to 515,000 tons; and that the increase in the production of feed grains will be in the order of 2 million bushels. Of course this project will lead to the production of more agricultural commodities than those produced there now.

I am sure the Senator from Colorado is well aware of the fact that the taxpayers are being burdened by programs to take land out of production. In Colorado alone, 1,299,000 acres are in the Soil Bank, and over 4,700 farms have been taken out of production; and the total national cost of this reduction in production to the taxpayers is over $330 million.

Perhaps the Senator from Colorado will concede that this raises serious questions for Senators who represent other States, particularly States such as Wisconsin. In Wisconsin we now have a serious problem, and we are confronted with the possibility of having a limitation placed on our production of feed grains. What answer can I give to the farmers and the taxpayers in Wisconsin when they wonder about having the Federal Government spend $170 million on a project which will increase agricultural production; and when they will be confronted with a much greater cost than that in the future in paying for the storage and the cost of this additional agricultural production?

Mr. CARROLL. The Senator from Wisconsin can tell the farmers of his State that the increases in the production of wheat, corn, and sorghums will be only a drop in the bucket, because very little will be produced in this area. In the whole valley wheat is produced on only 30,000 acres. In the conservancy district we are talking about—which has pledged itself to repay the irrigation cost of the project—the figure is only 15,000 acres for wheat; and that is only a drop in the bucket for the entire national wheat program. Furthermore, we expect the farmers, once they get irrigation water, to substitute other crops for the wheat. These will be nonsurplus crops.

The corn in this district—which has pledged itself to pay for the water—amounts to only about 30,000 acres. The sorghum amounts to only 35,000 acres.

I wish to say to the Senator from Wisconsin that part of this area was known as the dust bowl in the days of Franklin D. Roosevelt. It is a very difficult area for farmers to live in. Some of the land in the valley is dry land, not irrigated land. The wheat is grown on dry land. The project water will go as supplemental water to land now under irrigation.

The farmers in the Arkansas Valley need water, because their income comes largely from what are called truck garden crops—cantaloups, onions, tomatoes, cucumbers, sugarbeets—although production of sugarbeets is being reduced. These are the crops this valley is noted for. No water will be put on new land. Instead, we are attempting to supplement the water now available there. In the late season, when the farmers need it, there is a deficiency of water; and because of that lack of water, the farmers' income for the entire year may be destroyed.

I refer to page 9 of the House committee report:

Five crops constitute the bulk of farm commodities under loan or in the inventories of the Commodity Credit Corporation. * * * Of these, only corn and sorghums are produced to any extent on irrigated land in the Arkansas Valley. Wheat is not an irrigated crop in the valley, and only about 25 percent of the sorghums are irrigated. There are about 33,000 acres of irrigated corn in the Arkansas Valley. However, the records show—

And I think this is important—

that there has been no CCC loan on corn in the Arkansas Valley in the last 2 years that has not been redeemed by the farmer. This is also true of an estimated 45,000 acres of irrigated sorghums in the Arkansas Valley. In other words, the Arkansas Valley uses its corn and sorghums for feeding operations where it is grown. The other crops produced and used in the valley for feeding—

And the Senator from Wisconsin mentioned alfalfa—

are alfalfa and hay, silage, barley, oats, rye, and the byproducts from sugarbeets.

What will this mean? I will tell the able Senator from Wisconsin, and he can tell the farmers in Wisconsin. I repeat a quotation from a letter written by the Secretary of Agriculture Orville Freeman to the chairman of the Senate Interior Committee:

We recognize that most of the farm products coming from irrigated land are not those for which there are serious overproduction problems. The provision of additional water to supplement present inadequate water supplies, as is proposed by the Fryingpan-Arkansas project, helps enable project farmers to adjust their production plans so they can respond to variations in production needs.

This is really why the farmers want this water; but this is not the sole purpose of this program.

Mr. PROXMIRE. I understand. But in regard to this particular subject, let me ask what will happen to the alfalfa and the hay. Obviously, eventually, it will be fed to cows and beef cattle and sold—through the milk pail and through the beef cattle that are slaughtered.

Mr. CARROLL. Let us say they will be consumed in the area.

Mr. PROXMIRE. They may be consumed in the area to a great extent, but that does not alter the economic impact.

Mr. CARROLL. They will be consumed in cattle feeding.

Mr. PROXMIRE. But to provide for this additional production seems to me to be illogical, in view of the fact that more than 4,700 farms in Colorado, I repeat, in Colorado itself, are now in the soil bank, and the owners of those farms are receiving payments from the Federal Government because they have taken their land out of production. Incidentally, I understand that those farmers are under contract not to graze their land or to cut hay on it.

So this situation seems to me to be a very clear case of the Government's paying money to the owners of the 4,700 farms not to produce crops on their land, and then turning around and paying an additional amount—which amounts, directly, to more than $230 an acre—to other farmers, so they can produce more crops. Though no additional acres will be brought into production by this project, the farmers who now are producing on the 280,000 acres will be able to obtain a greater yield from the acres they are now using. So these farmers will produce more; other farmers will produce less; and the result will be a very great drain on the taxpayers. It is hard for me to make much sense out of that.

Mr. CARROLL. The Senator from Wisconsin does not understand the geography of the Arkansas Valley. What he suggests would be true if we were to assume the premise the Senator from Wisconsin assumes. In that case, there would be some logic to what he says. But that has no application to this case. This valley is deficient in grains. It has to bring in grains to feed the livestock.

Mr. PROXMIRE. Exactly, and where do those grains come from?

Mr. CARROLL. Additional grain must be brought in—some from Kansas or from New Mexico.

Mr. PROXMIRE. Or from other parts of Colorado.

Mr. CARROLL. Let us assume that. But that is a very small part of what we are talking about. The great productive crops in this area are onions, tomatoes, and Rocky Ford cantaloups, about which I assume everybody has heard. Those crops are shipped all over the Nation. The water is needed for those kinds of crops. The other crops the Senator from Wisconsin is talking about are insignificant. Their production is not substantial in this area.

Mr. PROXMIRE. Certainly a 2-million-bushel increase in production is a substantial increase.

Mr. CARROLL. The Senator uses the figure 2-million-bushel increase in production. How does he arrive at it?

Mr. PROXMIRE. On page 26 of the House report there is a table which reveals that the yield for grains without the additional irrigation is 4,900,000 bushels, and the yield with it will be 6,900,000-plus bushels. The difference is over 2 million bushels a year.

Mr. CARROLL. The Senator is reading from the minority views.

Mr. PROXMIRE. I know that.

Mr. CARROLL. There has been some very vigorous opposition in the House, for reasons that do not pertain to crops at all.

Mr. PROXMIRE. Regardless of who is behind it, this table has been printed in the House report. If the table is not accurate, I would like to know. Is it or is it not accurate?

Mr. CARROLL. If it is, I will tell the Senator later. I will consult with persons who know about it. Any time anyone reads a minority report, he can find reasons for opposition.

This project has been a hotly contested reclamation program for 10 years. There was division even in our own State, because this is a transmountain diversion, and people in the western part of Colorado were concerned about water going out of their area and into the Arkansas River Valley.

The State of California had some qualms about the project, too. It has taken all these years to get this transmountain water diversion program. To do what? Some water will help the farmers, of course. But this water is also for municipal purposes in Colorado Springs. This is water for Pueblo. This is drinking water for people who are now drinking low quality, high mineral content water. As a matter of fact some of this domestic water is so bad the Office of Saline Water in the Department of Interior is looking into the possibility of small saline water pilot plants in the area.

I appreciate the concern of the Senator from Wisconsin about going home and telling his own farmers about this. I can remember when we brought up Colorado-Big Thompson 25 years ago. We had the same arguments against that project then, except in those days they said we were on the road to socialism. The private utilities fought the project. Now that wonderful transmountain project—and this is not Republican or Democratic propaganda—has brought $1 billion of wealth to the land and made the countryside prosperous. It has given us a great power grid. A part of the purpose of the Fryingpan-Arkansas project is to give us a great power grid which will help the farmers as we have helped them since the days of Franklin Roosevelt. The REA's and municipals will receive some of this power. The private utilities will participate by wheeling some of this power on their lines.

I appreciate the sincerity of the Senator from Wisconsin. There may be a small crop increase in the categories he has mentioned, but they are insignificant, believe me. The real purpose of the water will be to firm up the vegetable production of farmers where the water comes late in the season. The farmers in the State of the Senator from Wisconsin understand that if farmers do not get the water when they need it, their whole year's income is gone. To meet the farmers' needs is the basic purpose of the bill.

Assuming there will be some increase in the categories mentioned by the Senator from Wisconsin, it will be insignificant and incidental. We cannot have a perfect bill. We cannot shut off water from use by the people who will be drawn into the district. But the great percentage of the benefits will go to people who are not growing crops in surplus.

Mr. PROXMIRE. But of the total cost of $170 million, the portion allocated to irrigation is about $66 million.

Mr. CARROLL. That is true.

Mr. PROXMIRE. That is a tremendous amount of money. It is a high proportion. It is not insignificant. It is substantial and significant.

Furthermore, I understand the $66 million investment will bear no interest.

So it is interest-free. Therefore, there is a direct interest subsidy involved, in addition.

Furthermore, the fact remains, as the Senator has so well said, that without additional irrigation, feed grains have to be imported, perhaps from Kansas and other States, or from elsewhere in Colorado. But right now thousands of Colorado farmers are in the soil bank. They are in the soil bank and are getting a direct subsidy from the Federal Government for taking land, feed grain producing land, out of production. At the same time, we are asked to provide for a project that will permit other Colorado farmers to produce more, so they will not have to buy feed products from the outside.

POLICY IS CONTRADICTORY

I consider this a contradictory policy, although I have the greatest admiration and respect for the Senator from Colorado. I think he makes the best case possible out of the situation. It is difficult for me to see how he can justify the expenses under those circumstances.

If there were a shortage of production of feed grains or alfalfa, or any of these commodities, I could see where there would be some merit in the program; but when there are heavy surpluses, which are the heart of our whole farm problem, it is difficult for me to see how we can, in good conscience, vote for a $170 million project, $66 million of which will be for irrigation to bring more food production into operation.

Mr. CARROLL. I appreciate the Senator's remarks. I am only going to add for the RECORD this statement: We are talking about 280,000 acres. Of those 280,000 acres, about 80,000 are in the category about which the Senator from Wisconsin has commented. The Senator from Wisconsin can go home and tell his farmers this: We are talking about today's surpluses which may not be with us 8 years from now. This series of eastern slope Fry-Ark dams will not be completed for 8 years. As a matter of fact, under the operating criteria, we first have to build the Ruedi Reservoir which is on the western slope of the divide. It is a reservoir to gather water for future use in western Colorado and in no way effects the flow of the river to California. In effect it protects the interstate compact of 1922.

So it is going to take us years.

This is not an appropriation bill. It is an authorization. What we are trying to do is to set this program up so we may get it moving. Thousands of people are coming into our State each month. There is a great growth in the population of America, an increase of 3 million a year.

Mr. PROXMIRE. The Secretary of Agriculture has said that 20 years from now we will need less land than is used now. Because of dramatic improvements in soil chemistry and animal husbandry, we can produce more crops on less land. With a far larger population we are using less land now than we did 20 years ago.

Mr. CARROLL. That is not true of the Arkansas Valley. I have great respect for the Secretary of Agriculture. He is talking about an entirely different type of land.

Mr. PROXMIRE. I am sure it is not true of the Arkansas Valley, but the fact is that, if production is increased in the Arkansas Valley, that is going to contribute to the increased food production throughout Colorado, and therefore the rest of the country.

Mr. CARROLL. I thank the Senator. I have watched him month after month and year after year. He is one of the great fighters to save the taxpayers' money. The people of Wisconsin ought to know he is probing, as he has a right to do. But, after having probed here, I hope he can go home and explain to his farmers why the farmers of Colorado need help to put water on their crops.

Mr. AIKEN. Mr. President, will the Senator yield to me so that I may ask a question?

Mr. CARROLL. I yield to the Senator from Vermont.

Mr. AIKEN. Reference has been made to the Colorado River compact. Can the Senator advise me what States are signatories to the Colorado River compact?

Mr. CARROLL. There are the upper basin States and the lower basin States.

What we are seeking to do in this project, as I understand by the Ruedi Reservoir, is to provide a method of gathering water for western slope industrial, municipal, and irrigation use.

The water would be released as needed and would not effect the flow of the river.

Mr. AIKEN. Would this be operated under a commission?

Mr. CARROLL. Yes.

Mr. AIKEN. Would each State have a member on the commission?

Mr. CARROLL. The Upper Colorado River Basin Commission; that is correct.

Mr. AIKEN. How many members of the commission would the Federal Government have?

Mr. CARROLL. I will be frank with the Senator in saying that I do not know offhand, but I shall provide the answer for the RECORD.

Mr. AIKEN. Does the Senator know whether the Government will have any?

Mr. CARROLL. I shall find out in just a moment.

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

Mr. CARROLL. I understand the Government has one.

Mr. ALLOTT. Only one.

Mr. AIKEN. The Government has one?

Mr. CARROLL. I understand the Government has one; yes.

Mr. AIKEN. That would be because there are large areas of public domain involved?

Mr. CARROLL. I do not know the reason for it.

Mr. AIKEN. Or because of the involvement of the Department of the Interior?

Mr. CARROLL. I would suspect so.

Mr. AIKEN. Is the Federal member to be in an advisory capacity, or is he to be a voting member? Perhaps the senior Senator from Colorado could answer.

Mr. ALLOTT. My recollection, subject to correction, is that the Federal member is to be the chairman and to vote in case of a tie vote.

Mr. AIKEN. That would be a membership resulting from the Federal development involved?

Mr. ALLOTT. I say to the distinguished Senator that actually there are two main compacts. The first is the Colorado River compact of 1922; of which California, Arizona, New Mexico, Nevada, Utah, Colorado, and Wyoming are signatories. Then there is the Upper Colorado River compact; which is among Utah, Wyoming, Colorado, and New Mexico.

Each of the compacts has a separate commission. One is called the Colorado River Compact Commission and the other is called the Upper Colorado River Compact Commission. I presume the commissions were organized along these lines for the same reason that there was a compact commission between Kansas and Colorado. A Government representative serves on that commission.

There are areas of bureau lands involved. Of course, there has been a certain amount of Federal development of the river.

Mr. AIKEN. Because the Federal reclamation projects enter the picture, because the Federal lands come into the picture, and because the Federal Government really is heavily involved in the area, there is a Federal member?

Mr. ALLOTT. The Senator is correct.

Mr. AIKEN. That would be a reason for having a Federal representative on the commission.

Mr. ALLOTT. The Senator is correct.

Mr. AIKEN. I am asking these questions because a proposal has been made for a New England compact with six members representing the six New England States, and seven Federal members, which is a long way from my idea of an interstate compact. I wondered if the people of the Upper Colorado River Basin were quite as foolish or clever as some of my friends in New England appear to be.

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

Mr. AIKEN. I was merely seeking information.

Mr. ALLOTT. If the Senator will permit me to answer, I would agree with the tenor of the Senator's remarks entirely.

Mr. AIKEN. I thank the Senator.

Mr. CARROLL. Mr. President, I wish to say to the able Senator from Vermont that the reason why I brought up the Colorado River compact of 1922 was to show the great fight it was necessary to make to draw the people together. There was some worry at one time about the people of California and the people of western Colorado.

The Ruedi Reservoir in western Colorado will be the first feature to be constructed. This will represent a storage of water for future development. This will take care of the needs of some of the irrigation needs of our western slope farmers.

Mr. AIKEN. Yes.

Mr. CARROLL. I was merely attempting to show the difficulties we encountered with respect to getting the

whole project together, including the uniting of our own people in Colorado.

Mr. AIKEN. I think the States of the Colorado River Basin took a perfectly logical step in organizing the two compacts which now exist in that basin. That is a good way to bring about interstate cooperation and to settle interstate disputes.

Mr. CARROLL. I thank the able Senator from Vermont.

Mr. AIKEN. I would have no objection whatever to seeing similar compacts created in different parts of the country, in which similar problems exist.

Mr. CARROLL. I am inclined to agree with the Senator from Vermont. I do not know why there should be a predominant Federal group on such compacts.

Mr. AIKEN. There should not be.

Mr. CARROLL. Mr. President, I yield the floor.

Mr. WILLIAMS of Delaware. Mr. President, one of the main purposes of the bill before the Senate is to bring additional water to some 280,000 acres of agricultural crop-producing land at a time when the farmers in the United States already are producing more crops than we know how to use or take care of.

I recognize that there might be some good to the project if there were a need for the increased productive capacity of agriculture. Certainly at this particular time I see no need whatsoever in that regard.

Furthermore, the total cost involved under the bill, as listed in the report, is $170 million, but I doubt that even the sponsors of the proposal think the cost will stop anywhere near that figure. The best evidence of that is that the authorization carries some $170 million plus or minus such amounts, as may be justified at a later date. It would be an open-end authorization for an appropriation. It would be almost unlimited in amount.

With respect to the irrigation project alone, the cost of putting additional water on the 280,000 acres of land would average $236 per acre or a total of nearly $70 million. As the Senator from Wisconsin has pointed out, why should we pay $236 per acre to increase the productive capacity of 280,000 acres of agricultural land when at the same time in the same State the Federal Government is paying $40 or $50 an acre to farmers to take some 2 million acres out of production? It seems to me that the two programs cannot be reconciled.

Why pay $236 per acre to bring land into production only to have another Government agency pay $40 per acre annually to take the same type of land out of production?

I disagree completely with the argument that the crops to be raised are not crops which are in surplus. Of the 280,000 acres of irrigated land, 113,000 acres are for feed grains. Last year the Federal Government spent a total of approximately $700 million to retire 20 million acres of feed grain acreage from production. Now we are asked to spend some $60 million to bring in another 280,000 acres of cropland of which 113,000 acres will be for feed grain production. I suppose, after that has been brought into production we will be asked to pay the same farmers so much per acre in order to take it out of production.

Certainly this additional water will increase the annual yield of feed grains by several million bushels. This increased production would have to be supported by the Department of Agriculture.

The project would increase the annual production of alfalfa by 115,000 tons. There would be increased production of livestock, which would then be in competition with livestock of other areas.

I see no justification at all for this increased production at this particular time.

It is interesting to note that most of the witnesses who testified this year in favor of the bill, in preceding years had disagreed with the argument that the project was economically feasible or that it could be paid off.

This year these same agencies reversed their testimony without producing any basic reason.

As a result of rearranging some of the figures, allocating more of the cost to some other phase of the program, it has now been possible for the proponents to come up with an answer which, they say, proves the project economically feasible. In so doing, the argument is made that all of the cost of this irrigation project will be repaid. The $70 million cost is to be repaid how? It is to be repaid over a period of 50 years with no interest.

If Senators will consider the interest on $67 million over a period of years they will note that the interest cost in itself represents a substantial subsidy by the American taxpayers.

I have great respect for my two friends from Colorado. I can appreciate that in the area of which we speak, as is true of many other areas of the West, water is all important. If this were a time when we really needed an increase in acreage and an increase in agricultural production I would be wholeheartedly in support of the project. I could then see merit to the proposal. However, I do not see any merit to a proposal that under present conditions we spend $67 million to increase the productive capacity of 280,000 acres of cropland. This will only result in the increased production being put into Government warehouses.

In my opinion the bill as it is written and is now before the Senate should be defeated.

Mr. ALLOTT. Mr. President, it is with both great pleasure and firm conviction that I rise to speak in favor of S. 284, the bill which is presently before the Senate for consideration. This bill, sponsored by me and my junior colleague, would authorize the construction, operation, and maintenance of the Fryingpan-Arkansas Federal reclamation project in Colorado. This is a multipurpose project which would produce significant benefits not only for a large and populous area along the Arkansas River Valley, in Colorado, but also for the entire State and Nation.

The Arkansas Valley in Colorado was developed many years ago as one of the early irrigated areas in this Nation. It has become well known over the years for the irrigated specialty crops which it produces, such as vegetables, fruits, seed crops, berries, and famous Rocky Ford melons. As a lifelong resident in this valley, I have become intimately acquainted with the area's needs and problems, particularly with respect to the importance of irrigation to the economy, having practiced water law there for many years.

THE NEEDS OF THE AREA

There are in this valley several thousand miles of irrigation canals and ditches, almost all of which were constructed with private funds over a period of several decades. However, over the years the existing irrigation water supplies have proved to be inadequate and have amounted to less than 70 percent of the actual needs. As a result crop failures have occurred all too frequently.

Basically, the problem confronting farmers in the Arkansas Valley is a shortage of water at the critical moment in the growing season. On an overall basis, the area produces high-value specialty crops which are irrigated adequately during the forepart of the season by the spring runoffs. However, during July and August, at a time when these crops require moisture to see them through, water is not always available. From year to year, availability of water in July and August has spelled the difference between harvesting or not harvesting a good crop. Production records for the Arkansas Valley indicate this fluctuation very clearly and, translated into graph form, would show the highs and lows depending upon the presence or absence of water. The Fryingpan-Arkansas project would have a very salutary effect upon this situation. The supplemental water furnished by the project would fill the void and bring a greater measure of consistency to crop production.

In addition to these critical water shortages for lands presently under irrigation, there has been an extremely rapid growth of population in the municipalties in the area, including Pueblo, Colorado Springs, and other valley cities and towns. Additional water supplies for these cities will be necessary if these cities are to continue to grow. The only source of new water supplies adequate to meet these growing demands lies on the other side of the Continental Divide, unless the already short agricultural water supply is diverted to municipal use, thus further disrupting the agricultural economy of the area. The Fryingpan-Arkansas project, by means of transmountain diversion, will provide substantial quantities of additional water to help meet the increasing municipal demands.

Further needs in the Arkansas River Valley are for more effective flood-control protection and water-pollution abatement. Floods in the upper reaches of this river annually threaten the loss of property and discourage investment. The Fryingpan-Arkansas project would prevent a large part of the flood damages that occur with regularity. The project would also help materially in improving water quality.

These are the principle needs in the important Arkansas Valley of Colorado,

needs which would be largely fulfilled by the Fryingpan-Arkansas project. There are in addition other functions which would be served by the project, and some of these are described in the report on the bill.

PREVIOUS CONSIDERATION OF PROJECT

Leaders of the area and of the State of Colorado have long recognized these needs and have been working long and hard to arrive at a solution. The Fryingpan-Arkansas project has been under study and consideration for more than 30 years, and the project has been ready for authorization for 8 years.

During all this period of time, the project has had the full support and unqualified endorsement of the administration, both under President Eisenhower and President Kennedy. The Senate has consistently recognized the great need for this project during this period by passing bills to authorize the project in the 83d, 84th and again in the 85th Congress. In each instance attempts to get authorization were stalemated in the other body because of expressions of concern that adequate protection was not contained in the project plan for users of water in the basin of the Colorado River from which water would be diverted to the basin of the Arkansas River.

The concern has now been laid at rest by the present bill, S. 284, which would incorporate revised operating principles and provide for increased storage capacity on the western side of the Continental Divide and contains other language designed to afford added protection to water users in the Colorado River Basin. The project is now envisioned by S. 284 has the firm support and endorsement of all principal water agencies in the State of Colorado, including the Colorado Water Conservation Board, and all State officials. This wide basis of support for the present bill is demonstrated by the fact that this year, for the first time in hearings on this project before the Irrigation and Reclamation Subcommittee of the Senate Interior Committee, no witnesses appeared in opposition to the bill.

DESCRIPTION OF PROJECT

I would like to turn now to a description of main physical features of this project and point out how the project will help meet the needs of the area which I have mentioned earlier.

One of the principal features of the project is a water collection system at high elevations on the western side of the Continental Divide. The water thus collected would then be carried through a 6-mile tunnel to the eastern slope of the mountains where it would be emptied into tributaries of the Arkansas River. I might say at this point that there is nothing new or novel about this type of transmountain diversion of water from one river basin to another. There are numerous examples of transmountain water diversions all over the West, some of them involving tunnels of far greater length. The amount of water that would be diverted through this tunnel would amount to an average of less than 70,000 acre-feet annually.

On the eastern side of the mountains, this new water would be stored along with other waters of the upper Arkansas River Basin in two reservoirs which will be enlarged from their present small capacities and a third reservoir to be constructed on the Arkansas River west of Pueblo. These enlarged reservoirs would be the Sugar Loaf Reservoir with a capacity of 117,000 acre-feet, the Twin Lakes Reservoir with a capacity of 260,000 acre-feet, and the Pueblo Reservoir with a capacity of 400,000 acre-feet. These reservoirs would serve important functions of river regulation, flood control, and water storage for irrigation and municipal use.

The project would also include hydroelectric power facilities consisting of seven powerplants having a combined installed capacity of 123,900 kilowatts, together with canals, switchyards, substations, and transmission lines. These power facilities will help meet the ever-increasing demands for electric power and energy in the project area and will produce revenues which will repay a major portion of the construction cost to the Federal Government.

There is included within the project plans for specific municipal water delivery facilities for furnishing additional muncipal water to Colorado Springs and several Arkansas Valley towns; however, these delivery facilities would be constructed by the United States only if construction by the communities themselves prove infeasible.

An important feature of the project which differs from plans contemplated by the proposed legislation in earlier Congresses is the construction of Reudi Dam and Reservoir on the western side of the Continental Divide. Reudi Dam and Reservoir, with a storage capacity of 100,000 acre-feet, would provide replacement storage to protect existing water users in the Colorado River Basin and would provide storage capacity to serve future multiple purposes in western Colorado. This unit would be a substitute for a smaller Aspen Dam and Reservoir proposed in earlier bills.

FINANCIAL ASPECT OF PROJECT

A study of the financial features of this project will reveal that this not only is a good project, it is not only a project that is completely sound from a financial standpoint, but it is in many respects one of the best reclamation projects that has come before the Senate for a long time. Some of the outstanding features of the project are the following:

First. Of the total cost of the project, estimated to be $169,905,000, approximately $151 million—or 89 percent—is reimbursable to the Federal Government. I want to point out that 89 percent is an unusually high percentage to be reimbursed. The Senate has considered and approved other reclamation projects during this Congress in which as little as 66 percent of the cost was reimbursable to the Federal Government, the remainder of such cost being allocated to flood control, fish and wildlife, or recreation purposes.

Second. Another important feature is that most of this money, actually 56 percent of it, will be reimbursed to the Federal Government, with interest. Under many projects coming before Congress a far smaller percentage of the reimbursable cost will be repaid with interest.

Third. A third outstanding financial feature of the project is that of the portion of the cost allocated to irrigation, and which under standard reclamation policies is to be reimbursed without interest, over 70 percent will be repaid by water users.

Recently a project was reported from the Senate Committee on Interior and Insular Affairs with respect to which 6 percent of the irrigation costs were to be paid by the water users.

This repayment will start immediately upon completion of construction, without awaiting the usual 5 or 10 years development period provided in many projects. This is a definite constrast to the typical reclamation project under which 70, 80, and even 90 percent of the interest-free irrigation allocation is to be repaid through assistance from power revenues which may not be available for such purposes for another 25, 50, or even 75 years. Because 70 percent of the irrigation allocation is to be repaid in this project by the water users and local conservancy district tax revenues, a substantial interest saving to the Federal Government will be realized. I believe this project calls for one of the highest rates of return by the water users of any project that has been before Congress for many years.

These financial features of the Fryingpan-Arkansas project combine to make this an outstanding example of sound multipurpose reclamation development.

IRRIGATION

Because all of us in the Senate are justifiably concerned about the problems of agricultural surpluses, I want to say to my colleagues that the irrigation features of this project would not add to the surplus problems. The irrigation water provided by this project would be used solely as a supplemental water supply to help eliminate the present irrigation water shortages on 280,000 acres of lands which are and have been irrigated for many, many years. This will make the difference between crop failures and successful farming in the area, and it will stabilize the agricultural economy. I wish to reemphasize that not 1 acre of new land will be brought under irrigation by this project.

With assurances of adequate irrigation water supplies from the Fryingpan-Arkansas project, farmers will turn ever more to the high-value specialty crops, and thus the project will help correct the problem of farm surpluses to some extent rather than contribute to it.

CONCLUSION

In conclusion, I wish to emphasize that there are critical needs in this area for the many and diverse benefits which this project will provide. This bill, S. 284, is the culmination of many years of study and planning—of give and take among the varied interests involved. In its present form it will amply fill these needs. It has the full support and endorsement of all major groups who have

been involved in the study and planning for the future of this area and the State of Colorado.

Because of these factors and the sound financial aspects of the project, I am happy and proud to recommend the bill to my colleagues in the Senate. I hope the Senate will see fit to act promptly and favorably upon this important legislation.

Mr. President, for the sake of the record I have procured various figures which I think we should place in the RECORD at this point.

First, the bill provides not an open-end appropriation, but provides, on page 12, line 9 "plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the project and for future costs incurred under section 4 of this Act"—all of which is in accord with the reclamation laws of the United States.

I should like to discuss for a moment the grain problem. In the area there are approximately 30,000 acres of corn, 35,000 acres of sorghum, and 15,000 acres of wheat. That is in the irrigated section of the Arkansas Valley. It amounts to about 80,000 acres altogether. As my colleague said awhile ago, the area is a feed grain importing area. In the Arkansas Valley, where I have lived all my life, we import feed grains because of the feeding operations.

When we are provided with a supplemental supply of water, the water which is devoted to the raising of crops will go into the specialty high-production crops—not wheat, not corn, and not feed grains. No man in his right mind would be raising those crops when he could raise specialty crops, such as onions, tomatoes, vegetables, and produce of that sort. In that respect I think we must keep in mind an overall picture of the project.

First, it is now contemplated that 20 percent of the water would go to supply municipal needs. In my opinion, before the project is completed, at least 50 percent of the water will go to municipalities and the rest will go to make a supplemental water supply. Distributing approximately 35,000 acre-feet to more than 280,000 acres could not possibly contribute to overproduction.

We are talking about two types of crops. First, we are talking about crops which are surplus. The supplemental water would help to diminish the amount rather than increase it.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to the distinguished Senator from North Dakota.

Mr. YOUNG of North Dakota. I commend the distinguished Senator from Colorado for making a strong case for the project. The arguments against projects of this kind are usually based on the question of food surpluses. If we waited to start irrigation projects in the United States until the time had arrived when we did not have food surpluses, we would not have started an irrigation project in the last 100 years. Ever since the beginning of our Nation we have had surplus food. If it had not been for the great irrigation projects in the West, we would not have been able to provide opportunity for tens of millions of people in the great empire of the western part of the United States.

Mr. ALLOTT. I thank the distinguished Senator from North Dakota. He is entirely correct. As he knows, we are able to produce wheat and feed grain on our dry land with much better facility than it can be done on irrigated acres, particularly so far as the economics of the operation are concerned. I am sure that the Senate from North Dakota is well aware of that fact.

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

Mr. ALLOTT. I am happy to yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. I wish also to commend the senior Senator from Colorado for so eloquently explaining the purposes of the project. I am very happy to support him in his effort, for I come from a portion of the country that would be desert if it were not for reclamation.

I point out that in listening to the debate this morning, I observed what I believe to be a misunderstanding on the part of Senators who do not live in reclamation areas. The argument is that we would bring substantial amounts of new land into production. While some new land would be involved, what we would really do is merely to firm up the supply of water we must have in that particular portion of the West to guarantee that producing acres will continue to produce.

It is natural that in doing so we expect some additional acres to be put into production. But I point out, in agreement with what my distinguished friend from North Dakota has just mentioned, that our country has always been a surplus producer of agriculture. Those of us who complain about surpluses in agriculture today are complaining about tremendous surpluses. We could not operate an agricultural economy such as ours without some surplus. We have always had a surplus. The surplus has been America's great contribution to the world and to world trade. If it were not for the surplus condition that has existed in American agriculture ever since our country began to produce, many areas of the world today would be faced with famine.

We, with our ability to produce all that we need in agriculture, and with only 8 percent of our people engaged in agriculture—and probably only half of that 8 percent engaged in the actual production—are showing the world what can be done.

Reclamation, I might say, has been the great producer.

In closing this part of the argument for the project in Colorado, I might mention that even though we produce surpluses today in about 30 percent of our agricultural production, to the extent that we feel are overbearing, every acre that we have in production now will have to produce six times as much as is now being produced within 20 years, or we will have to find new land. I believe that in the land effort that is being made throughout the West, where we can substantiate the projects by feasibility and logic, lies the answer.

I thank my friend from Colorado for having pursued this matter assiduously and carefully through the Interior Committee in the years that he has been in the Senate. His contribution to his own State of Colorado and to the entire West has been immeasurable. I thank him.

Mr. ALLOTT. Mr. President, I thank my good friend from Arizona, particularly for his kind remarks.

As a part of my remarks, and in substantiation of what the distinguished Senator from Arizona has stated, I ask unanimous consent to have placed in the RECORD at this point the tables shown at pages 18 and 19 of the hearings; also a letter from the Secretary of Agriculture to the Honorable WAYNE N. ASPINALL, chairman of the House Committee on Interior and Insular Affairs.

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

TABLE I.—*Assessed property value, total property tax revenue, and total sales tax revenue for counties influenced by Colorado-Big Thompson project, 1950 and 1961*

Counties	1950			1961		
	Assessed property value [1]	Total tax revenue [2]	Sales tax [3]	Assessed property value [1]	Total tax revenue [2]	Sales tax [3]
Boulder	$49,126,125	$2,335,150	$604,174	$145,948,030	$9,213,434	$1,856,230
Grand	6,205,200	279,950	75,623	11,798,080	617,234	133,925
Larimer	47,149,245	2,296,810	606,318	104,394,860	5,924,697	1,344,907
Logan	27,140,915	1,358,143	213,971	61,135,160	3,329,648	464,694
Morgan	25,000.550	1,134,257	259,554	73,752,190	3,054,413	550,025
Sedgwick	10,012,210	450,829	64,921	14,805,360	839,045	91,660
Summit	4,417,360	179,056	9,687	6,458,580	327,130	23,551
Washington	13,479,771	622,849	62,438	46,537,150	1,732,175	99,914
Weld	87,200,360	4,314,625	798,486	153,365,790	8,535,440	1,528,599
Total	269,731,736	12,971,669	2,695,172	618,195,200	33,573,216	6,093,505
Adjusted to 1961 [4]	334,467,353	16,084,870	3,342,013	618,195,200	33,573,216	6,093,505
Percent increase 1961 over 1950				84	109	82

[1] Assessed valuation of all taxable property from annual reports of the Colorado State Tax Commission for 1950 and 1961.

[2] Total tax revenues from assessed property from annual reports of the Colorado State Tax Commission for 1950 and 1961.

[3] From State of Colorado Department of Revenue.

[4] Obtained by multiplying 1950 values by index of 1.24, based on purchasing power of the dollar measured by consumer prices: 1950=97.3; 1961=78.3.

TABLE II.—*Assessed property value, total property tax revenue, and total sales tax revenue for counties influenced by proposed Fryingpan-Arkansas project, 1950 and 1961*

Counties	1950			1961		
	Assessed property value [1]	Total tax revenue [2]	Sales tax [3]	Assessed property value [1]	Total tax revenue [2]	Sales tax [3]
Bent	$12,336,827	$502,277	$69,169	$15,367,690	$710,477	$107,745
Chaffee	8,234,425	411,576	101,874	13,991,310	741,362	171,065
Crowley	6,651,040	312,537	42,602	7,401,170	409,842	51,132
El Paso	72,958,150	3,824,949	1,200,400	216,407,470	14,219,178	3,007,580
Fremont	18,764,500	835,685	167,709	31,468,822	1,990,054	323,032
Otero	27,627,395	1,354,223	302,538	38,662,740	2,572,395	541,762
Prowers	19,448,380	835,531	244,672	28,410,405	1,535,981	339,618
Pueblo	78,980,733	7,110,959	1,059,633	176,486,530	12,376,852	2,408,573
Total	245,001,450	15,187,737	3,188,597	528,196,137	34,556,141	6,950,507
Adjusted to 1961 [4]	303,802,000	18,833,000	3,954,000	528,196,137	34,556,141	6,950,507
Percent increase 1961 over 1950				74	83	76

[1] Assessed valuation of all taxable property from annual reports of the Colorado State Tax Commission for 1950 and 1961.
[2] Total tax revenues from assessed property from annual reports of the Colorado State Tax Commission for 1950 and 1961.
[3] From State of Colorado Department of Revenue.
[4] Obtained by multiplying 1950 values by index of 1.24, based on purchasing power of the dollar measured by consumer prices: 1950=97.3; 1961=78.3.

TABLE III.—*Retail sales, 1948 and 1958, and estimated Federal taxes paid by Colorado-Big Thompson counties, 1950 and 1960*

State and county	1948 retail sales		1950 Federal taxes paid [2]	1958 retail sales		1960 Federal taxes paid [2]
	Total [1]	Percent of State		Total [1]	Percent of State	
	Thousands		*Thousands*	*Thousands*		*Thousands*
Colorado	$1,252,585	100.00	[3] $272,506	$2,105,110	100.00	[3] $1,056,000
Boulder	42,343	3.38	9,211	81,230	3.86	40,761
Grand	4,727	.38	1,036	5,863	.28	2,957
Larimer	40,134	3.20	8,720	64,174	3.05	32,208
Logan	19,360	1.55	4,224	25,583	1.22	12,883
Morgan	18,932	1.51	4,115	26,272	1.25	13,200
Sedgwick	5,459	.44	1,199	7,059	.34	3,590
Summit	550	.04	109	1,549	.07	739
Washington	5,654	.45	1,226	6,138	.29	3,062
Weld	58,954	4.71	12,835	75,138	3.57	37,699
Total	196,113	15.66	42,675	293,006	13.93	147,099
Adjusted to 1961 dollars [4]			52,917			148,570
Percent increase 1950 to 1961						181

[1] Source: "Retail Trade, Census of Business," Bureau of the Census, 1948 and 1958.
[2] County revenues estimated in same proportion of State total as county retail sales are of total Colorado retail sales.
[3] Source: "Statistical Abstract of the United States, 1955 and 1961," includes individual income and employment taxes and corporation income and profit taxes.
[4] Obtained by multiplying 1950 values by index of 1.24 and 1960 values by 1.01, based on purchasing power of dollar measured by consumer prices.

TABLE IV.—*Colorado State income tax data by counties for the Colorado-Big Thompson and the Fryingpan-Arkansas areas and the State total, 1960*

County	Adjusted gross income	Net taxable income	Personal income tax paid
Colorado-Big Thompson counties:			
Boulder	$119,690,000	$40,984,000	$1,640,000
Grand	5,156,000	1,690,000	65,000
Larimer	69,067,000	21,742,000	861,000
Logan	26,719,000	8,343,000	341,000
Morgan	26,656,000	8,621,000	369,000
Sedgwick	5,307,000	1,730,000	70,000
Summit	3,227,000	1,148,000	43,000
Washington	8,242,000	2,719,000	118,000
Weld	90,403,000	29,751,000	1,218,000
Total	354,467,000	116,728,000	4,725,000
Per capita	1,374	453	18
Fryingpan-Arkansas counties:			
Bent	6,188,000	1,811,000	70,000
Chaffee	9,508,000	2,731,000	101,000
Crowley	3,540,000	970,000	37,000
El Paso	176,113,000	58,074,000	2,421,000
Fremont	19,588,000	5,429,000	200,000
Otero	25,369,000	7,567,000	295,000
Prowers	15,440,000	4,974,000	213,000
Pueblo	167,367,000	63,715,000	2,075,000
Total	423,113,000	145,271,000	5,412,000
Per capita	1,238	441	16
Colorado State total	2,746,209,000	965,337,000	39,627,000
Per capita	1,566	550	23

Source: Statistician, Colorado Department of Revenue.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 8, 1962.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives.

DEAR MR. ASPINALL: This is in reply to your letter of June 2, 1962, about the relationship between the proposed Fryingpan-Arkansas reclamation project in Colorado and the projected need for land to meet future national agriculture production requirements.

As is indicated in your letter, we understand the project would not bring new lands into production but would involve the reorganization of existing irrigation facilities and the supplying of supplemental water to make possible increased efficiency in the management of existing irrigated farms in the project area and minimization of waste that comes from losses in years of short water supply.

This is consistent with a major objective of this Department to provide appropriate and needed services for improvement of the family farm pattern and of farm and rural living. It is in keeping with the provision of technical assistance to individual farmers and ranchers, taking into account present national production needs, to help develop efficient use of soil and water resources, and to protect productive agricultural land to meet future national needs.

To attempt to balance agricultural production with market needs by eliminating sound reclamation and irrigation projects would, a I have publicly stated, be tantamount to deliberately promoting inefficient use of agricultural resources.

We feel that reclamation and irrigation have a highly necessary role to play in the wise present and future use of national land and water resources for the economic growth of the Nation.

We recognize that most of the farm products coming from irrigated land are not those for which there are serious overproduction problems. The provision of additional water to supplement present inadequate water supplies, as is proposed by the Fryingpan-Arkansas project, helps enable project farmers to adjust their production plans so they can respond to variations in production needs.

We consider that sound reclamation and irrigation projects and the land use adjustment proposals of the food and agriculture program for the 1960's to be compatible with each other.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. WILLIAMS of Delaware. I understood both Senators from Colorado to say that in their opinion this was not an open-end appropriation and that they thought the $170 million represented a realistic estimate of the approximate cost of the project. I therefore wonder if the Senators would agree to an amendment so as to strike out on page 12, line 9 of the bill all after "$170,000,000."

This would have the effect of putting a ceiling on the cost.

In other words, the amendment would strike out the remainder of the language which authorizes additional appropriations without the necessity of coming back to Congress.

Mr. ALLOTT. I will have to say to my distinguished friend from Delaware that he must realize that at the moment we are in a rather delicate situation so far as Congress is concerned, and, regretfully, I could not agree to any such amendment. I understand the Senator's

concern, namely, that there is a little something left open, based upon construction costs. However, it is my interpretation that it is meant to be limited in the way described in the last section of the bill; namely, that the only modification can be on ordinary fluctuations in construction costs, as indicated by the engineering cost indexes.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. CARROLL. I should like to have the Senator from Delaware conclude his questioning first. Then I shall yield to the Senator from Wisconsin.

Mr. WILLIAMS of Delaware. The Senator knows that the ultimate cost of some of these projects ofttimes double the original estimate. I have heard some estimates that the additional costs of this project will ultimately be increased by another $100 million. Some think that this project might ultimately cost $270 million instead of $170 million.

Both Senators from Colorado have stated that they feel that $170 million is a reasonable figure. If it is, then let us strike out the remainder of the language on page 12, which gives additional authority.

Mr. ALLOTT. There is no additional estimate of that kind in the bill. I do not believe anyone could put that interpretation on the language in the bill. In the second place, I should like to call to the attention of my friend from Delaware what appears in the hearings before the subcommittee in the House of Representatives, at page 10:

> The total estimated cost of the project of $169,905,000, based upon October 1958 prices, has not been indexed nor changed. Review of reclamation cost indexes from October 1958 to October 1960 shows that the composite construction cost index declined slightly during the 2-year period from 1.26 to 1.25 (1949–1951=1). Application of component indexes to the major types of features in the Fryingpan-Arkansas project indicated an overall decline of about 1 percent of the total project cost. The insignificant downtrend does not warrant a detailed estimate revision at this time; therefore, the previous project estimate of $169,905,000 has been retained for this evaluation.

As I said, personally I would not object to any minor amendment like this, except my good friend from Delaware knows, as I do, that I am not in a position to accept the amendment, because to accept an amendment at this time would mean that we would have to go to conference with the House, and this would, in effect, lose us the bill.

Mr. WILLIAMS of Delaware. I most respectfully suggest to my good friend from Colorado that there are several amendments in the bill already, and therefore it will be necessary to go to conference with it anyway. This would merely be one more amendment.

In replying to my argument supporting the limiting of the amount to $170 million the Senator from Colorado has agreed that the original estimate was adequate in that the prices have declined over the years; therefore, why not accept the amendment if this amount is more than adequate? To accept the amendment would solve the problem; it would eliminate the possibility of the cost of the project being raised without coming back to Congress.

Mr. ALLOTT. I will not accept any amendment. The Senator has an interpretation of the last section of the bill entirely different from mine.

Mr. WILLIAMS of Delaware. I shall offer the amendment. While I appreciate that the Senator may not be able to accept it on behalf of the committee, I hope that he will remain silent and not oppose it. Both he and his colleague made an excellent argument in favor of the amendment when they said that the cost will not exceed the $270 million figure anyway. If so, why not accept the amendment?

Mr. ALLOTT. If the Senator thinks I have made a speech in favor of his amendment, he is certainly laboring under a misapprehension. He has an entirely different interpretation of that language from mine.

Mr. PROXMIRE. Mr. President, will the Senator yield for a question?

Mr. ALLOTT. I yield.

Mr. PROXMIRE. Would not the Senator from Colorado agree that the amendment offered by the Senator from Delaware makes good sense, in limiting the authorization, in view of the similar experience that was had with the Colorado-Big Thompson project? I read from the minority views in the committee in the House of Representatives:

> Under similar conditions on the Colorado-Big Thompson project in Colorado a few miles to the north, the Bureau of Reclamation found it necessary to substitute tunnels and covered conduits for the open canals originally proposed. This change in plans has been stated to be one of the major reasons why the construction cost of that project to date has nearly quadrupled over the estimates offered to Congress.
>
> The former Secretary of the Interior has reported that if covered conduits are found to be required, the total construction cost of the Fryingpan-Arkansas project would be increased about $64 million and that such an increase would render the project infeasible.

In view of that possibility, as shown by those who vigorously protested this possible increased cost in the House committee, and who felt that it seemed to them to be a real possibility, the amendment of the Senator from Delaware would be good protection against higher costs.

Mr. ALLOTT. I may have a hard time explaining this point to my friend, unless he has seen reclamation projects and irrigation projects operating under these circumstances. The Department of the Interior and numerous witnesses—in fact all of the technical witnesses as well—have said that covered conduits or enclosed conduits are not necessary for the operation of this project. What they do when they operate them in the winter is to run in the water, the ice freezes over, and then they run water under the ice.

This may sound extremely simple, but it is an operation which is used all the time in all the irrigated areas of our country. It is true that the cost of the Big Thompson increased, but it is also true, as the figures which I have just placed in the RECORD will show, that far beyond that amount was recovered in income taxes from this one area alone. In addition, I hope the Senator from Wisconsin will give us the benefit of the fact that the period between the time when the Big Thompson was first authorized and the year it was finally completed was one of the fastest inflationary periods this country has ever seen.

Mr. PROXMIRE. If it happened that conduits which had not been expected were needed for the Big Thompson, why could not the same situation also happen with respect to this project?

Mr. ALLOTT. They are entirely different types of operation. The Fryingpan operation consists only of gathering water. It is a collection system on the western side of the mountain, on the Fryingpan. It is slightly over into the Roaring Fork. The water would then be conducted by a tunnel through the Continental Divide, from which, because of the fall, it can be conducted through open ditches. There is no reason in the world why that cannot be done. This sort of thing is being done all the time in Colorado and in other places. There is no reason to believe that the law of physics may suddenly be reversed.

Mr. PROXMIRE. Once again, if the Senator from Colorado is correct, and there will not be a problem of covered conduits which will result in increasing costs, I can see no harm in the amendment proposed to be offered by the Senator from Delaware [Mr. WILLIAMS]. It makes sense.

Mr. ALLOTT. It does not make sense, in this respect. Regardless of whether there are closed conduits, we do not have control of the cost of construction index. As I understand the bill, anything such as the Senator from Wisconsin has in mind could not be done.

Mr. PROXMIRE. The Bureau of Reclamation project and planning report in 1950 designated the Fryingpan project as the initial development of the potential Gunnison-Arkansas project.

Mr. ALLOTT. Who made that statement?

Mr. PROXMIRE. The Bureau of Reclamation project and planning report in 1950.

Mr. ALLOTT. That is correct.

Mr. PROXMIRE. It designated the Fryingpan project as the initial development of a potential Gunnison-Arkansas project. The Gunnison-Arkansas project would, I believe, involve a construction cost, according to the minority, of $1 billion. It would involve 900,000 acre-feet annually from the Colorado River Basin, or almost 10 times the amount of water proposed for diversion by this bill. If we leave a loophole that allows for additional construction, I want to have it clear in the record that the Senator from Colorado is assuring the Senate that this particular authorization bill could not be applied to an expansion of the Fryingpan-Arkansas project into the Gunnison-Arkansas project.

Mr. ALLOTT. I am very happy to give the Senator from Wisconsin such assurance. I call his attention particu-

larly to page 2 of the bill, between line 8 and the end of that paragraph, which specifically provides:

Such modifications or additions as may be required in connection therewith shall not, however, extend to or contemplate the so-called Gunnison-Arkansas project; and nothing in this Act shall constitute a commitment, real or implied, to exportations of water from the Colorado River system in Colorado beyond those required for projects heretofore or herein authorized.

Does that answer the Senator's question clearly and unequivocally?

Mr. PROXMIRE. I thank the Senator from Colorado.

Mr. CARROLL. I have only a few other remarks to make concerning the bill. I wish to quote from the foreword of Report No. 29 of the Senate Select Committee on National Water Resources:

An ample supply of good quality water is essential to the continued welfare of modern civilization. If the economy of the United States is to continue to grow and prosper there must be adequate supplies of water available for our population, our agriculture, and our industry.

Mr. President, the Fryingpan-Arkansas project will be a living example of the wisdom contained in the foregoing quotation. This project makes water available for all of our population through the wonderful recreation facilities which will be provided by its construction. It will furnish irrigation water for the farmers in the Arkansas Valley and will alleviate the chronic shortages experienced in this area, thus permitting the agricultural economy to move forward and help to stimulate the economic growth of this Nation, which is so vital toward maintaining our leadership in the free world. The quantity and quality of water necessary to maintain industrial progress in this valley will also be enhanced. The dispersion of necessary industrial development, so vital to our defense effort, will be one of the intangible benefits to be derived from this undertaking.

As Senators know, a project similar in nature to the one which we are considering today has been approved by the U.S. Senate on three different occasions. Previously the House of Representatives has not seen fit to concur in the action of the Senate. This lack of concurrence was brought about by the fact that unanimity of support had not been achieved in the State of Colorado. Some of the States of the lower basin of the Colorado River were fearful of the effects this project might have on their future development. This made it necessary for the proponents of this project to improve the project plan to a point where it would be acceptable to the objectors. In many respects the lack of favorable action by the House of Representatives has been a blessing in disguise. The project we have before us today is vastly improved over those previously considered and by the promulgation of operating principles and changes in the authorizing legislation we have before us now an undertaking which has the unanimous support of the State of Colorado and which has answered practically all of the previous objections of the States of the lower basin of the Colorado River system.

The vigorous support in the Arkansas Valley has never wavered. The seed for this project was developed over 30 years ago. The careful, continuous nurturing of this seed by the people of the Arkansas Valley has permitted it to germinate and with favorable action by this body today the seed can ripen into a harvest of bounty which will go on far beyond the expected life span of any of us here today. These people, together with the State of Colorado, have invested over $700,000 in the study, design, and development of this project. The citizens of the Arkansas Valley have a good realization of the indirect benefits which they will receive from this development. The Southeastern Colorado Water Conservancy District, which will be the contracting entity for repayment of the reimbursable costs of this project, encompasses an area of approximately 350,000 acres. Included in this area are the second and third largest cities in the State of Colorado. Although only 280,000 acres of this area will receive water from the operation of this project, the entire conservancy district has pledged themselves to raise, by ad valorem taxes, about $500,000 a year to help repay the cost of this project. Their total contribution will exceed that of the United States Government during the life of the project. The stimulus to the overall economy of this Nation will provide benefits many times the nonreimbursable items contained in the project repayment report.

Now let us examine, on a use-by-use basis, what this project will do.

First let us consider the irrigation use, which is the dominant purpose. The people of this valley are plagued by a chronic shortage of late season irrigation water. This makes it necessary for the farmers to plant corps which will mature early and thus avoid the risk of crop failure due to the lack of late season water. This has, historically, forced many of these farmers to the production of crops which are now classified in the surplus category. The provision of late season water will increase the variety of crops which can be grown and will undoubtedly result in a greater percentage of specialty crops such as common vegetable and garden crops which are not in the surplus category. This then could be classed as a rescue operation not only as regards the economy of the Arkansas Valley but also includes the agricultural surplus problem. I submit to you that the increased diversity of agricultural operations, which the late season water will permit, will ultimately result in the dimunition of the very, very small percentage of surplus crops now produced in the Arkansas Valley. The operation of this project will provide about six-tenths of an acre-foot of water a year to 280,000 acres of presently irrigated land. For you who are not familiar with irrigation procedures let me say that this will allow for two late season irrigations which will extend the effective growing season in this area from 15 to 30 days. Thus, the water necessary for maturing later season crops, which generally provide a higher cash return, will be available. These good citizens are not amateurs in the field of farm economics. They will raise the crops which will provide them with the highest return per acre.

What does this project do in the field of municipal and industrial water uses? An annual increase in the municipal and industrial water supply in the amount of 20,500 acre-feet will be made possible. The water from this project will have a quality which will be a vast improvement over the water supplies generally used by the municipal and industrial complexes in the Arkansas Valley. This will be a firm supply which will permit continued growth and development of municipal and industrial operations in the valley.

As you may recall, early last fall the Government of the Republic of Mexico protested vigorously to the Government of the United States with respect to the quality of water which was then being delivered to the Republic of Mexico in the limitrophe section of the Colorado River. The deliveries of the Colorado River water to Mexico were primarily for the irrigation of winter crops in the Mexicali Valley in Baja California. The Mexicans were complaining about water which had a total salinity of approximately 2,500 parts per million.

Recent publications of water supply papers, by the U.S. Geological Survey, relating to the quality of water in the Arkansas Valley revealed that some of the cities and towns in the Arkansas Valley were forced to use water with a total salinity of up to 3,300 parts per million. I think it would be shocking for the U.S. Government to spend time and money to assist in alleviating a problem in the Republic of Mexico without giving equal concern to a problem far more distressing, which is faced by the citizens of our own great Nation. The enhancement of the quality of water for the citizens of the Arkansas Valley will not be in the nature of an aid program.

Under existing laws and policy every dime advanced for the development of municipal and industrial water supply will be repaid together with the interest cost to the Government. This is in no sense a grant-in-aid but is a loan. This loan will enable our people to pull themselves up by their own bootstraps to a place where they may receive domestic water at least equal in quality to the irrigation water presently delivered to our sister Republic to the south.

Now as to flood control—the city of Pueblo is perennially plagued by flash floods in the Arkansas River. These floods historically have resulted in substantial damage to property and in loss of life. It is essential that the city of Pueblo be provided protection from these devastating floods. The flood control portion of the Pueblo Reservoir will result in alleviating flood damage, estimated by the Corps of Engineers to amount to an average of $720,000 per year. The incorporation of reservoir

capacity for controlling floods into this project will result in controlling the flow of the river so that additional uses will be possible in addition to the alleviation of damages resulting from flooding. The high sediment load carried by these flash floods and later deposited in the form of sandbars, etc., in the lower reaches of the river raise havoc with headgates, bridges, waste disposal outflows, and other necessary channel uses. The sediments which will be trapped in the sediment storage capacity incorporated into the Pueblo Reservoir will benefit the valley to the extent of $141,000 per year, as estimated by the Corps of Engineers.

Fish and wildlife benefits will be provided not only in that portion of the Arkansas Valley affected by the project but also in the reach of the Fryingpan River at and below the Ruedi Reservoir site. The Fish and Wildlife Service has estimated these benefits to amount to $172,000 per year. In addition to the fish and wildlife benefits the National Park Service has estimated recreation benefits amounting to $80,000 per year in the reaches of the streams affected, on both sides of the Continental Divide.

Now let us examine the power potential of this project. The water from the Fryingpan River, carried by tunnel through the Continental Divide, emerges in the Arkansas drainage at a high elevation. This water, mingled with the waters of the Arkansas River drainage also originating at high elevations, must fall thousands of feet before it reaches the area of use. This quantity of water falling through the rocky, precipitous gorges of the Arkansas River contains tremendous amounts of energy. It would be uneconomic, from a national standpoint, to waste this energy. Therefore, powerplants have been provided in the project plan to extract the energy from this falling water and convert it to electric energy for the use of all citizens within economic transmission distance of the powerplants. A ready market exists for all of the energy which can be generated by this project at prices which will be attractive to the potential users. It is estimated that power benefits amounting to $3,600,000 per year will be realized by converting the falling water energy to electric energy for use by people.

My purpose in citing the annual benefits attributable to the various uses of water is to let you see more clearly the tremendous benefit to cost ratio realized in this understaking. The benefit to cost ratio, estimated under the provisions of the now outmoded Circular A-47, is established at 1.64 to 1. If we were to analyze the benefit-cost ratio under the newly announced policy for determination of this factor, the ratio would increase to 1.87 to 1. The ratio of benefits to cost on this fine project have, however, never been at issue. This is one of the most feasible projects we have had the good fortune to consider in many years.

Now let me briefly describe the project plan of development. A system of canals and tunnels would be constructed on the upper tributaries of the Fryingpan and Roaring Fork Rivers in western Colorado for collecting an average of about 69,000 acre-feet of water annually which would be diverted to the Arkansas River Valley through the 5.3 mile Fryingpan-Arkansas tunnel. On the eastern slope the water would be stored initially in the Sugarloaf Reservoir, which is to be enlarged under the project plan from its present capacity of 17,000 acre-feet to 117,000 acre-feet. From there the regulated water would flow through the Elbert Canal and powerplant into the Twin Lakes Reservoir which would be enlarged from its present active capacity of 56,000 acre-feet to 260,000 acre-feet. In addition to the imported water, water from the Arkansas River would be diverted into the Twin Lakes Reservoir by construction of the Snowden Diversion Dam and Canal. The enlargement of the Twin Lakes Reservoir would also permit the Twin Lakes Canal Co. to export an additional 14,000 acre-feet of water annually. From the Twin Lakes Reservoir the water would be diverted through five additional powerplants before reaching the Arkansas Valley service area.

The principal storage facility on the Arkansas River would be the 400,000 acre-foot Pueblo Reservoir where the flows would be regulated for irrigation, for municipal use, and for flood control. An additional powerplant would be constructed at the outlet of the Pueblo Reservoir.

The entire power system, consisting of seven powerplants and related facilities, would have an installed capacity of 123,900 kilowatts. These powerplants would generate approximately 503 million kilowatt-hours per year. Specific municipal water facilities for conveying water to the city of Colorado Springs and other Arkansas Valley towns would be constructed by the United States only if construction by the communities themselves proved unfeasible.

In western Colorado the Ruedi Dam and Reservoir would be constructed on the Fryingpan River, about 14 miles above the town of Basalt, Colo. The Ruedi Dam and Reservoir with a capacity of about 100,000 acre-feet, would provide the replacement water for the water diverted to the Arkansas Basin and would also provide additional regulatory storage capacity to serve future multiple uses in western Colorado. Only about 28,000 acre-feet of capacity is needed in connection with the diversion to the Arkansas Basin. It is this feature of the project which provides for development and use of water in both eastern and western Colorado. The legislation also requires the Secretary of the Interior to investigate and report on the need for an additional reservoir of about 5,000 acre-feet capacity on the Roaring Fork River above its confluence with the Fryingpan River. The purpose of such an additional reservoir would be to offset any adverse streamflow conditions on the Roaring Fork River in the vicinity of Aspen, Colo., which might occur as a result of the Fryingpan-Arkansas project operations. The entire cost of the Ruedi Dam and Reservoir is included in the cost of the Fryingpan-Arkansas project for repayment purposes even though three-quarters of the storage capacity will be available to serve future needs in western Colorado.

The Salida powerplant, named for the nearby town of Salida, Colo., will be the largest plant of the group of seven to be constructed. This powerplant will be the key to the power generating facilities and is located immediately adjacent to the proposed extra-high-voltage transmission system scheduled for construction in connection with the Colorado River storage project.

Utilizing the capacity in this transmission line, together with capacities in transmission facilities made available by the Southern Colorado Power Co. and the Public Service Co. of Colorado, both investor-owned utilities, will make possible the distribution of project energy to REA cooperatives in the area who will purchase most of the power and energy generated. These include the Southeast Colorado Power Association at La Junta, the San Isabel Electric Association at Pueblo, and the Sangre de Cristo Electric Association at Salida. These REA associations serve more than 35,000 rural people living in 17 counties in southeastern Colorado, comprising approximately one-fourth of the State's total area. The investor-owned utilities have also offered to purchase all of the power and energy not required by the aforementioned preference customers.

The Fryingpan-Arkansas project which you are considering today is designed as a completely self-contained unit. Its approval by the Congress implies no commitment for any future transmountain diversion project from the Colorado River Basin to the Arkansas River Basin, and there are no plans for any such project.

Eighty-nine percent of the cost of this project will be repaid to the Federal Government. Of this 89 percent to be repaid more than half will be repaid with interest. Nineteen million dollars or 11 percent of the project cost is allocated for flood control, fish and wildlife, and recreation purposes—these are nonreimbursable items under existing policy; $66 million or 38.9 percent is allocated to irrigation, repayable within 50 years without interest; $66,700,000 or 36.8 percent is allocated to power production, repayable within 50 years with interest; $22 million or 13.1 percent is allocated to municipal and industrial uses, repayable with interest within 50 years. You can readily see, therefore, that the $170 million, the estimated construction cost of the project, is, with the exception of the 11 percent nonreimbursable item, a loan to these people in the Arkansas Valley which will enable them to take their proper place in the economic structure of the State of Colorado and these great United States.

The bill before us today is noncontroversial. The operating principles formalized as House Document No. 130, together with the construction and operation of the Ruedi Dam and Reservoir, provide protection to interests on the western slope of Colorado who have previously opposed the authorization of this project. The construction of the Ruedi Dam and Reservoir will provide substantial benefits to these people on the western slope of the Continental Divide in Colorado which would be extremely difficult, if not impossible, for them to

provide with their own resources. The combination of the protection afforded by House Document No. 130 and the benefits from the Ruedi Dam and Reservoir have resulted in support, rather than opposition, to the proposed project now under consideration. The operating principles and the proposal for the Ruedi Dam and Reservoir are the result of a long series of negotiating sessions conducted under the able leadership of Felix L. Sparks, director of the Colorado Water Conservation Board. It is my firm conviction that without the able leadership of Mr. Sparks the support of the western slope of Colorado would never have been attained for this worthwhile project. The State of California has been, in the past, fearful of the effects that potential and expansion of this project would have upon the uses, by California, of Colorado River water in the southern part of California. Again, under Mr. Sparks' able leadership, protective language has been incorporated into this bill which has satisfied practically all of the objections previously voiced by southern California interests who are dependent upon the Colorado River for their existence. The best evidence of this is contained in a document entitled "California's Stake in the Colorado River," published by the Colorado River Board of California, which I understand is the official agency for the State of California in Colorado River affairs, and which states at page 27 of the fifth revision, 1961, 11th printing:

Fryingpan-Arkansas project bills were passed by the Senate in several different Congresses, but failed of passage in the House, primarily because of the criticism voiced by California and western Colorado interests. Following a series of conferences, representatives of the two States reached substantial agreement in 1960 on amendments proposed by California which are deemed essential to the protection of California's interest in the Colorado River, including a restriction of the annual use of water by the project to a relatively small amount (90,000 acre-feet). Such amendments were incorporated into the project bills introduced in the 87th Congress, 1961. Thus the things about which the California interests were most fearful have been corrected in this legislation.

Mr. President, in the files of the Committee on Interior and Insular Affairs of the U.S. Senate is a letter from the Public Service Co. of Colorado indicating their wholehearted support of this project. The committee files are also replete with expressions of support from public power groups representing both State and national interests. With both public and investor-owned electric utilities enthusiastically supporting this project there can be no power issue involved. In fact, there has never been an issue concerning the power features of this project.

I am compelled to point out the fact that during the hearings on this bill, held in July of this year, there was no testimony presented in opposition to the bill. This has not been the case in previous bills to authorize this project. In my estimation this is ample evidence that the negotiations, so ably conducted by Mr. Sparks of the Colorado Water Conservation Board, have resulted in correcting alleged deficiencies in the previous bills. I submit to you once more that this bill is so vastly improved over bills previously considered that objections thereto have been answered and we will be privileged, at long last, to vote on a measure to which there is no record objection in the Senate of the United States.

Mr. President, my colleague from Colorado [Mr. ALLOTT] and I have been emphasizing that the Fryingpan-Arkansas project is not the usual type of reclamation program. True, it is a program for water on land, but not on new land. It is a program to provide people with drinking water. It will provide water for cities and for industry. It is not really a farm program. In the true sense, it is a water-for-people program. I hope the project will be understood in that light.

As I have said before, I am compelled to point out that during the hearings on the bill in July of this year, no testimony was presented in opposition to the project. This has not been true with respect to previous bills to authorize this project. There was bitter opposition to previous bills, not only from the people on the western side of Colorado but from California people, as well. In my estimation, this is ample evidence that the negotiations which have been so ably conducted by the director of water conservation, Mr. Felix L. Sparks, who, in a sense, is the architect of this project, are the result of his excellent work in correcting the deficiencies in previous bills.

I submit that the bill now before the Senate is so vastly improved from bills previously considered, and previously passed three times by this body, that it is the finest bill that has ever been considered for this project by the Senate, as it now comes up for the fourth time. There has never been any real opposition to the bill on the floor of the Senate. Some questions have been asked, and I think the questions asked today were most intelligent questions. I believe the objections have been answered. I now hope we may have the privilege, at long last, to vote on this measure to which there is no objection of record in the Senate.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. WILLIAMS of Delaware. Does the Senator from Colorado believe that the authorization of $170 million in the bill would be adequate to finance the construction cost of the project?

Mr. CARROLL. I believe the able senior Senator from Colorado [Mr. ALLOTT] has made that so crystal clear that there could be no objection. Again, drawing on experience going back 25 years, I remember when the Colorado-Big Thompson project was started. I know the price was low then; but many changes expanded the cost. In addition, World War II intervened. I was a member of the House Committee on Public Lands when the project was stopped at one time. The Committee on Appropriations cut the amount from $14 million to $4 million. At least, the project progressed through the years. It is true that it cost that amount. The bill was passed in 1936 or 1937, but the project was not completed, according to my recollection, until the fifties.

In any event, to answer the Senator's question specifically, I think the able senior Senator from Colorado has answered the Senator from Delaware. It is my belief that $170 million should take care of the situation.

Mr. WILLIAMS of Delaware. I thank the Senator from Colorado for his frankness in answering my question.

Mr. President, with that statement in mind I ask that my amendment be read.

Mr. CARROLL. Mr. President, I have the floor, if the Senator please.

Mr. WILLIAMS of Delaware. Very well. I thought the Senator from Colorado had finished. I will offer the amendment later.

Mr. CARROLL. Here is what I propose to do. The Senate is now considering S. 284. If the able Senator from Delaware wishes to kill the bill, all he has to do is to amend it, and it will be dead—I think. We are going to try to keep him from amending it, if possible.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. WILLIAMS of Delaware. The Senator's own committee has amended the bill on page 12, lines 4 and 5, and also line 9.

Mr. CARROLL. If the Senator from Delaware will be patient, I shall try to clarify the parliamentary situation. This is how I intend to do it.

Madam President, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from the further consideration of H.R. 2206, and that the Senate proceed to the consideration of that bill now.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Is there objection to the request of the Senator from Colorado?

There being no objection, the Senate proceeded to consider the bill (H.R. 2206) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. WILLIAMS of Delaware. Madam President, I have at the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. On page 11, beginning in line 22, after the figure "$170,000,000", it is proposed to insert a period, and to strike out the rest of the language on that page, through line 25, and lines 1 through 4 on page 12.

Mr. WILLIAMS of Delaware. Madam President, this amendment, if adopted, will merely restrict the total authorization under this bill to $170 million—the amount which both the Senators from Colorado have said will be adequate. If the amendment is not adopted, this measure will contain an open-end authorization. There is no ceiling on the

amount authorized without this amendment. The bill now authorizes appropriations of $170 million "plus or minus." Without this amendment there will be no ceiling at the $170 million level.

In light of our experience with some earlier projects, some of which have cost two or three times the original estimates, I believe it would be most unwise not to adopt this amendment.

I do not question the sincerity of either of the Senators from Colorado, but if the $170 million is adequate, why make it possible to have much more than that amount spent on the project?

In this connection, I read from page 30 of the minority views of the House Committee on Interior and Insular Affairs:

> The costs disclosed by this bill are not all that would be necessary.

So there is some question of whether the project will cost another $100 million or $150 million.

We can solve that problem very easily by accepting the amendment which limits the cost to the figure which sponsors of the bill have stated will be adequate—in other words, by striking out the language following the figure "$170,000,000" on page 11 and all of page 12, thus keeping the limitation at $170 million.

The junior Senator from Colorado has indicated that there was no opposition to this bill. However, I call attention to the fact that seven members of the House Committee on Interior and Insular Affairs joined in submitting the minority views, and in their minority views they questioned the wisdom of enacting the bill.

Madam President, I ask unanimous consent that those minority views, which raise some very valid objections to the enactment of the bill at this time, be printed at this point in the RECORD.

There being on objection, the excerpt from the report (No. 694, House of Representatives, 87th Cong., 1st sess.) was ordered to be printed in the RECORD, as follows:

MINORITY VIEWS

The following summary of views, in opposition to the enactment of this bill, is submitted as a minority report:

1. The project is the forerunner of the huge Gunnison-Arkansas project. The Bureau of Reclamation's project planning report (1950) designated the Fryingpan project as the "initial development of the potential Gunnison-Arkansas project." The Gunnison-Arkansas project would probably involve a construction cost approaching $1 billion. Although it is stated that the Fryingpan project would stand by itself, and the bill indicates that the Gunnison-Arkansas project is not contemplated, it seems probable the people of the Arkansas Valley will not and cannot be satisfied with the very small amount of irrigation water furnished by the project (one-half acre-foot per acre or less than the area to be served) and will demand the Gunnison-Arkansas project which, according to previous Bureau reports, would divert upward of 900,000 acre-feet annually from the Colorado River Basin or about 10 times the amount of water proposed for diversion by the Fryingpan-Arkansas project.

2. The project is substantially the same proposal that has been previously rejected for consideration by the House of Representatives. Consideration of this legislation to authorize this development started in the 82d Congress with the introduction of a bill upon which a Department report was requested but not received and no hearings were held. In the 83d Congress, on a bill covering this project, the Subcommittee on Irrigation and Reclamation held 5 days of hearings and ordered the bill reported to the full committee. The bill was reported to the House and a rule granted. The House refused to consider the rule and on July 28, 1954, by a vote of 195 to 188, defeated the rule.

In the 84th Congress, a similar bill, after 9 days of hearings by the Subcommittee on Irrigation and Reclamation, was reported by the Committee on Interior and Insular Affairs to the House of Representatives. A rule was granted and the House, on July 26, 1956, by a vote of 194 to 179, again refused to consider this legislation. In the 85th Congress, the Subcommitte on Irrigation and Reclamation held 8 full days of hearings and also field hearings, reported the bill to the full committee, and the full committee reported the bill to the House. A rule was granted on August 15, 1958, but no action was taken before adjournment. In the 86th Congress, substantially the same bill was again introduced. The subcommittee held 2 days of hearings, but no further action was taken by the Committee on Interior and Insular Affairs. H.R. 2206, in the words of its author, has "* * * very little new to be brought into the hearings * * *." While the changes are an attempt to bring the bill into line with reclamation law, the basic defects which have caused Congress to refuse to consider this bill still remain. This statement is substantiated by the testimony offered by the Department witnesses because the substitution of the Ruedi Dam and Reservoir in lieu of the Aspen Dam and Reservoir makes no changes whatsoever. Either of these facilities would furnish regulation of replacement water for the Colorado River Basin uses. The water supply aspects of the project are unchanged. The hydropower generation remains unchanged and the irrigation benefits remain unchanged. It is remarkable that the same Bureau witnesses who appeared in prior years and stated that it was impossible to bring this project within the existing reclamation law now state that by a mere shifting of a few figures and a slight increase in the cost of energy to preference and nonpreference customers, which heretofore the same witnesses said could not be justified, the project is feasible.

The project is of questionable engineering feasibility, is financially unsound and lacks economic justification.

(a) The excessive cost of the transmountain diversion feature of the proposed project—$63 million to develop an annual supply of 69,000 acre-feet of water for irrigation and municipal use—is unwarranted and without economic justification.

The cost to the Federal Government would be about $23 per acre-foot or 4.5 times the estimated project revenue for irrigation water. The supply for irrigation furnished by the transmountain diversion would be only about 2 inches or one-sixth of an acre-foot per acre. The large cost of such a small supply would far outweigh its value.

(b) The $62.7 million power development features of the project are of highly questionable financial feasibility. The cost of power from five of the seven plants would be materially greater than the assumed price of 6.5 mills per kilowatt-hour. The estimated power output and power revenues from the plants are unsupported and appear exaggerated. Furthermore, there is no assurance that the power could be sold at the required rate of 6.5 mills or more per kilowatt-hour over the protracted repayment period of about 50 years, considering the availability of other competing sources of power and possible obsolescence of hydroplants.

(c) There is grave doubt as to the engineering feasibility of the Arkansas power canal—one of the major features of the proposed hydroelectric development. The project plans propose to construct and operate this unit as an open canal (actually a series of open canals aggregating 60 miles in length) to convey water to a series of six powerplants between the vicinity of Leadville and Salida, located along the canyon of the Arkansas River at elevations of over 7,000 to nearly 10,000 feet above sea level in a rugged mountain region where, for several months of winter, severe ice and snow conditions prevail. The practicability of operating an open canal under such conditions is highly questionable. Under similar conditions on the Colorado-Big Thompson project in Colorado a few miles to the north, the Bureau of Reclamation found it necessary to substitute tunnels and covered conduits for the open canals originally proposed. This change in plans has been stated to be one of the major reasons why the construction cost of that project to date has nearly quadrupled over the estimates offered to Congress.

The former Secretary of the Interior has reported that if covered conduits are found to be required, the total construction cost of the Fryingpan-Arkansas project would be increased about $64 million and that such an increase would render the project unfeasible. An additional cost of $64 million for the power development would raise the total project cost to $234 million or more—an increase of about 40 percent over the Bureau's estimate.

It is interesting to note that no Bureau witness contradicted testimony offered in prior hearings of the increased cost of construction if covered conduits are found to be required.

In view of the foregoing, the economic justification and financial feasibility of the power development as proposed for the project is highly questionable, which casts doubt on the feasibility of the entire project.

(d) The high cost of the irrigation features of the project—now $236 per acre construction cost for a supplemental water supply of 0.6 acre-foot per acre, which is equivalent to $1,156 per acre for a full water supply—present a serious question as to the justification for the project as a Federal reclamation undertaking. As compared to this cost, the average value of irrigated farmland in the area does not exceed $225 per acre. If, as indicated by testimony of Bureau of Reclamation witnesses, the service area were reduced from the originally proposed 322,000 acres to 280,000 acres or less, the cost per acre would be increased proportionately by 10 percent or more.

There is no assurance that the irrigators could or would pay the proposed rate of $5.40 per acre-foot for project water. (The project planning report found that the irrigators would be able to pay only $3.60 per acre-foot.) Moreover, estimated repayments from conservancy district taxes appear to be over-optimistic and not fully assured. It appears improbable, therefore, that irrigation revenues as estimated could or would be realized.

(e) The economic justification of the project is claimed on the basis of an unrealistic evaluation of benefits and costs with benefits estimated over a period of 100 years, which is highly speculative. Large indirect benefits are included.

One of the most startling features of the testimony offered to the Congress this year is the report from the Bureau of Reclamation that the benefit-cost ratio of the irrigation features of the project based on estimated direct benefits are in excess of 1 to 1 ratio. This is the same project on which the same witnesses have appeared before prior Congresses and stated that the benefit-cost ratio of the irrigation features of the project, based on estimated direct benefits on the basis of

a 50-year payout period, to be substantially less than 1 to 1. This complete change of testimony by the same people on the figuring of cost-benefit ratio is further evidence of the fact that their economic justification is based on an unrealistic evaluation of benefit costs.

3. The Arkansas River development features of the project appear to be a feasible reclamation undertaking which could be authorized as a separate unit, excluding the costly and uneconomic transmountain diversion and power features of the project.

It appears from the report of the Bureau of Reclamation (H. Doc. 187, 83d Cong.) that the Arkansas River development features of the Fryingpan-Arkansas project could be carried out independently of the proposed transmountain diversion features as a financially feasible undertaking under existing reclamation law. A capital cost of $50 million would cover the entire cost of such a development, including the cost of municipal water-supply delivery systems. The reimbursable cost of the water supply itself aggregating 92,000 acre-feet a year would be only $19,699,000.

The Bureau's report indicates that the Arkansas River development by itself would have substantial benefits. A large benefit would be realized from the flood control provided by the Pueblo Reservoir. In addition, the project could provide municipal water in the same amount as estimated for the proposed project (namely, 20,500 acre-feet) as well as 71,500 acre-feet for supplemental irrigation, which would materially relieve present shortages in supply.

The remainder of the project as proposed, including the transmountain diversion features and the power system and involving a cost of about $110 million, should be deferred for further consideration of questions of feasibility and economic justification. Such a procedure would be in line with the recommendations originally made by both the Budget Bureau and the Department of Agriculture in reporting on the project.

4. Testimony before the committee during extended hearings last year as well as this year indicates beyond refute that this project is not in the best interest of either our national economy or the agricultural problem that confronts the entire Nation. This was substantiated by facts and figures presented to the subcommittee in prepared statements and in response to questions raised during the course of the testimony.

The following utilization of the 280,000 acres was submitted by the Bureau of Reclamation:

Crops, acreages, yields, and returns to farmers, Southeastern Colorado Conservancy District, Fryingpan-Arkansas project, Colorado

Crop	Acreage—		Yield—		Unit
	Without	With	Without	With	
	Thousands	*Thousands*	*Thousands*	*Thousands*	
Alfalfa	126.9	119.8	400	515	Ton.
Forage	5.0	5.0			
Grains	109.1	113.6	4,907	6,964	Bushel.
Sugarbeets	15.9	22.6	203	355	Ton.
Beans	4.8	5.4	4,924	7,149	Pound.
Fruit-vegetables	11.5	9.9	1,204	1,594	Hundredweight.
Seed crops	3.4	1.0	1,005	355	Pound.
Popcorn	4.0	3.3	7,618	8,744	Do.
Total	280.6	280.6			

It was further stated by Mr. Young, president of the Southeastern Water Conservancy District that the Arkansas Valley presently produces approximately 80,000 head of cattle, 140,000 lambs, 850,000 turkeys and chickens, and 14,500 milk cows each year. In response to questioning he indicated that there would be substantial increases in the production of each of these livestock categories were the project to become a reality.

Without further details relative to each of these specific products, let us examine briefly the degree to which the present agricultural surplus problem would be aggravated by the increased production of these agricultural commodities.

First, we note that there would be in addition to the anticipated increase in livestock production, an annual increase of 115,000 tons of alfalfa hay, 2 million bushels of small grains, 152,000 tons of sugarbeets, and 2.2 million pounds of beans. These increases would come about in direct conflict to actions that have been taken by the Congress during recent months as well as all of the years in which the Congress has legislatively tried to reduce agricultural surpluses.

There are presently in the soil bank in the State of Colorado 1,299,881 acres while throughout the entire Nation there are under similar contracts roughly 22 million acres. A very high percentage of these acres have been seeded to alfalfa and other hay crops, and farmers who have contracts for these acres are not permitted to either cut hay or graze this land. In other words, it has been necessary to take 4,767 farms in Colorado and 303,413 farms throughout the Nation out of production at a total cost to the taxpayer of $337,986,884. This is the amount of money that is paid to participating farmers for not harvesting any agricultural commodity or cutting hay (alfalfa) on these acres. It is rather obvious that the authorization of this project costing $170 million in order to increase the production of hay is in direct conflict with the soil bank contract expenditures.

Figures indicate an increased production of over 2 million bushels of small grains per year. Here, again, we see the same kind of direct conflict. Figures released by the Department of Agriculture on June 1, 1961, indicate that the State of Colorado had a signup to comply with the newly enacted feed-grain program which would divert 313,000 acres at an immediate cost of over $2 million to the taxpayer. For the entire Nation the diverted acreage amounts to over 24 million acres at a cost of over $312 million. Again, we see a direct conflict and a doubling up of expenditures.

The production of sugarbeets would be increased by 152,000 tons annually at the taxpayers' expense, while as recently as May 17 and 18, the Agriculture Committee held hearings, and heard testimony for 2 days from farmers who expressed a desire to raise sugarbeets at no cost to the taxpayer if legislation could be enacted which would only permit them to do so. As yet there has been no response to these requests which have been prevalent for more than 20 years. In fact, these farmers have been denied this desire for all of these years because of existing limitations in the production of sugarbeets.

Let us look briefly at the livestock situation, and it is of interest to note that the project will substantially increase the production of sheep and lambs. According to a release by the Department of Agriculture on June 1, 1961, it has been necessary for the Department to purchase 11,928,000 pounds of lamb at a cost to the taxpayer of $4,333,000 in order to improve lamb prices to producers. This cost represents purchases during the short period of time from the 27th of February 1961 to June 1, 1961.

In addition, the Department of Agriculture indicates as of June 21, 1961, that for the 1960 marketing year, in order to bring the average wool price up to previously announced levels, it has been necessary for them to make payments which amount to 47.6 percent of the returns that each producer received from the sale of wool during this year. The total cost of this program for the 1959 marketing year was $53,888,000. There have been like expenditures in other categories of livestock production, most notably in the production of turkeys and chickens.

These figures surely exemplify most explicitly the degree to which the American taxpayer by the approval of this project will be called upon to furnish dollars that will only aggravate and cause additional expenditures in other areas where we are trying to reduce surpluses. Just as significant is the fact that if we have any hopes of effecting an improvement in our agricultural problem or even holding our own, it will be necessary for farm families in other areas to make comparable reductions in the production of alfalfa hay, small grains, sugarbeets, and livestock. This they will be called upon to do at great sacrifice to their individual farm operation and at expense to the taxpayer. It seems not only unfair but discriminatory that on the one hand we ask farm families to make substantial sacrifices in order to alleviate a surplus problem and in other instances we provide large expenditures of public funds so as to permit others to expand their production capacities. Such a program surely does not leave any indication of either fiscal responsibility or equity among farm families throughout the Nation.

While this program calls for an initial appropriation of $170 million, this is only a small part of what the actual cost of this project will be to the Nation during the years ahead. For it will be necessary to expend additional large sums in order to pay for the storage of surplus commodities produced by virtue of this project or to make payments to other farm families for reductions in their production that may be comparable to these increases.

This project indicates the degree to which the Department of the Interior, Bureau of Reclamation, in recommending this project, is in direct conflict with all recommendations and suggestions to improve the agricultural situation made by the Department of Agriculture. While this project proposes increases in production of agricultural commodities, the Department of Agriculture is very vigorously proposing programs that place restrictions and controls on segments of agriculture to produce less.

Therefore, it is our opinion that this project is not in compliance with either the agricultural or the economic needs of the Nation, now or in the foreseeable future.

5. From evidence which has been submitted over the years from a number of persons and organizations on the western slope of Colorado, from where the water involved would be diverted, strong objections to the entire project have been registered. The changes in the present bill from prior bills have not eliminated the adverse testimony. The people on the western slope of Colorado feel that the economy of the western slope will be damaged by the taking of water from the Colorado River Basin, where the supply is already short, and placing it in the Arkansas River Basin, where the present supply has not been fully used. They, as well as some of the members of

the Committee on Interior and Insular Affairs, have no confidence in the operating principles in the bill in connection with uses of water on both the eastern and western slopes of Colorado. Residents of the western slope are fearful that this and future transmountain diversions will stunt the economic development of an area which holds enormous industrial potential assuming there is water to serve it.

It is rather interesting to note that while the Colorado Water Board appeared and testified in favor of this project, the same board for years questioned the advisability of transmountain diversion in the San Juan-Chama project heretofore considered by the Committee on Interior and Insular Affairs, pointing out that if the San Juan-Chama diversion were authorized it might adversely affect the development of a portion of the western slope of Colorado.

6. This bill for the first time puts the Secretary of the Interior and the Bureau of Reclamation in the business of subsidizing public schools in the district served by the Fryingpan-Arkansas project.

Despite its adverse report on this provision by both the Department of the Interior and the Bureau of the Budget, the committee has continued to keep this provision in the bill.

7. In prior bills no attempt was made to protect existing water rights. In an effort to show that these rights were now being protected the committee went far beyond protection and now has made this bill a vehicle for institution of a multiplicity of suits under any and all circumstances and by any and all persons.

Section 6(e) of the bill, beginning on line 10 through the end of the section on page 12 contains the following language:

"Any person or entity whose rights may be affected, impaired, or infringed upon by reason, or as a result, of such noncompliance may maintain an action, suit, or proceeding in the U.S. District Court, in and for the District of Colorado seeking appropriate relief, and consent is hereby given to the joinder of the United States, the Secretary of the Interior, and his subordinate officials, employees, and agents as a party or parties to such action, suit, or proceeding, as a defendant or otherwise."

This language constitutes an open invitation to unnecessarily burden the operation of this project, intended for the benefit of all the people, with a multiplicity of individual suits with diverse claims for relief, which could well involve the actual operation of the project in the injunctive processes of the courts.

Despite the request of the Department of the Interior to delete this language it was retained by the committee.

8. The changes in the present bill from former bills by substituting the Ruedi Reservoir for the Aspen Reservoir will work an undue hardship on the Aspen area for a number of reasons:

(a) It leaves the Aspen area without any replacement storage, while at the same time containing the same collection system which can only help those downstream from the Basalt project.

(b) The bill directs the additional diversion above Aspen of 14,000 acre-feet through the Twin Lakes diversion.

9. The original development plan and a water right decree of June 20, 1958, for the basalt project provided for full use of the waters of the Fryingpan River in western Colorado. The supplemental consent decree, approved by the district court of Garfield County, Colo., August 3, 1959, established an equal priority date of July 29, 1957, for the use of the Fryingpan River water for serving both projects.

Obviously, in reaching this consent agreement it was necessary that a part of the water previously decreed to the basalt project for maximum development under the project be surrendered to make possible a decree of equal date for Fryingpan River water needed for the Fryingpan-Arkansas project.

On the basis of testimony submitted to the committee in prior Congresses, this decree in and of itself makes the water supply uncertain. The Bureau of Reclamation gave testimony that they only had records over a 34-year period. To be workable, the project required all of the waters collected from the collection system on the Fryingpan and the Aspen Reservoir on Hunter Creek to make the necessary diversions. The consent decree clearly shows that the necessary water for this project is therefore unavailable.

10. The costs disclosed by this bill are not all that would be necessary because the bill authorizes a study of a reservoir to be built at a later date on Castle Creek.

For the foregoing reasons, as well as many others reflected in the material which was presented to the committee, this legislation, which involves an expenditure of $169,905,000 together with an additional $64 million if covered conduits are found to be required, should not be approved until there is a real economic justification which to date has not been presented.

JOHN P. SAYLOR.
JOHN KYL.
J. ERNEST WHARTON.
ODIN LANGEN.
CRAIG HOSMER.
JAMES A. HALEY.
D. S. SAUND.

Mr. WILLIAMS of Delaware. Madam President, I also ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, an editorial recently published in the Washington Daily News.

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

MISLEADING THE TAXPAYER

The House in Washington has almost certainly put something over on the taxpayers by authorizing $170 million for construction of a reclamation project in Colorado. Even before any appropriation is added, it is admitted that this figure is at least $100 million below the final cost.

There is a precedent for skepticism about the whole project. This would bring water from the upper Colorado River through the Continental Divide to the basin of the Arkansas River in southeastern Colorado, where it would be used for power and irrigation. The need for more irrigated land in a time of gigantic surpluses may also be questioned, though some farsighted observers think it may be needed within 15 years.

The precedent which causes doubts is the Colorado-Big Thompson project, northwest of Denver. Here the same legislative tactics were used. The Colorado River is dammed at Granby, the water is pumped into a huge reservoir and flows by gravity through the divide to irrigate the eastern slope.

This started, too, as a somewhat modest project, but more and more money was added in succeeding years. By the time the tunnel was driven and water was flowing, the operation's cost had mounted to close to a billion dollars.

The so-called Fryingpan-Arkansas undertaking looks like a case of "here we go again."

Mr. WILLIAMS of Delaware. Madam President, I hope the Senators who are advocating the passage of this bill will at least accept this amendment. Then we will know that the project will not cost more than the $170 million, the amount which has been presented to the Senate.

Mr. CARROLL. Madam President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado will state it.

Mr. CARROLL. The Senator from Delaware has submitted an amendment. To what bill is the amendment submitted?

Mr. WILLIAMS of Delaware. Madam President, the amendment is submitted to House bill 2206, which we have now taken up in lieu of Senate bill 284. I understand that House bill 2206 is now before the Senate. Is that correct?

The PRESIDING OFFICER. That is correct. The amendment is submitted to page 11, beginning in line 22, and page 12 of House bill 2206.

Mr. CARROLL. That is what I understood, Madam President. So we now have this amendment, which has been submitted to House bill 2206.

I have tried to make clear the parliamentary situation in the other body. If this amendment were adopted, with the result that this bill would have to go to conference, that would be a good way to kill the bill. So I hope the Senator from Delaware will withdraw his amendment.

Now, in regard to the cost of reclamation projects, let me describe the history of some of the recent projects under the Upper Colorado River Storage Project Act: Contracts for the Glen Canyon, Flaming Gorge, the Navajo, and participating projects today are $50 million below the estimated costs—below the estimated authorizations. It is my hope and belief that in connection with this project—which has been studied and restudied—we can keep well below the $170 million. I do not know whether that will be possible; but I think it is not good business sense to impose such a limitation. Suppose, after years of construction and after the Government had invested $170 million in the project, a point were reached where it was found that a small additional amount would be needed if the project were to be efficiently completed. This amendment would then make it impossible for the project to be finished. That almost happened with the Colorado-Big Thompson project, which now is way ahead of schedule, and has brought great revenues to the U.S. Treasury.

I say to the able Senator from Delaware and to the able Senator from Wisconsin that I appreciate the fact that they are great fighters in the interest of economy and in the interest of the taxpayers, and I commend both of them for it. But I say this amendment is not the proper way to proceed.

This bill should be voted either up or down, on its merits; but we should not kill the bill by adopting an amendment of this sort—and it could happen that the bill would thus be killed, because adoption of the amendment would require a conference with the House. We now have the House bill before us; and we should vote it either up or down, on its merits.

My able colleague [Mr. ALLOTT] is a member of the Appropriations Committee, and that committee can watch these expenditures.

By the same token, if the point were reached where only a few additional million dollars were needed, it would be senseless to strangle the project and lose the investment, in view of the fact that the project is so vital to the West.

We know how difficult is the parliamentary situation in the other body; and I hope that situation will be considered by all Senators.

Mr. WILLIAMS of Delaware. Madam President, I do not think the Senator from Colorado intended to give the impression that from now on the Senate should not attempt to amend any House bill for fear of the necessity for holding a conference with the House.

Why cannot there be a conference with the House on this bill? What is there in the bill which would result in its death in a conference?

One of the major points made by the House committee members who filed the minority views was that the bill did not disclose the true costs of the project; they feared that the project would cost substantially more than $170 million.

Now the junior Senator from Colorado says their fears are unfounded. If so, we should adopt the amendment and thus allay their fears. Perhaps then they would look more favorably upon the bill.

I do not see why there should be any objection to the amendment, unless, as those seven members of the House committee have said, the project will cost substantially more than $170 million.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. DOUGLAS. Madam President, is the vote now to be taken on agreeing to the amendment or on the passage of the bill?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware. [Putting the question.]

Mr. WILLIAMS of Delaware. Madam President, on this question I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Madam President, when I came to the Chamber this afternoon, I expected to vote against this bill. For a long time I have felt we were spending excessive amounts of money for irrigation in high-altitude regions of the Mountain States. When I first came to this body I opposed a big irrigation project for Idaho where the costs were, in my judgment, very excessive. I opposed the irrigation features of the Upper Colorado project, where the expenditures per acre in some cases ran over $1,000, and where, with interest, in many cases, the costs were even more than that.

I feel that in the past the political power of the Mountain States Senators has been thrown around in an excessive fashion. The eight Mountain States, with their 16 Senators, have tremendous bargaining power on the floor of this body. And, as a result, in the past they have been able to get appropriations for irrigation projects to bring more land into cultivation and to grow more wheat and feed grains, at a time when we in the Middle West are being compelled to retire grain land. They have caused us to help finance direct injuries to us.

Furthermore, the cost of most of these irrigation projects, as we get away from the low altitudes and get into altitudes where the growing season is short, run extremely high.

While the principal of Government expenditures for reclamation is returned over a long period of time, no interest is returned, and the money which is returned then goes into a pool which is used for more reclamation. There is therefore a very heavy subsidy which the taxpayers have to meet.

All this is done at a time when the Middle West is compelled to suffer from low farm prices and lack of supports because, for some reason or another, we do not seem to make much of an impression on the administration in power or on Senators from the Mountain States. And so I have felt that both the interests of my section and the interests of my country dictated opposition to these reclamation projects.

In the last hour or two I have had the opportunity to study the statement of the junior Senator from Colorado [Mr. CARROLL] and to read his colloquy with the Senator from Wisconsin [Mr. PROXMIRE]. I have reached a tentative conclusion to support this bill, for certain reasons.

In the first place, while I do not think the Senator from Colorado stressed this fact particularly, though he mentioned it, a large portion of the expenditures will be to provide added water for the great air center at Colorado Springs. I do not think the air center should have been located in Colorado, but it is located there, and it is highly important that it should have adequate water.

The city of Colorado Springs, hitherto a pleasure and vacation resort, is obviously going to be a very large city; and, in the national interest, as the junior Senator from Colorado stressed, it is important that it be furnished with adequate water.

I have also believed that the Mountain States and the Pacific coast should have steel plants, and the historic steel plant at Pueblo needs water.

Furthermore, as the junior Senator from Colorado has pointed out that no new land is going to be brought under cultivation. I think perhaps that has been the decisive factor entering my mind. We should not bring new land into cultivation through these irrigation projects. But I can well understand how farmers on land now cultivated, many of whom went through the Dust Bowl experience of the 1930's, should have some degree of protection, and I think the addition of about five-eighths of an acre-foot for 280,000 acres will help to stabilize their production and give them a chance to survive.

The junior Senator from Colorado has been very persuasive in getting me to change my position.

Let me say that I have been pained, however, by the attitude of other Senators from the Mountain States who have turned a deaf ear to the plight of Middle West agriculture and to the problems of our cities, and, in a sense, I am trying to return good for evil. This is not a criticism of the junior Senator from Colorado, because he has always supported these measures from a broad national point of view, but this has not been universally true.

But I do want to serve notice that this vote of mine is an exception. I am not converted to the general principle of spending more money to bring into cultivation additional land not now needed.

If we should ever reach the point where we do need the land, I am ready to consider it; but it is certainly an insane policy to retire land on the one hand at the same time we are bringing additional land into cultivation on the other.

So, somewhat reluctantly, but persuaded by the arguments of the junior Senator from Colorado, I shall vote "yea" on the bill, and I hope that the willingness of the Middle West to cooperate with the Mountain States may cause some change in the attitude of certain other Senators from the Mountain States.

Mr. PROXMIRE. Madam President, the Senator from Wisconsin intends to vote "Nay." I shall do so notwithstanding that I have great admiration and respect for the Senator from Colorado [Mr. CARROLL], who has made an eloquent and extremely persuasive statement for the bill. It is difficult for me to vote against a project so eloquently and sincerely supported by him.

There are a number of reasons why I shall vote against the bill. I hope the fine fight the Senator from Delaware has made against this kind of proposal serves notice that when the Gunnison-Arkansas project, which would expand this project and make it almost 10 times as expensive and 10 times as abundant in water, comes up for consideration, we will resist it at every step.

Congress is fooling itself if it feels that projects of this sort are self-liquidating and self-supporting in a financial sense. It is true that the irrigating farmers will return about $46 million of the cost of the irrigation features of this project, while the power users will return the other $20 million of the total $66 million cost of the irrigation. But the use of this money is interest free. The rest of the Nation is giving a subsidy to these farmers, above and beyond the subsidies they are already getting, in order to grow more surpluses such as sugarbeets.

The amount of this interest subsidy has been estimated to be at least $50 to $60 million over the 50-year repayment period. It would be more than this if the recent increases in the Government borrowing rate were taken into account.

It is very difficult for this Senator to understand—and we have asked the Agriculture Department how it can justify it—how they can use 2.5 percent as

a discount factor in order to calculate the benefit-cost ratio, when the risks, the alternative return available, and the cost of the long-term borrowing to the Federal Government are all higher. Yet the benefits which were placed in the benefit-cost ratio of this project are very high as the result of using this low discount rate which has the effect of inflating the amount of benefits discounting for the difference in time.

It is also strange that in the cases where the beneficiaries are required to reimburse the Treasury for the use of the Federal funds, unlike the case of the irrigation beneficiaries, they are required only to pay interest calculated at 2.6 percent a year. Again, the fact that the Government has not been able to borrow long-term funds at this rate since the forties, suggests that those who allegedly are to repay all the costs of the project should be required to pay the full costs of borrowing the money which the Federal Government itself has been forced to pay.

Some of these calculations are included in a study by Otto Eckstein, entitled "Water Resource Development."

In the course of his discussion of irrigation, Dr. Eckstein says this is referring to devices which are used to justify these projects:

All of these devices interfere with sound formation of public policy. They mislead the public and the Congress into thinking that the projects as a whole are self-supporting. By their technical obscurity they hide both the size and the source of the subsidy. They make it impossible for the public and the Congress to see the financial issues clearly, and they p event a judgment on the question whether irrigation projects are worth the subsidies which they entail.

It would be desirable to change irrigation law to correspond to the actual conditions of project finance. Congress might appropriate funds to build a project, to indicate what share of the cost is to be repaid by irrigators, what share is to be financed out of power revenues, and finally, what share is to be a subsidy out of general revenues. If the present laws are accepted to be beyond change, the issue could still be made to emerge in its true proportions if the financial analysis of each project report would include figu es which indicate the size and the source of the various studies.

Madam President, I ask unanimous consent that the portion of Mr. Eckstein's book devoted to "Financial Analysis," pages 226 through 236, may be printed in the RECORD at this point.

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

B. FINANCIAL ANALYSIS

9. Subsidies in irrigation

Federal irrigation projects are usually only authorized if it can be shown that the total revenues which can be collected exceed the total costs except for the costs allocated to navigation, flood control, or other nonreimbursable purposes.[1] The requirement does not mean that each reimbursable purpose must be financed out of funds received in payment for that purpose; it applies only to the sum of revenues versus total reimbursable costs. Irrigation revenues must be collected in 40 annual payments which need not start till a development period of 10 years has passed.[2]

There are a number of reasons which make it impossible for irrigation revenues to be sufficient to meet the cost of irrigation on most Federal projects of recent years. At first glance one might expect that if the benefits exceeded the costs, it should be possible to raise revenues equal to costs, but it is quite obvious that the collection of revenue from those who reap public or indirect benefits would require a form of collection other than the contractual payments of water users. Even direct benefits, which measure the increase in income of the settlers, do not provide a measure of revenue potential since it is impossible to charge a price for water which would leave the incomes of irrigators unchanged. Since one of the main objectives of the program is the creation of new family-farm opportunities and of a new life for relatively poor farmers, payments for irrigation water must be sufficiently low to leave them significantly better off. In accordance with these objectives, the irrigation benefits are spread over many families, each of whom is to enjoy an increase in its standard of living. If we suppose that a typical family's income is raised from $1,000 to $4,000 before water charges, payments of more than $2,000 are hardly possible, which would produce revenues equal to only two-thirds of direct benefit.

The Bureau of Reclamation computes the repayment capacity of a project by subtracting a family living allowance for every family from the net income of the project. This allowance, which varies from project to project, but which has frequently been set equal to $2,250, is based on the cost of a certain standard of living. In the example of table 38, direct benefits of $426,000 produce a repayment capacity of $277,500, 65 percent of direct benefits.

With the somewhat contradictory objectives of full repayment and of raising living standards for the people on the project, a number of devices have been invented which make it possible to justify projects despite these obstacles. All of these devices are some form of subsidy to irrigation and reduce the amount of repayment which the settlers have to meet.

The original Reclamation Act of 1902 embodied provision for the most important of the subsidies now in use.[3] It called for the repayment of all costs, but did not consider interest to be a cost. This means that the total of the repayments is equal to the money cost, or one-fortieth of the total a year.

In fact, there is an interest cost to the country of course—at the least equal to the government bond rate and probably equal to twice that figure, as we saw in chapter IV. On a typical irrigation project, with a development period of 10 years and repayment in 40 annual installments, the resultant subsidy can easily be estimated. The actual payment under present procedures will be 2½ percent of the investment, which will total 100 percent after 40 years. If the project were to pay its own interest cost at a rate of 2½ percent, including interest during the development period and on the unamortized balance, it would have to pay a total of 5.1 percent for interest and amortization. Thus the payments of the settlers for the investment in the project would double. In terms of present values, if the 40 actual payments of 2½ percent were discounted to the period of construction, they would be worth 49 percent of the actual construction cost. Thus this one element alone leads to a subsidy of half the cost, paid by the Nation's taxpayers for the benefit of the irrigation settlers, even if they meet their repayment schedules, and assuming only a minimal interest rate.

But the subsidy from the taxpayer is often much larger, though the form is more obscure and misleading. There is a group of subsidies to irrigation, which, at first glance, appears to be paid by the beneficiaries of other purposes, but which in fact is still paid by the taxpayer. Until 1952, these subsidies took the following form: The price of power was set on the basis of cost, including the cost of interest at 3 percent plus repayment over 50 years; but the interest component of the resultant revenues was considered to be helping to repay the construction cost of irrigation. This practice was considered justified by interpreting the provisions of the Reclamation Act of 1902, which freed irrigation projects from interest payments, in such a way that the power features were also part of the irrigation project. The resultant subsidy is quite large; on a typical project, with power investment equal to the irrigation investment, the interest component of the charge for the investment is 49 percent of the total charge for capital; and if all of it is applied to aid in repayment of an irrigation investment that is not charged interest, it is almost adequate to repay the entire irrigation investment. In fact, power was never assigned more of the irrigation cost than the excess above computed repayment capacity; but for the 16 projects which include both power and irrigation, $512 million out of the expected power revenues of $1,032 million were assigned to the repayment of irrigation costs as of January 1, 1947, which is 50 percent of all power revenues.[4] The formula suggests that it is power revenues which help repay the irrigation cost. In fact, power users pay rates which are designed to do no more than return the power investment with interest; the rates do not include any charge for irrigation repayment. By crediting irrigation with the interest component of power revenues, the total revenues to be received by the Treasury are diminished and this portion of the cost of irrigation is shifted to the general taxpayer.

In 1952, the "interest component formula" was replaced by a new device which appears to answer some of the objections raised against its predecessor, though it is essentially very similar. It was first applied to the

[1] "Water Resources Law," the President's Water Resources Policy Commission, pp. 195, 202–212.

[2] Many projects have been granted much longer periods of payment, up to 200 years in some cases. See Moley, "What Price Federal Reclamation?" p. 38; and U.S. Congress, House Committee on Interior and Insular Affairs, "Construction Costs and Repayment on Federal Reclamation Projects," committee print, September 1952, p. 18.

[3] For a historical account of repayment requirements and subsidies see Commission on Organization of the Executive Branch of the Government, "Task Force Report on Water Resources and Power," vol. II, "Report of the Task Group on Reclamation and Water Supply" (June 1955), especially pp. 669–671. Also see "Application of the Interest Component of Power Revenue from Reclamation Projects Under the Solicitor's Opinion and the Collbran Formula," by C. D. Curran, in "Task Force Report on Water Resources and Power," vol. III, pp. 1205–1214. For an enonomic analysis of the pricing principles implicit in the present system of charges based on repayment capacity, see J. Margolis, "Welfare Criteria, Pricing and Decentralization of a Public Service," Quarterly Journal of Economics (August 1957), pp. 448–463.

[4] U.S. Bureau of Reclamation, "How Reclamation Pays" (1947), p. 111.

Collbran, Colo., project[5] and is known as the Collbran formula. It provides for repayment of all power costs including interest at 3 percent and of the costs of industrial and municipal water supply with interest at the prevailing long-term Government bond rate. After these purposes have completed their own repayment, the further revenues that they will produce will be applied toward repaying that part of irrigation cost which is beyond the repayment ability of the settlers. The formula limits the repayment period of water supply to 50 years, the same as the usual practice for power. Thus, for the first 50 years of the project's life, no payments are made for irrigation above those of which the settlers are capable. From the sixth decade on, power and water supply will turn over all their revenues, except for small operating expenses, to repay irrigation.

Once again, the impression is created that power will aid irrigation, and that the project as a whole is self-financing. In fact, it is still the taxpayer who can be expected to pay most of the subsidy, the magnitude of which will be little changed. The reasons are not far to seek; in the first place, the size of the total subsidy to irrigation will remain the same since the irrigation payments are still determined by repayment capacity, and nothing else. Second, the subsidy from the failure to charge interest on the irrigation investment is much compounded. If part of the irrigation cost is not repaid for 50 to 100 years, the interest charge which has been shifted to the taxpayer becomes very large. For every dollar sunk into irrigation which is repaid without interest after 75 years, the taxpayer must make interest payments of 2½ cents a year for 75 years.

The present worth of these payments is 84 cents, leaving only 16 cents which could be shifted to other purposes. Whether it will be shifted cannot be discovered for 50 years, but there is good reason to doubt it, for it presupposes that it will be possible to set power rates and rates on water supply in the remote future which will be adequate for this purpose. In the case of power, the rapid rate of technological progress which is driving down the costs of power from alternative sources, which is bringing atomic energy toward competitive levels, and which may make solar energy an economic source, makes lower rates probable. A period of 50 years, which is the basis for repayment of the power investment, is already a very optimistic assumption about the competitive position of hydroelectric power based on current design; to stretch the assumption to apply for 80 or 100 years is absurd. If it turns out to be impossible to charge the necessary power rates in the first and second decades of the 21st century, the Government will surely lower the rates toward operating costs, and if that proves impossible, it will abandon the power installations altogether. As for municipal water supply, technological progress which would present cheap alternative sources is not as clearly in sight, though controlled rainmaking would be a step in this direction. The revenues from this source are of a smaller order of magnitude than of power, and it could shoulder no more than a small part of the remaining irrigation cost, even if the users, who are largely municipalities, do not balk at the payments when the time comes. Thus, there will be little choice but to write off any unamortized irrigation investment as a Government loss, unless the contracts with the water users are changed to incorporate a provision extending the period of payments. And even this possibility involves some strong assumptions about the technological progress in agriculture.

[5] A statement can be found in "Report on Collbran Reclamation Project, Colorado," S. Rept. 1719, 82d Cong., 2d sess.

TABLE 43.—*Summary of cost and repayment of irrigation investment, Fryingpan-Arkansas project, using interest component formula (ignoring interest)*

Allocated cost	$59,930,000
Repayment by water users, 40 years	10,881,600
From power revenue, 40 years	35,478,000
From municipal water revenue, 40 years	13,570,400
Total	59,930,000

Source: "Report on Fryingpan-Arkansas Project," pp. 13, 34.

Let us contrast the effect of the two formulas. The "interest component formula" results in payment of all irrigation cost above repayment capacity by the taxpayer. The "Collbran formula" results in payment of at least 80 percent of the excess above repayment capacity by the taxpayer, with the remainder paid by power and water supply in the unlikely event that technological progress has not precluded sufficiently high power and water rates for the first decades of the next century.

The effect of the two formulas can be seen from a study of the financial features of the project discussed earlier, the Fryingpan-Arkansas project, which was first planned with the old formula but was revised to conform to the "Collbran formula" by the Republican administration. Table 43 summarizes the repayment plan as outlined in 1951.

To show the actual costs, table 44 gives the division of the burden on the assumption that the Treasury pays interest of 2½ percent and that this cost should be included. The table gives the present values of the series of future payments to be made by the irrigators, and the present value of the extra one-half percent above average Treasury borrowing cost to be paid by the power users. The table does not include the rest of the interest component on power nor any of the 2-percent interest component collected on municipal water supply, since these revenues must be set aside for the payment of interest on the investments for those purposes.

TABLE 44.—*Cost, present value of revenues to be collected to repay irrigation investment, and Federal subsidy on irrigation features of Fryingpan-Arkansas project*[1]

[Interest component formula]

	Amount	Percent
Construction cost	$59,930,000	
Payments of irrigators ($272,040 annually for 40 years)	6,838,057	11.4
Interest premium on power revenues (estimated to be $150,000 a year for 40 years)	4,254,300	7.1
Federal subsidy through absence of interest charge on irrigation and diversion of interest component on power and municipal water supply	48,837,643	81.5
Total	59,930,000	100.0

[1] The table is computed by discounting the series of payments at 2½ percent to the present. The estimate for the annual value of the extra ½ percent on the power investment is derived by assuming that all of the power facilities are amortized over 50 years and by calculating the difference in the annual interest and amortization charge at the 2 rates. The Federal subsidy is the remainder of the irrigation construction cost.

The repayment provisions under the Collbran formula, as proposed by the Department of Interior in 1953, are summarized in table 45. There is still no interest charge on the irrigation investment; irrigators are expected to pay $622,000 a year for 69 years. All the net power revenues from the 53d to the 69th year are applied to irrigation, as well as the revenue from water supply in the 62d to the 69th year. The rates on the latter two purposes are based on full repayment including interest of 2½ percent in 53 years for power and in 63 years for water supply.

TABLE 45.—*Summary of cost and repayment of irrigation Fryingpan-Arkansas project, using Colbran formula (ignoring interest)*

Construction cost, irrigation	$75,128,000
Repayment by water users in 69 years	42,918,000
By power revenues in years 53–69	25,472,000
By water supply revenues in years 63–68	6,738,000
Total	75,128,000

Source: "Report on Fryingpan-Arkansas Project," p. 8.

TABLE 46.—*Cost, present value of revenue to be collected to repay irrigation investment, and Federal subsidy to irrigation features of Fryingpan-Arkansas project*[1]

[Collbran formula]

	Amount	Percent
Construction cost (including interest during construction)	$78,271,000	
Payment by irrigators	20,352,028	26.0
Payments from power revenues	5,678,351	7.3
Payments from water supply revenues	1,311,627	1.7
Federal subsidy through failure to charge interest	50,928,994	65.0
Total	78,271,000	100.0

[1] The table has been computed by discounting at 2½ percent the set of payments stated in the project report, "Report on Frying Pan-Arkansas Project," p. 8.

Table 46 shows the actual distribution of the cost, including interest at 2½ percent, discounting all payments to the present. It can be seen from the table that the Federal subsidy will be between 65 and 74 percent, depending on the fulfillment of the revenue expectations on power and water supply in the sixth and seventh decade of the project. This contrasts with a Federal subsidy of 81 percent under the interest component formula. But the small reduction in the subsidy was purchased at the price of extending the repayment period by 30 years.

The Federal subsidy to irrigation under the two formulas is little influenced by the use of power revenues because the basic rates for power are unaffected at least during the first 50 years of the project. The President's Advisory Committee on Water Resources Policy recommends that excess power revenues be used to repay irrigation if the power is sold within the same area.[6] The Committee sees such excess revenues as a method of taxing indirect beneficiaries. This intention is carried out if power rates are set above power costs from the beginning. In the case of the Upper Colorado River storage project, authorized in 1956, power rates were set in this manner and so one can legitimately speak of power revenues helping to repay irrigation costs. Table 47 summarizes the repayment analysis and recomputes it, including an interest cost charged at 2½ percent. It can be seen that irrigators will pay only 5.4 percent of the irrigation cost if they can meet their contractual charges and that the rest of the cost is divided about evenly between power users who pay rates above power cost

[6] The President's Advisory Committee on Water Resources Policy, "Water Resources Policy," pp. 31–32.

and taxpayers who must meet the interest subsidy.

A closely related device for subsidy is the basin account, which has been widely advocated for projects in the Columbia Basin, though not yet written into law, and which has been interpreted to apply to water-resource activities in the Missouri Basin.[7] This device would merge the finances of all projects in the basin. Not only would it make the formulas discussed above apply to the power and irrigation of a project, but it would make it possible to subsidize irrigation anywhere in the basin through diversion of power revenues from any power project in the same basin. It is clear that the basin account multiplies the possibilities of the hidden subsidies which are paid by the taxpayer, besides opening the door to subsidies from strong purposes to weak and from good projects to bad.

Finally, the cost allocation proceedings which are used to assign the costs of common facilities to the different purposes have served to reduce the total cost of irrigation. Because of the complexity and importance of the cost-allocation problem we shall treat it separately;[8] in the present connection, let it only be pointed out that the "priority of use method" which the Bureau of Reclamation has applied widely in the past but which has now been eliminated, is particularly suitable for lightening the burden on irrigation. Under this method, different purposes are assigned priorities of use, and the first purpose is allocated all costs necessary for its operation as long as costs do not exceed benefits. The second purpose need only bear the cost of the additional facilities needed, and so on for the third. If a nonreimbursable purpose is assigned priority, total repayment is minimized; if irrigation is the top priority purpose, total repayment is reduced by putting most of the common costs on an interest-free basis.

TABLE 47.—*Summary of repayment analysis of irrigation investment of Colorado River storage project*

Source	Total payments ignoring interest (in millions)	Present value of total payments [1] (in millions)	Percent distribution of total payments including interest
Payments of irrigators [2]	$36.6	$15.2	5.4
Contribution from power revenues [3]	246.2	139.7	49.4
Contribution of taxpayers	----------	127.9	45.2
Total	282.8	282.8	100.0

[1] We assume an interest rate of 2½ percent.

[2] Assumes equal annual payments for 50 years after a development period of 10 years. No specific development period has been authorized as yet, but 10 years is the usual figure.

[3] Assumes equal payments for 50 years. Since actual power revenues will build up gradually, the contribution from power is overstated slightly.

Source: "Report on Colorado River Storage Project," H. Rept. 1087, 84th Cong., 1st sess. Our analysis assumes that the cost allocation is correct.

All of these devices interfere with sound formation of public policy. They mislead the public and the Congress into thinking that the projects as a whole are self-supporting. By their technical obscurity they hide both the size and the source of the subsidy. They make it impossible for the public and the Congress to see the financial issues clearly, and they prevent a judgment on the question whether irrigation projects are worth the subsidies which they entail.

It would be desirable to change irrigation law to correspond to the actual conditions of project finance. Congress might appropriate funds to build a project, to indicate what share of the cost is to be repaid by irrigators, what share is to be financed out of power revenues, and, finally, what share is to be a subsidy out of general revenues. If the present laws are accepted to be beyond change, the issue could still be made to emerge in its true proportions, if the financial analysis of each project report would include figures which indicate the size and the source of the various studies. Such figures might be computed and presented in the manner of tables 46 and 47.

Mr. PROXMIRE. Madam President, without the interest subsidy the cost of the irrigation project would be about $236 an acre, assuming that the cost allocation procedures are legitimate. This amount would provide only supplemental irrigation service to the acres, since none of the acres are new, so the direct cost roughly is $230 an acre.

The interest subsidy cost is about $60 million, or another $220 an acre.

The total cost per acre, therefore, would be about $450.

The purpose of this project, of course, is only to make the present acres, which are already producing, a little more productive.

On the basis of the calculation which I have made, recognizing the amount of increased production for feed grains, for sugarbeets, for popcorn, and so forth, the acres would be made from 20 to 30 percent more productive, on the average.

The minority, in the House report, estimated that the direct cost on this basis would be equivalent or more than $1,000 an acre; and, with the interest cost involved, the direct cost, if it were allocated, over full production or each acre proposed of only the increased production would be more than $2,000 an acre.

I have talked with the Senator from Illinois, who tells me that the best land in his State—and Illinois, as we know, is one of the very richest farm States in the country—sells for about $600 an acre. This is true also in southern Wisconsin. There is some land which is valued as high as $600 an acre.

SUBSIDIES PILED ON TOP OF SUBSIDIES

The Congress, by passing the bill, would be providing a subsidy, if we allow for the fact that this is not new land being brought into production, of $2,000 an acre, far more than three times the value of the best farmland one can find in the Midwest or in the Nation.

Madam President, the irrigation benefits of the project are extremely limited. The study of the reports reveals that they involve one-sixth of an acre-foot—in other words, about 2 inches of water for each acre of land. Two inches, or one-sixth of an acre-foot, is pitifully small.

While the $230 per acre would be repaid by the farmers themselves and by the power users, the $220 per acre of subsidized interest would have to be paid by the other taxpayers of the country over the course of the 50-year repayment period.

What is more, since the Sugar Act payments to growers amount to about $2.30 a ton of sugarbeets, and since from 16 to 20 tons can be grown on each acre, especially with ample water, the annual subsidy to the sugarbeet acres would be about $40 an acre. If this were to continue over the 50-year period, another $2,000 an acre would be paid by the taxpayers to those farmers in order to grow more surplus sugarbeets.

This is really an Alice-in-Wonderland approach, I say with the greatest of respect and admiration for the Senators from Colorado—admiration for their sheer political ability, because they are going to win on this wasteful and unjustified project.

I recognize that the farmers of Colorado, in the Fryingpan-Arkansas Valley, are concerned, since this project is important and vital to them. Nevertheless, judging the project from the national standpoint, it makes no sense whatsoever. This is one of the most obviously extravagant undertakings in which the Senate has indulged. This Senator is definitely going to vote against passage of the bill.

I hope, if the bill should pass—which it probably will—that at long last Senators will begin to take a look at the whole operation and begin to recognize that if we should go forward into the Gunnison project and the other projects, which will be so fantastically expensive, we must appraise them on a realistic dollars-and-cents basis and seriously consider for a change their clearly adverse effects on taxpayers and farmers in other parts of our country.

ONCE AGAIN MIDWEST IS SHORTCHANGED

I want to conclude by again pointing out that this is another example of the Midwest taking it right on the chin. This is one more example of Federal Government activity for which the Midwest pays but from which it does not benefit. In fact, because of the farm surplus problem, it injures the farm economy of my area.

The Midwest is similarly shortchanged in defense contracts, in military installations, in Federal spending for schools through the impact program. The east coast and west coast get the defense contracts. The South gets the space contracts. The West gets the water and hydroelectric projects. All the Midwest gets is the bills.

I want to serve notice right now on behalf of the beleaguered citizens of my State that I intend to take action to change this situation. I intend to protest and protest and protest until Wisconsin and other parts of the Midwest get a better break.

Madam President, I ask for the yeas and nays on the question of passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. PROXMIRE. Madam President, I suggest the absence of a quorum.

Mr. KUCHEL. Madam President, will the Senator from Wisconsin withhold his suggestion for a few minutes?

Mr. PROXMIRE. I am happy to withhold my suggestion.

Mr. KUCHEL. Madam President, on behalf of the State from which I come, California, in connection with the pending bill, I raised the question of transmountain diversion. There was brought

[7] Huffman, "Irrigation Development and Public Water Policy," p. 174.

[8] See ch. IX.

out in the hearings, as appears in the committee report, the fact that the diversion contemplated by the proposed project would amount to 2 percent of the water available to the State of Colorado under the Colorado River compact and the Upper Colorado River Basin compact.

I mention that point in connection with this debate merely to indicate that the committee which sat in judgment on the pending bill and reported it favorably to the Senate is not in the least unmindful of the legal, engineering, and practical problems arising in connection with any alleged or actual transmountain diversion in the States which together form the Colorado River compact and which exist today by the use of its waters.

In that connection I ask unanimous consent that the section of the report on page 11 under the subheading "Water Supply" may be printed in the RECORD in full at this point in my remarks.

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

WATER SUPPLY

The State of Colorado is a party to the Colorado River compact of 1922 and the Upper Colorado River Basin compact of 1948. The use of Colorado River water for the Fryingpan-Arkansas project is well within the allocation to the State of Colorado under the provisions of these two compacts. The amount of Colorado River water that would be diverted by the Fryingpan-Arkansas project is only about 2 percent of Colorado's share of the upper basin's expected entitlement.

Studies by both the Bureau of Reclamation and the Colorado Water Conservation Board indicate there is no question as to the physical availability of the annual average amount of water planned to be diverted to the Arkansas Basin through the project works.

In this respect, the Senator from California [Mr. KUCHEL] quite appropriately raised the transmountain diversion problem in committee.

The committee is completely mindful of the questions that have been raised with respect to transmountain diversion of Colorado River waters.

However, the Fryingpan-Arkansas project will utilize not more than 2 percent of the waters allocable to Colorado under the terms of the Colorado River compact, and the Upper Colorado River Basin compact and this particular diversion would not impair the rights of any downstream States under any interpretation of these compacts. Nor does the transmountain diversion of this relatively minor amount of water raise any problem as to the physical water supply available to existing projects.

Mr. KUCHEL. Madam President, as a part of the comment which the committee made in its report, the committee stated:

In this respect, the Senator from California [Mr. KUCHEL] quite appropriately raised the transmountain diversion problem in committee.

The committee is completely mindful of the questions that have been raised with respect to transmountain diversion of Colorado River waters.

However, the Fryingpan-Arkansas project will utilize not more than 2 percent of the waters allocable to Colorado under the terms of the Colorado River compact and the Upper Colorado River Basin compact and this particular diversion would not impair the rights of any downstream States under any interpretation of these compacts. Nor does the transmountain diversion of this relatively minor amount of water raise any problem as to the physical water supply available to existing projects.

In my judgment, the committee is completely mindful of the problem of transmountain diversion. In this case, by reason of the very small—almost minuscule—amount of water to be diverted from the basin, I think it quite fair to say that the committee applied the Latin maxim of de minimis non curat lex.

I want that to be a part of the RECORD, Madam President, as an indication for future projects, when that type of problem arises.

PRIVILEGE OF THE FLOOR

Mr. JACKSON. Madam President, I ask unanimous consent that Mr. J. K. Kaseberg may be permitted the privilege of the floor during consideration of S. 3153, the bill the Senate will consider following action on the pending bill. Mr. Kaseberg is on the legal staff of the Bonneville Power Administration.

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

FRYINGPAN-ARKANSAS PROJECT, COLORADO

The Senate resumed the consideration of the bill (S. 284) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado.

Mr. KEFAUVER. Madam President, I take this opportunity to express my strong support for the Fryingpan-Arkansas project. I have visited the area in which the project would be of very great benefit to the people of Colorado and to the people of other States. I have had the privilege of visiting that section with the distinguished Senator from Colorado [Mr. CARROLL] on two occasions. The project is highly justified. It would have a good cost-benefit ratio. The project has been discussed and fully considered on many occasions. I know that the Senator from Colorado [Mr. CARROLL] was active in support of the project when he was a Member of the House of Representatives, and that in the 85th Congress, he worked hard, both in the committee and on the floor of the Senate, to secure passage of the bill authorizing the Fryingpan-Arkansas project. The bill passed the Senate in the 85th Congress but did not pass the House.

I know that the strategy this time was to secure passage of the bill in the House first. The project has now been authorized by the House of Representatives.

In seeking the support of the House of Representatives, the distinguished Senator from Colorado [Mr. CARROLL], and others who have been interested in the project have left no stone unturned. The Members of the House are to be congratulated upon the success achieved there. In the present Congress the leadership of the Senator from Colorado [Mr. CARROLL] and others who have been associated with him has resulted in favorable consideration of the bill by the committee, and a good record in the Senate for the passage of the bill.

The project is highly deserving. We are growing rapidly in population. The project is the kind of development of which we need more in order to build up our resources and opportunities for people in the United States.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to the distinguished deputy majority leader, the Senator from Minnesota.

Mr. HUMPHREY. I wish to associate myself with the comments of the Senator from Tennessee in relation to the program and project. The project has been before the Senate on another occasion. It is my present hope that the bill will be passed and will be sent on to the White House so that the Fryingpan-Arkansas project can render the benefits which it is designed to provide. The proposed legislation is a good measure and a sound investment. I commend Senators who have advanced the proposal.

Mr. KEFAUVER. Madam President, I thank the Senator from Minnesota. As is almost always the case, the Senator from Minnesota is in the front rank of leadership fighting for worthwhile things.

I did not hear the speech of the distinguished Senator from Colorado [Mr. CARROLL] today. However, I have had an opportunity to read it. The Senator has presented a convincing and documented argument for the passage of the bill. I congratulate him and other Senators who have presented the issue so clearly and persuasively. I hope the bill will be passed by the Senate on this occasion, as it has been passed on three previous occasions, by an overwhelming majority.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 2206) was ordered to a third reading and read the third time.

Mr. MANSFIELD. Mr. President, I commend the distinguished Senator from Colorado [Mr. CARROLL] for the diligence with which he has pursued the Fryingpan-Arkansas project. The Senator called me 2 weeks ago, during luncheon of the Democratic policy committee, to urge the committee to consider and clear the bill, which was being reported that day. The policy committee responded by clearing the bill, and authorized me to bring it up at the earliest opportunity.

I commend also the distinguished Senator from Colorado [Mr. ALLOTT], who was instrumental and diligent in obtaining the reporting of the bill, and who, in effect, has been quite assiduous in trying to urge early and serious consideration of the proposal. It is my hope that on the basis of the work of these two outstanding Senators the bill will pass overwhelmingly.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. PROXMIRE. Once again I renew my request for the yeas and nays on the passage of the bill.

The yeas and nays were not ordered.

Mr. PROXMIRE. Mr. President, I ask for a division.

The PRESIDING OFFICER. The question is on the passage of the bill. A division has been requested.

On a division, the bill was passed.

Mr. CARROLL. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. HUMPHREY. I move to lay that motion on the table.

Mr. ALLOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CARROLL. Mr. President, I ask unanimous consent that S. 284 be indefinitely postponed.

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

Mr. CARROLL. I thank the distinguished senior Senator from Illinois [Mr. DOUGLAS] for his very gracious and generous remarks with respect to this project. Everyone knows of his reputation for fighting projects of a similar nature, and it was a very great and generous act on his part to give us his support on the bill. I personally thank him for it.

I also thank the senior Senator from Tennessee [Mr. KEFAUVER] who all through the years has been a fighter for Fryingpan-Arkansas project. I also extend my thanks to him for his gracious and generous remarks and help through the years on this project.

The chairman of the Committee on Interior and Insular Affairs, the able junior Senator from New Mexico [Mr. ANDERSON] is necessarily absent today. He asked me to help lead the fight on behalf of the bill. I wish to say that under his leadership and his chairmanship the bill became possible in the Senate. I tender him my hearty thanks and congratulations on behalf of the people of Colorado.

I also thank the senior Senator from New Mexico [Mr. CHAVEZ] and the able senior Senator from Arizona [Mr. HAYDEN] for the help they have given us through the years. After all these years this project now becomes a reality for the people of Colorado.

I have spoken of the contribution of the chairman of the Committee on Interior and Insular Affairs. However, two other Members of the Senate made a great contribution to the success of the bill. The majority leader, the Senator from Montana [Mr. MANSFIELD], has always been a stalwart supporter of the bill, even during the days when he was a Member of the House. My good friend, the assistant majority leader, the Senator from Minnesota [Mr. HUMPHREY], has lent his strength to the passage of this important piece of legislation. I tender them my hearty thanks.

Mr. KEFAUVER. Mr. President, I have been in Congress for almost 24 years. I served in the House of Representatives for many years with the Senator from Colorado [Mr. CARROLL]. I fought with him on many occasions for worthwhile projects. I do not believe that I have ever seen a project which received the overwhelming vote which this bill received in the Senate. It speaks well for the outstanding leadership of the Senator from Colorado [Mr. CARROLL].

The Senator from Colorado [Mr. ALLOTT] has done a great deal to secure votes for the bill. I know that to the Senator from Colorado [Mr. CARROLL] this is the answer to a dream on which he has been dreaming and working and planning for many years. I do not believe that any legislation has ever been passed which affects Colorado and that general area with greater significance or which will be of greater value to the people than the Fryingpan-Arkansas legislation. I congratulate him upon his valiant work.

Mr. CARROLL. I thank the able Senator from Tennessee for his gracious remarks. The people of Pueblo and of the Arkansas Valley and all the people of Colorado know how he has stood for this project through the years.

The able Senators from California have also shown the same vision and wisdom. I commend both of them.

They have protected the interests of their State. They have been fighting in the interests of their State for years. In a sense this project involves the Colorado River; but I believe they have seen the light and have helped others see the light, with the result that the bill has become a reality.

Mr. ENGLE. Mr. President, I appreciate the kind remarks of the Senator from Colorado. I was chairman of the House Committee on Interior and Insular Affairs for a number of years while this legislation was pending. Also, I was chairman of the House Subcommittee on Irrigation and Reclamation. As my friend the distinguished Senator from Colorado, knows, I supported the Upper Colorado Basin project, and in every instance I have felt that the upper basin had a right to use the water which it owned. I have noted in the committee report language which indicates the infinitesimal amount of water which will be used for this great project. I compliment my friend from Colorado and his colleague the gentleman from Colorado [Mr. ALLOTT] for the great effort they have made. I am glad that their efforts over these long years have led to fruition, and that today they can celebrate the passage of a project which has been long dreamed of and, which has been consummated largely through the persistence and ability and intelligent management of my friends the gentlemen from Colorado [Mr. CARROLL and Mr. ALLOTT].

Mr. CARROLL. Mr. President, I thank the able Senator from California. As a result of the powerful position he occupied in the other body, notwithstanding the fact that he came from California, he knew that the water was ours and that we had a right to use it, and that it would not be used in such fashion as to do harm to the economy of the people whom he represents in the Senate.

Mr. McGEE. Mr. President, first, I commend the distinguished Senator from Colorado [Mr. CARROLL] for his leadership on this project and associate myself with the remarks of the distinguished Senator from California [Mr. ENGLE]. Those of us in the Rocky Mountain West are continually mindful of the great support and unselfish role that he played in our interest at a time when it was unpopular for him to do so, and when it meant that he had to have real confidence in the potential of the West and in our ability to deepen the economic base on which our Nation was operating. It is in that context that the real meaning of the passage of this legislation must be assessed.

As neighbors of the State which the Senator from Colorado represents, we in Wyoming—and I am sure I can speak for the occupant of the chair, my colleague from Wyoming [Mr. HICKEY] who very propitiously presides over the Senate at this moment—salute our neighbors in Colorado for this development. We feel that it will not only enrich and enhance the economic potential of the Rocky Mountain West, but will also make a contribution to the Nation's economy as a whole.

In the history of our land and in the development of our country, a great deal of time has been devoted to research and development, in making our Nation great and rich. We in the West believe that we are continuing this great effort and that we have continued the same kind of research and development that characterized our earlier years. The resource potential lies now more and more in the West. It is within that same frame that the achievement today must be fitted.

The West, indeed, offers a vast opportunity for America to enhance its economic potential in meeting its obligations both at home and abroad. In that sense, we commend the Senator from Colorado for his part in carving out this new milestone along the road that leads to a greater United States.

Mr. CARROLL. Mr. President, I think it is most fortunate for the people of Colorado that on this auspicious occasion we have heard the remarks of the able senior Senator from Wyoming [Mr. McGEE] while at the same time the distinguished junior Senator from Wyoming [Mr. HICKEY] is presiding over the Senate as the Senate voices its approval of the bill. I hope it augurs well for the solving of the problems of our part of the country. Wyoming, too, has reclamation projects it needs, such as Savery-Pot Hook, and the junior Senator from Colorado will try to help Senator HICKEY with early hearings on Savery-Pot Hook, which affects both Wyoming and Colorado. I thank the Senators from Wyoming for their excellent support.

Mr. KUCHEL. And California, too.

Mr. CARROLL. And California, too.

I always listen to the wise recommendations from the leadership on both sides of the aisle.

Mr. JACKSON. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. JACKSON. I have had the privilege of supporting the Fryingpan-Arkansas project in the past. I was happy to be able to support the bill just passed. We who have served in both the House and the Senate for a long time know that the Fryingpan-Arkansas project has been one of continuing controversies. We are all happy that at last the House has approved the bill. The Senate has approved it on previous occasions.

I commend the distinguished junior Senator from Colorado [Mr. CARROLL] and the distinguished senior Senator from Colorado [Mr. ALLOTT], and other Senators, who have made possible the legislation which has been passed today.

Mr. CARROLL. I thank the able junior Senator from Washington for his remarks and for his continuous support of this project over a long period of time.

Mr. President, I have previously referred to my friend, the distinguished senior Senator from New Mexico [Mr. CHAVEZ], and the help he has given us through the years. In behalf of the people of Colorado, I acknowledge openly and publicly the fine work and strong support which the able senior Senator from New Mexico has given us.

Mr. CHAVEZ. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. CHAVEZ. It was not easy to accomplish this result. There was much opposition to the project, but we knew the project was a deserving one. That if why we stood for the Fryingpan.

Mr. CARROLL. I thank the able Senator from New Mexico. He knows the people of Pueblo. He knows the Arkansas Valley. He knows that this project was needed by them.

Mr. CHAVEZ. I know it was needed.

Mr. DIRKSEN. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. DIRKSEN. I think it should be observed that years ago this Chamber was graced by a distinguished Senator from Colorado, the late Honorable Eugene Millikin. Not only was he a great Senator; in my book, he was a courageous statesman. For many years he served as chairman of the Republican Conference. He begot the love, affection, respect, and esteem of every Member of the Senate. He was, indeed, a brilliant person.

Eugene Millikin first manifested interest in the Arkansas-Fryingpan project. He carried on as best he could, even though the project was not consummated in his lifetime. But the distinguished Senator who followed him, the Honorable GORDON ALLOTT, carried on, and now carries on, in that great, fine tradition. I know of the work he has done among Members of the Senate and Members of the House of Representatives in order to assure the consummation of this legislation.

So to him and also to his worthy friend and colleague from Colorado [Mr. CARROLL], congratulations are quite in order for the work that was done on this project.

Mr. CARROLL. Mr. President, I thank the minority leader for his gracious remarks. I heartily concur in his estimate of the character, ability, and intelligence of the late Hon. Eugene Millikin.

Also a Member of the Senate at the same time as Senator Millikin was the Honorable Edwin C. Johnson. He was the senior Colorado Senator, a great Senator, a man of wide experience and vision. In the Senate he was known as "Mr. Wisdom." Senator Johnson was a key man in the first passage of Fryingpan-Arkansas. His influence in the Senate was wide. His years of experience helped propel the first Fryingpan-Arkansas through, along with the dedicated work of his colleague, Senator Millikin.

Senator Johnson had the benefit of vast experience in working for passage of the Colorado-Big Thompson project. His knowledge of our State and its people was, and still is, unsurpassed. He devoted great energy to Colorado water projects and nursed their development in the Congress for years. He was a powerful force in the early development of Fryingpan-Arkansas. I saw him only last week and he is still, I am happy to tell his old friends in this body, a vigorous and knowledgable Colorado leader and statesman.

If my memory serves me correctly, Edwin C. Johnson had returned to the governorship of Colorado when the second Fryingpan-Arkansas bill passed the Senate. Eugene Millikin and my senior colleague, GORDON ALLOTT, were responsible for its passage the second time.

The third time the bill came before the Senate, it fell to the lot of the present junior Senator from Colorado to share with the senior Senator from Colorado [Mr. ALLOTT] the privilege of having the bill passed. I think that was in the 85th or 86th Congress.

Today the passage of the bill by both Houses has finally become a reality. I commend my able senior colleague for his vigorous and intelligent work on the bill.

I also extend commendations to the Governor of Colorado, Steve McNichols, who has worked long and hard to see this project become a reality. Governor McNichols, during the crucial days preceding House passage, came to Washington and stayed here almost 2 weeks with his water experts, meeting the questions and objections of the Congress until the project was fully understood. Along with Governor McNichols, great credit for hard and effective work must go to Len Kuiper, acting director of the Colorado Water Board and Charley Boustead, executive secretary of the Southeastern Colorado Water Conservancy District. I have already mentioned Felix L. Sparks, who almost singlehandedly pulled the long-dissident Colorado water factions together on this project. More than any man, Mr. Sparks, who returns from military service this month, deserves the praise of all Coloradans.

All of the Colorado delegation in both the Senate and the House have pulled together on this measure. There was no partisanship in this effort. We drew the people of Colorado together first; then the delegation came together. In my humble opinion, that is the reason why the bill is now on its way to the President of the United States.

Mr. ALLOTT. Mr. President, I am very happy that the distinguished minority leader spoke as he did—I was about to do so—concerning the late distinguished Senator from Colorado, Gene Millikin, who so ably shepherded a similar bill through the Committee on Interior and Insular Affairs when he was a Member of the Senate.

I commend my distinguished junior colleague from Colorado for his work on the bill.

I also wish to compliment Judge CHENOWETH, a Member of Congress from the Third Congressional District of Colorado, for his work on the project since its inception.

So many persons have had a part in bringing about the passage of the bill that I believe this is one time when we may all say that it is a job that has been well done, because the project has the complete backing of the State of Colorado. We are very happy at last to see this project, for which the people of Colorado have worked so long, and which is of such vital necessity to the actual development of southeastern Colorado for municipal water, for supplemental irrigation water, come to pass. I am sure that everyone will be happy about the result today.

Mr. CHAVEZ. Mr. President I have participated in this proposal for many years. My good friend, the senior Senator from Colorado, is our next-door neighbor. He lives only a few miles away from New Mexico. Lamar is only a few miles from the boundary between our two States.

I know the Fryingpan as I know the Rio Grande; as I know the Navajo Reservation. I know the Colorado very well. I congratulate both Senators from Colorado upon their efforts.

Mr. ALLOTT. Mr. President, will the Senator from New Mexico yield?

Mr. CHAVEZ. I yield.

Mr. ALLOTT. I thank the distinguished senior Senator from New Mexico. He is truly a good neighbor. I always call him my neighbor to the south. Not only is he sympathetic to such projects as the Fryingpan-Arkansas; he understands how necessary projects of this kind are to the development of the West. He has spoken of the Navajo project and of the Rio Grande, which rises in Colorado. Having lived in that region all his life, he has a knowledge of what reclamation projects can mean in the development of the Western States. He knows that they are absolutely necessary for their development.

I pay him my own thanks and appreciation for his support of this subject during all the years it has been in contemplation.

Mr. CHAVEZ. To me this is not a Republican or a Democratic project; it is an American effort.

Mr. ALLOTT. That is entirely correct. I appreciate the Senator's statement.

So far as Colorado, New Mexico, and the other Western States are concerned, I know that those in the Middle West and elsewhere complain about their using water to grow more food. The people in New Mexico complain; they say that the Mountain States cannot produce food as well as New Mexico can.

Let me tell my good friend, the Senator from Colorado, the history of the Rio Grande irrigation project in New Mexico and Texas, and also the history of the Elephant Butte project, and the history of the El Paso Water and Improvement District, in Texas. The average production of cotton in the Deep South is 370 pounds an acre. But in the irrigation districts in New Mexico, Texas, Arizona, and California, it is as much as four bales—or 2,000 pounds—an acre. That shows what irrigation does.

Mr. ALLOTT. The Senator from New Mexico is entirely correct, and I appreciate very much his kind remarks.

NECESSITY FOR STRENGTHENED FEDERAL DRUG LAWS

Mr. HUMPHREY. Mr. President, the Nation welcomes the continued leadership so ably demonstrated by President John F. Kennedy.

Once again, in the area of new drug legislation, the President has taken the initiative. He has renewed his sound appeal of April, in which he recommended to the Senate substantial strengthening of existing drug statutes.

The President's statement greatly increases the likelihood of the adoption of adequate amendments to present drug statutes. We shall, thereby, close intolerable loopholes in the law. Today, the President has submitted to the Senate a number of amendments designed to strengthen S. 1552.

The Nation also welcomes the encouraging demonstration that our new Secretary of Health, Education, and Welfare, Anthony Celebrezze, has promptly mobilized his Department to carry out the President's program.

FAVORABLE REACTION TO SUBCOMMITTEE

It has been personally gratifying to me to note the prompt, enthusiastic response from all parts of the country to the hearing of the Senate Government Operations Subcommittee on August 1.

Our subcommittee, I may say, has only begun its efforts to bring to light certain conditions and problems which have long concerned us. These conditions and problems, so grimly illustrated by the thalidomide tragedy, are part of an international, a national, and a governmentwide pattern, involving almost all scientific research.

I refer, of course, to critical weaknesses in scientific information and communication. This is the undramatic story behind the dramatic thalidomide tragedy. Information and communication deficiencies represent the hidden culprit responsible for innumerable scientific administrative flaws.

THE HUGE FINANCIAL STAKE IN RESEARCH

For 4 long years, I have urged the Federal Government to coordinate the information generated by its scientific research.

In the 1962 fiscal year, the Federal Government is spending 1 out of every 9 budget dollars—$10 billion for scientific research, development, testing, and evaluation. In the 1963 fiscal year, it will spend $12 billion for this purpose.

Perhaps as many as 160,000 federally financed projects are now underway in the 50 States and overseas.

Amazingly enough, there still is not available as of today any systematic means whereby even the President of the United States could secure prompt, reliable, comprehensive information as to all the research which is now in process—or which has been completed—in any one of a dozen broad, major headings.

To identify all the research, even the President, or his able Director of the Office of Science and Technology, Dr. Jerome Wiesner, would have to and does have to ask each Federal agency to compile its own information in its own way—at its own speed—with its own varying definitions.

There is really no Government-wide information system. There is no real system of separate agency systems. There is only a patchwork, a hodgepodge. This is true of interagency drug research. It is true of interagency space science and military research.

Agency information systems do exist and by the dozens. They vary from "excellent"—in the case of, say, the Atomic Energy Commission — to "average," "poor" or "awful."

For 4 years, I have urged reform. I have often felt somewhat like a voice crying in the wilderness. At long last, some reforms are beginning to be made, but, invariably, at a pitifully slow rate.

One would think the Federal agencies felt they were doing Congress a favor by adopting information reforms.

These reforms are actually for the agencies' own good. But they do not seem to view improvements that way. They offer every conceivable excuse for delay and inaction.

AGENCY PACE OF A "TRANQUILIZED TURTLE"

In the subcommittee's approach to these agencies, we have been exceedingly tolerant and patient. We held hearings in 1958 in which we urged them to reform. We held a hearing in 1960 in which we did likewise.

In between and thereafter, we sent a stream of letters, memoranda, mimeographed, and printed reports. We urged; we pleaded; we implored reform.

The agencies, particularly the Department of Health, Education, and Welfare, have made only limited halfhearted response. They are proceeding with the pace of a tranquilized turtle. There is little sense of urgency; there is little interagency teamwork; there is endless buckpassing.

SIRUPY GOVERNMENT COMMITTEE REPORTS

Dr. Wiesner has fortunately empaneled an information group of private experts under the President's Science Advisory Committee. Its report will be out in a few months.

I have been hoping and expecting meanwhile a report from an interagency career group, the Federal Council for Science and Technology, as regards the information problem.

It remains to be seen whether this Council report will be the same "standard sirup" such as usually emerges from Government committees.

ACTION REGARDING APPROPRIATION REPORTS

Meanwhile, this year, I started a new effort. I have gone down the line—appropriations subcommittee after subcommittee—to urge that appropriation reports contain mandates for reform.

My appeal has been heeded. Two such reports, on health and defense, do fortunately now contain such mandates.

I intend to make sure that the agencies are called to account during the 1964 fiscal year appropriation hearings for what they have or have not done by that time.

MESSAGE OF AGREEMENT FROM PHARMACEUTICAL MANUFACTURERS ASSOCIATION

Now, let me turn to the August 1 hearing and its significance in relation to drug research information.

For a reaction to the hearing, I should like to quote but one of many sources which promptly and graciously communicated with me thereafter.

I refer now to a fine message from Dr. Austin Smith, president of the Pharmaceutical Manufacturers Association.

That same day, August 1, Dr. Austin Smith wrote to me. He expressed agreement with a series of statements which I made at the hearing, that is, on the need for improved coordination and communication among agencies of the U.S. Government, between American and foreign agencies, American and foreign drug companies, American and foreign researchers and practitioners.

Dr. Smith likewise expressed agreement with the view which I suggested on the need for systematizing "increased safeguards," so as to reduce the degree of risk which will always, to some extent, be present.

Dr. Smith advised that:

> The subject matter of your hearings deserves examination and discussion throughout the world.

He stated, therefore, that he is—

> taking steps immediately to provide the public record of your subcommittee to the headquarters of associations of the pharmaceutical industry elsewhere in the world.

I am very gratified to receive word of this splendid action.

It is clear that all of us face, in the information and communication problem, a common challenge which merits the best effort of all interested parties.

The medical profession, the pharmaceutical industry, the pharmaceutical profession throughout the world have everything to gain and nothing to lose from strengthening communication on drugs in the interest of better health for mankind.

I ask unanimous consent that the text of Dr. Smith's letter to me be printed at this point in the RECORD.

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

PHARMACEUTICAL MANUFACTURERS ASSOCIATION,
Washington, D.C., August 1, 1962.

The Honorable HUBERT H. HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: Permit me to comment on statements which you made this morning in connection with the hearing conducted by your Subcommittee on Interagency Coordination in Drug Research Information.

You stated that there may well be serious problems of lack of coordination and communication among agencies of the U.S. Government, and between American and foreign agencies, American and foreign drug companies, and American and foreign researchers and practitioners.

Speaking for the member prescription drug manufacturing firms of this association, I agree with those statements.

Further, in commenting on the fact that the thalidomide problem has been prevented in the United States, you stated a need to systematize increased safeguards and to reduce the degree of risk which will always be present to some extent. You also stated that both Government and private reviewers and investigators must be given better, prompter, more reliable access to the world's medical literature, in all principal languages.

Again, I agree with those statements.

Repeated, continuous and sometimes costly efforts by the U.S. pharmaceutical industry to help solve some of these serious problems are well known in scientific circles.

For example, in 1958, through its association, the industry began a pilot study of mechanical indexing and retrieval of literature references to steroid compounds. In 1961, after expenditure of $35,000, the project was turned over to the U.S. Patent Office, which had been kept advised of its results.

In addition, the Scientific Literature Committee of the PMA Research and Development Section, composed of leading industry scientists, has worked with the National Science Foundation for a number of years in the latter's continuing assignment to expedite indexing and retrieval of scientific research information within the U.S. Government.

In my judgment you are to be commended for your renewed approach to a matter of prime importance in today's climate of rapid scientific advances.

The subject matter of your hearings deserves examination and discussion throughout the world. With this in mind, I am taking steps immediately to provide the public record of the proceedings of your subcommittee to the headquarters of associations of the pharmaceutical industry elsewhere in the world.

Sincerely yours,

AUSTIN SMITH, M.D.

AN ACTION PROGRAM TO PREVENT FUTURE TRAGEDY

Mr. HUMPHREY. Mr. President, we need bold national and international action programs so that a thalidomide-type tragedy will never recur. I speak of the tragedy of malformed babies resulting from the use of a drug.

I should like to suggest a five-point program for this purpose:

First. Enactment of an amendment to assure thorough control of investigational testing on humans by the Food and Drug Administration. The amendment should require adequate testing of drugs on laboratory animals prior to testing on humans, with maintenance of complete records.

Second. A broad-scale, interagency and intra-agency cooperative effort in drug research, to include thorough reporting of drug reactions in the Federal Government's three hospital systems—Veterans' Administration, Department of Defense, and the Public Health Service.

Third. An educational campaign by the Public Health Service, cooperating with medical organizations, to caution physicians and patients against casual, needless use of drugs, particularly on the part of women of childbearing age.

Fourth. Establishment of a medical and drug research information center, under the auspices of the U.S. Public Health Service. At this center, public information and, to the extent that proprietary rights may permit, private information should be gathered, recorded, indexed, evaluated, and made available to pharmaceutical manufacturers, doctors, and hospitals.

The center should, in effect, be the central station of a network of centers. It should be able to draw upon and contribute to Federal inhouse and extramurally supported centers, as well as other public and private resources—medical, pharmaceutical, and others.

Fifth. On the initiative of the United States, an international request to the World Health Organization to provide for exchange of up-to-the-minute information on drugs between the United States and other governments, as well as with the healing arts professions of the respective nations.

INCREASED FEDERAL COORDINATION

Since the Committee on Government Operations, is, per se, interested in efficient Federal activities, we will continue to insist upon the Federal Government putting its own "drug information house in order."

Up to now there has been a shocking lack of coordination within and between U.S. agencies on drug information.

Throughout the executive branch, we need faster, more complete, better indexed, and evaluated information.

We also need a stronger overall drug law—particularly for experimental drugs—stronger food and drug regulations, and more aggressive FDA administration of the regulations.

HAZARDS TO PREGNANT WOMEN

Priority must be given to improvement of information coordination on drugs intended for pregnant women.

Aside from Dr. Frances Kelsey's courage and vision and a few other cases, the Food and Drug Administration does not appear to have been aggressive in protecting the unborn.

Genuine miracle drugs have contributed immeasurably to maternal and child health, but adverse effects are often suspected and must now be thoroughly explored, and suitable safeguards taken.

The Food and Drug Administration should request a report, as soon as feasible, from the National Institutes of Health on drug-related findings in 23,000 pregnancies, now being studied in a nationwide project.

The principal damage to the central nervous system of an unborn baby apparently occurs during the first few weeks after conception.

It is during this time that the woman herself may not know she is pregnant and for trivial reasons may be taking drugs which could affect the child.

It will take unprecedented international teamwork and research to unlock the mysteries of whether, how, and why certain so-called harmless drugs do affect pregnancies.

SUPPORT OF KEFAUVER AMENDMENT ON ANIMAL TESTING

The Senator from Tennessee [Mr. KEFAUVER] is proposing an important amendment for thorough animal testing of investigational drugs, prior—I emphasize, prior—to testing on humans.

I strongly support the principle of this amendment.

I urge that it include thorough testing on pregnant laboratory animals particularly large animals—not only rats or mice—wherever and whenever there is likelihood that pregnant women may ultimately use the drug.

Let me make this point clear. I propose that a vast spectrum of drugs, which may or may not be intended for pregnancy, but which may be regarded as likely to be used by pregnant women—that is, for headaches, insomnia, and so forth—should be thoroughly tested on pregnant laboratory animals.

Of course, even if there is the most thorough testing of investigational drugs on pregnant animals, there is no assurance that the results will prove applicable to human beings. Nevertheless results of such animal tests could alert general practitioners, obstetricians and pediatricians to possible dangers.

Then, too, when the investigational drug is judged ready for testing on humans, such testing should be on a phased basis. This would avoid premature testing on needlessly large populations—male or female, adult or child—before results became available and were evaluated from smaller human samples.

JUSTIFICATION FOR ANIMAL TESTING AMENDMENT

Let me note at this point a documentated justification for the overall amendment and for my stress on tests on pregnant animals, in particular.

First. Louis Lasagna, M.D., division of clinical pharmacology, Johns Hopkins University, stated on July 19, 1961 (hearings, Senate Judiciary Subcommittee, on S. 1552, 87th Congress, p. 1083):

> * * * present FDA prerogatives do not satisfy me with regard to toxicity either. It is shocking that experimental drugs are subject to no FDA regulation of any sort before patients receive them. Some drug houses perform extensive animal tests before a drug is first put into man; others perform almost none. It is reprehensible for man to be the first experimental animal on which toxicity tests are run, simply because bypassing toxicity tests in laboratory animals saves time and money.

Section 2. On July 25, 1961, Dr. Lasagna wrote to the subcommittee—hearings, ibidem, pages 973–974—and I ask unanimous consent to have extracts from the subcommittee hearings printed at this point in the RECORD.

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

(1) At present, the Food and Drug Administration has essentially no jurisdiction over experimental drugs until a new drug application is filed. This leaves the decision as to the nature and extent of animal toxicity tests performed prior to human testing up to the drug house (or other proponent of the drug) and, to a lesser degree, to the clinical investigator who is to put the drug into man.

(2) The variation between drug houses in preclinical toxicity testing is tremendous. I have been approached to start human testing of a drug with the only information available being the amount of drug required to kill 50 percent of mice receiving the drug in one intravenous dose. In contrast, it is not infrequent to have a firm supply toxicity information on a proposed drug which runs to many pages in length. The toxicity tests recommended by such experts as Dr. Lehman of the Food and Drug Administration in this country, and Drs. Paget and Spinks of the Imperial Chemical Industries, Ltd., in England, are not infrequently lacking in the toxicity data sent to us by pharmaceutical firms.

(3) Although enough acute animal toxicity data may be available to justify short-term experiments in man, there are often unavailable at the start of human testing adequate chronic toxicity data in animals. This leads to chronic toxicity tests being performed in man first, since for many disease states the repeated use of the drug must be investigated. Clinicians who are impressed by the effect of one or two doses of a new drug will often start chronic administration of the drug, even when the drug has not been cleared for such prolonged human trials by the drug houses supplying the agent. This phenomenon is well known to the industry.

(4) It is, according to FDA officials, a not uncommon occurrence for new drug applications to be filed with extensive clinical data included, but without adequate supporting animal toxicity data being simultaneously available. In fact, it has been made a matter of public record that drugs have been cleared for sale on the market with chronic toxicity tests still pending.

It is easy to understand why drug houses are reluctant to spend the considerable time and money involved in routine toxicity testing unless the drug shows "promise," i.e., until the first human tests are encouraging. It is also, for reasons described above, easy to understand why human testing can "get ahead" of animal testing. In my opinion, therefore, a minimal amount of toxicity testing should be required by law before a drug ever gets put into man.

There are, I suspect, other reasons for inadequate animal toxicity tests besides those mentioned above. Drug houses vary greatly in the caliber of their staffs. Some have excellent pharmacologists, toxicologists, and pathologists, whereas others are deficient in these regards. Therefore on occasion it is likely that poor judgment and ineptitude also enter the picture, instead of (or in addition to) pressures for speed and accuracy.

The very existence of the broad discrepancies in toxicity testing described above testify to a troublesome state of affairs. Are the drug houses who perform extensive toxicity tests before ever going to man merely overcautious conservatives? I think not. Predicting human toxicity is by no means a simple matter, but it is preferable to take all reasonable steps to escape untoward reactions in man that could be predicted from animal work. Somewhere between the extreme care and effort suggested by some pathologists and the inadequacies of the worst of the preclinical evaluation now being done in this country lies a reasonable middle ground which should be standard for all drugs.

Mr. HUMPHREY. Third, Mr. President, Dr. Helen Taussig has written "The Thalidomide Syndrome," Scientific American, August 1962, page 35:

Until recently, no thought has been given to the need for the testing of drugs for potential harmfulness to the human embryo.

Fourth. Senator KEFAUVER has stated in a letter of July 31, 1962, to several Members of the Senate:

The most tragic aspect of the entire thalidomide history is that, had such studies been made, the horror could have been averted. This is proved beyond doubt by studies of rabbits by the British seller of the product, Distillers Corp., made unfortunately after the drug had been widely used in humans and after it had been identified as the cause of the malformed infants. Reporting in the English medical journal, the Lancet, April 28, 1962, Dr. G. F. Somers notes that experiments in rats showed no malformations but that, "Now we have succeeded in producing deformities in rabbits remarkably similar to those seen in humans." More than half of the litter of the mother rabbits given thalidomide were born deformed. None of the litter of the control rabbits, that is, those of the same colony not given thalidomide, were born deformed. Dr. Somers goes on to state, "No deformities of this kind have been previously observed in the colony, involving the breeding of over 1,000 progeny, and our chief animal technician, Mr. R. E. Hughes, states that he has never seen anything like this during 50 years' experience of rabbit breeding."

Fifth. I am reprinting in the Government Operations Subcommittee hearing various pertinent exhibits on this subject, including the following article from the journal, Pediatrics, which I ask unanimous consent to have printed at this point in the RECORD.

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

[From Pediatrics, October 1961]

EFFECT OF DRUGS UPON THE FETUS AND THE INFANT

(Statement by Committee on Fetus and Newborn)

It is a basic premise of pediatrics that physical size is not the most important difference between children and adults. There is increasing awareness that it is also necessary to make more than a quantitative distinction between infants and children. The fetus and the newborn infant often behave so differently as to warrant consideration as separate categories of the human species. This necessitates reevaluation of the effects of drugs independently in each category of the human so that they may be used safely.

Existing drugs and agents that are developed in the future for use in the fetus and in infants must be subjected to more extensive preclinical investigation than is being carried out at the present time. The pharmacologic responses of the immature human may differ greatly both quantitatively and qualitatively from those of the adult. As a result, data obtained from tests in mature animals and human adults or older children cannot be accepted as a satisfactory basis for recommendations concerning the fetus and infant.

The pharmacologic properties of drugs should be studied in vitro and in vivo in the fetus and newborn animal and compared with those in the adult of the same animal species. Of particular importance would be a knowledge of the LD_{50}, dose response, metabolism, and distribution and disposition of the drug. These determinations should be performed in two or more animal species (a rodent and nonrodent species). Pharmacodynamic actions and clinical effects of drugs in humans should be assessed in clinical situations in which they may be useful.

In order to pursue these principles, it is recommended that drug labels should specifically indicate the extent of existing information concerning the use of the agent in the fetus and the infant. When there have been no pharmacologic studies of a drug in immature subjects, an explicit statement of this fact should be indicated on the drug label or in a readily available package leaflet. Physicians who administer drugs to the fetus and the infant must be alert to unusual effects in this subdivision of the human species.

William A. Silverman, M.D., Chairman; Fred H. Allen, Jr., M.D.; J. Edmund Bradley, M.D.; Eugene H. Crawley, M.D.; Paul A. Harper, M.D.; David Y. Hsia, M.D.; Benjamin M. Kagan, M.D.; Joseph A. Little, M.D.; Henry K. Silver, M.D.; Samuel Spector, M.D.; J. R. Fouts, Ph. D., Consultant; William H. Kessenich, M.D., Consultant; James M. Sutherland, M.D., Consultant, Committee on Fetus and Newborn.

MY EFFORTS FOR PERINATAL RESEARCH

Mr. HUMPHREY. Mr. President, for 4 long years, I have been urging the strengthening of what has come to be known as perinatal research—the study of the processes of life during the period following conception and into the first month after birth.

On December 1, 1958, I discussed this subject with Premier Nikita Khrushchev in Moscow. At that time, I urged a U.S.-U.S.S.R. partnership in finding the answers to the mysteries of how life develops and how so often and so tragically it emerges with defects.

In the years which have followed, I have been a strong supporter of the perinatal collaborative research project, as supported by NIH.

This project is the greatest effort of its kind ever made in medical history.

I want every U.S. agency and every doctor to gain the greatest insight which may become available through this project.

Meanwhile, in my judgment, evidence gained at the hearing and other evidence which the subcommittee has compiled—but which we have not yet presented—demonstrates that there is an imperative need for a massive Governmentwide effort to reduce to an absolute minimum whatever drug dangers now exist or may in the future develop to pregnant mothers and unborn babies.

Laboratory animals must be utilized; they must be utilized first; and they must include larger animals—not just rats and mice.

I am neither a physician nor a pharmacologist. I am a pharmacist, and I do not presume to have an expertness on issues of toxicity to animals.

Even the greatest experts caution as to applicability of animal findings to human findings.

I do know, however, that it is best to observe every reasonable safeguard before permitting testing on humans.

THE MANY POINTS WHICH THE HEARING CONFIRMED

The hearing which we conducted on August 1 established, I believe, a great many points which bear followup on the part of the executive branch, the drug companies, and the international scientific community.

At the start of the hearing, it may be recalled, I issued a public statement in which I indicated certain tentative observations. I pointed out that confirmation of these observations would await upon the receipt of definitive proof. In every single instance, I believe, that proof was received.

The hearing has, I believe, strengthened the basis on which the Congress can now proceed to examine the legislation which has been so carefully explored in the Senate Judiciary Subcommittee on Antitrust Activities, as headed by the distinguished Senator from Tennessee [Mr. KEFAUVER].

I ask unanimous consent that there be printed, at this point in the RECORD, a memorandum in which I have listed those tentative judgments on which I had commented prior to the hearing, and which were subsequently confirmed.

In this memorandum, I cite the verbatim questions and answers from particular pages of the unedited transcript of the hearing.

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

MEMORANDUM BY SENATOR HUBERT H. HUMPHREY SHOWING THE CONFIRMATION BY THE AUGUST 1 SUBCOMMITTEE HEARING OF TENTATIVE JUDGMENTS WHICH HAD BEEN EARLIER FORMULATED AND SUBMITTED

Tentative judgment: There is inadequate communication and coordination between Federal agencies.

Confirmation: The hearing confirmed the inadequacy of communication and coordination in an appalling number of respects. Let me cite just a few:

1. Dr. James Shannon, Director of the National Institutes of Health, confirmed the lack of a systematic, inter-Institute drug information research system upon which FDA could draw and which, in turn, could contribute to FDA.

2. Dr. Shannon confirmed that only three of the seven NIH categorical Institutes maintain even partial drug information research systems within their own organizations.

Page 102:

"Senator HUMPHREY. I would like to ask, Has the Public Health Service, and particularly the National Institutes of Health, established a centralized, coordinated system for handling research information on the many hundreds and thousands of drugs that are seeking a place in the market?

"Dr. SHANNON. We have not, sir—except in those areas that we are—except in those areas that we have accepted as more or less specific responsibility for development."

Page 105:

"Senator HUMPHREY. Now, doctor, I understand that there is no comprehensive system of handling research information in the National Institute of Allergy and Infectious Diseases. Yet literally hundreds of drugs have adverse allergic effects.

"Dr. SHANNON. That is correct, sir."

Page 107:

"Dr. SHANNON. Senator, fundamentally, Senator HUMPHREY, I am as unhappy as you are about the situation. But I would emphasize that it is not a simple problem that will find simple solutions."

Few important problems are simple. But that is no reason to defer action on them endlessly.

The problems are not getting any simpler. They are getting more complicated. The time to act is now.

3. Dr. Frank Rogers, Director of the National Library of Medicine, confirmed (p. 130) that he had not consulted with the Food and Drug Administration in preparing the plans for the Medical Literature Analysis and Retrieval Service, known as MEDLARS, which will become operational in September 1963.

He said, page 129, "We cannot consult with everybody."

No one asked him to consult with "everybody." There was definite reason, however, for him to consult with an agency in his very own Department which has a vital stake in the National Library's output, namely, the Food and Drug Administration.

4. The Food and Drug Administration was unable to indicate (p. 132) why it did not register research projects with the Science Information Exchange.

Two years ago, it promised the subcommittee to do so, at least with respect to nonconfidential projects.

Why did it not keep its promise?

When does it expect to cooperate with other Government agencies in this exchange?

Does anybody in the executive branch care whether FDA or other agencies cooperate with the exchange?

5. Food and Drug Administration officials confirmed (p. 49) that their Adverse Drug Reaction Reporting System included only 44 of the Nation's 6,000 hospitals. This includes only 8 of the 15 Public Health Service hospitals; none of the Veterans' Administration hospitals; none of the Department of Defense hospitals.

Why, I ask?

The absence of formal Veterans' Administration participation is, I might add, particularly distressing.

VETERANS' ADMINISTRATION'S OTHERWISE EXCELLENT RECORD

I should like to make it perfectly clear that the Veterans' Administration has, in many respects, an excellent record of research cooperation with other Federal health agencies.

The Veterans' Administration clearly recognizes its responsibility and opportunity for the most careful type of clinical testing. It was Veterans' Administration-Department of Defense testing of drugs which has produced so dramatic a decline in TB incidence, and, as a result, in the number of TB hospitals and TB beds. There is excellent cooperation in cancer chemotherapy programs between VA and National Cancer Institute.

The Veterans' Administration now has 171 hospitals—with 112,000 patients—as well as 94 clinics. These represent a controlled population which offer opportunity for rigorous "double-blind" testing, such as is not available and is not practiced in a great deal of investigational testing supported by pharmaceutical companies through individual clinicians. The Veterans' Administration hospital system offers unexcelled opportunity for lifetime followup of patients.

We, in the United States, fortunately, have the finest program of medical care for ex-servicemen in the world.

It is extremely unfortunate the VA has marred an otherwise outstanding record by a failure to follow through with the Food and Drug Administration. Initial discussions were held in 1960 between VA and FDA for formal participation in the latter's adverse drug reaction reporting program. The arrangements regrettably floundered over the issue of lack of an FDA budget to cover expenses for VA participation.

I am hopeful, however, that neither this nor any other "reason" will prevent VA participation in this program on a formal and systematic basis in the future.

NO LIAISON BETWEEN NINDB AND FDA

(6) Food and Drug Administration officials confirmed that they had had no contact with the perinatal collaborative research project now being conducted by the National Institute for Neurological Diseases and Blindness with 15 hospitals across the Nation.

This project offers a golden opportunity for systematic understanding of, among other phases, the relationship, if any, between drugs, pregnancy difficulties, pregnancy wastage, congenital defects, and related problems.

But regrettably, the National Institute for Neurological Diseases and Blindness, in turn, has had no plans for systematic output to the Food and Drug Administration.

It should be noted that the vast perinatal collaborative research project has been one of the most difficult programs ever to be attempted. It is still too early to draw any definitive conclusions, based upon the initial pregnancies, registered with the cooperating hospitals.

Only relative crude data is available, and it must be analyzed in greatest detail by NINDB's scientific advisers.

The fact, however, that there was apparently no forethought of cooperation between FDA and NINDB is, to say the least, unfortunate.

I have urged Commissioner Larrick to request NINDB to make available initial results as soon as NINDB's scientific panel feels that some judgment can be expressed.

In addition, I am urging the strongest collaboration between NINDB and an American Medical Association's research project, analyzing birth experiences in hundreds of thousands of cases.

It seems clear that infinitely more can be learned and should be learned from birth statistics in the 50 States and abroad. The birth certificate itself should contain, in all the States, information as to congenital malformations. In that way, medical science would be able to spot promptly both long-time or epidemic-type dangers to the birth of healthy babies.

The Director of NINDB, Dr. Richard Masland, is a world-renowned authority on mental deficiency; he has publicly referred to possible relationships betweeen chemical agents and congenital defects. See for example his comments on "The Discovery of Teratogenic Agents" in "The Prevention of Mental Retardation—Part II," a survey, sponsored by the National Association for Retarded Children, Journal of Diseases of Children, volume 95, January 1958, No. 1.

LACK OF INTERNATIONAL COORDINATION

Tentative judgment: There is inadequate international communication and coordination of information with respect to new drugs.

Confirmation: The hearing confirmed a wide array of gaps with respect to information on new and old drugs on the world scene.

In page after page, it confirmed that there is indeed inadequate exchange between the (a) U.S. Government and foreign governments; (b) drug companies at home and abroad; (c) investigational researchers, drug companies, and the medical profession, among the various nations.

Let me cite just one illustration:

Page 33:

"Senator HUMPHREY. At least the immediate evidence that we have, the surface evidence, indicates that there was a lag, if not a total inadequacy, in communication between the West German manufacturer to the British manufacturer, and to the American licensee.

"And apparently no interchange of information between official bodies, such as the World Health Organization, or other international organizations, nor, according to the testimony thus far, has Commissioner Larrick or yourself indicated that either the British or the German Governments present any information to the Government of the United States, to the Food and Drug Administration.

"Is that a correct statement, Commissioner Larrick?

"Commissioner LARRICK. That is correct.

"Senator HUMPHREY. Would you suggest that it might be a good idea for the Congress to look into the possibility of improving this international communication on an official basis?

"Commissioner LARRICK. Yes I think it would be well to look into it. I do not know how much of it could be done under present law, how much more law would be indicated.

I have personally been to Geneva, and have talked to some of the people over there, about some of these things. I think very much that it would be extremely helpful if there were to be an exchange of information of this sort, preferably through the WHO. I have a letter on my desk from a very important public health official in one of the South American countries, who is obviously very hungry for information about all of the drugs the Food and Drug Administration has taken off the market during the current year, and the reasons for it. And I am sure that that sort of an exchange of information would advance world health."

NEED TO IMPROVE INFORMATION

Tentative judgment: Information systems to record and index the effects of thousands of drugs must be improved.

Confirmation (pp. 34–36):

"Senator HUMPHREY. What has been disturbing to me is the fact that with all of the international activities that we have, and the exchange of information in a host of fields, that with this new technology—what one might call the new breakthrough in miracle drugs, and all sorts of new drug compounds, that there has not been a more determined effort to make all of this information available as to the testing of the drugs.

"Now, you, Mr. Commissioner, said in your opening statement that one of the reasons that we have this problem that we are dealing with now is because there are so many new drugs, and there is such a tremendous advance in the field of pharmaceuticals, which is true. And may I say that our country has led the world in a very real sense in terms of the perfection and the improvement of new drugs and pharmaceuticals, which have been a blessing to mankind.

"Nevertheless, with this breakthrough, of new drugs busting out all over, does it not appear that one of the great needs today for the scientific community and the pharmaceutical community and the medical community is communication, coordination, the indexing of the effects or drugs, the coordination between countries and manufacturers, the translation from foreign languages into English and vice versa, and the retrieval of information?

"So what we really need to get at here is buckling down to the proposition of how do you perfect a system of communication which includes indexing, which includes the recording of the side effects of drugs, which includes retrieval of this information, so it can be promptly put on the desk of Dr. Kelsey and others in your establishment or in other countries.

"Commissioner LARRICK. There is no question about the value of that sort of thing, Senator."

SYSTEMATIC CROSS-INDEXING OF NAMES

Tentative judgment: There must be made available a systematic cross-reference to trade and generic names of new and old drugs.

Confirmation (pp. 46–48): The testimony brought out the need for careful setting forth of generic names. Such action has been contemplated in preceding drug amendments. But prompt, systematic, cross-referencing of trade and generic names in international drug handbooks and in abstracting and indexing journals, has not been previously discussed, unfortunately.

"Senator HUMPHREY. Now, here is one of the problems we have, Mr. Commissioner. This is a matter of great concern to the medical profession, the pharmacist, and the pharmaceutical industry. I do not quite know what you do about it. There are no less than 16 different trade names of the drugs which do contain thalidomide.

"Now, in the United States this particular compound—I would like to get the chemical analysis of this compound, so at least we can put it in the record, so we know what we are talking about.

"Senator JAVITS. And also that part of it which causes these bad effects. Can we have that, too?

"Senator HUMPHREY. Dr. Kelsey can get that for us.

"Dr. KELSEY. The formula of the drug is given in Dr. Taussig's paper. However, it has not been definitely determined what actually causes the side effects. It may be the drug itself, it may be a breakdown product. We just do not know yet.

"Senator HUMPHREY. Well, now—we will get Dr. Taussig's statement recorded.

"But here is the point that needs to be emphasized. There are 16 different names of this same drug. This shows why it is so difficult to keep track of the pertinent literature. No one knows whether a given drug with a given name is the same or different from other drugs. And it is entirely probable with a doctor that does not possibly have all of the literature on particular drugs, that if he received, for example, in West Germany—if he received information that the contergan drug, the 25-milligram tablet, for example, had some bad side effects, he might very well prescribe grippex, which is the same drug under a different name, or he might very well prescribe peracon expectorans, which is again the same basic preparation.

"There are several trade names within West Germany itself, all of which contain the same basic ingredients insofar as the drug is concerned.

"Now, here is one of the problems that we have today—unless you have the most accurate form of labeling, with the full chemical analysis of the product as dispensed, or the generic term.

"Commissioner LARRICK. Senator, you will recall, I am sure, that the President of the United States sent a message to the Congress recommending certain basic changes in our drug laws in this country. And among them was a recommendation with respect to a simple common name for all drugs, which would be displayed in the package with the trade name.

"There is a certain requirement in the present statute with respect to that. But this proposal, which I may say is a bipartisan proposal—would meet the problem that you have raised.

"SENATOR HUMPHREY. That is correct, I understand. That is why I wanted to emphasize this particular point.

"Now, there happens to have been some misinformation in the United States relating to this particular incident of the thalidomide compound.

"For example, several drugs have been erroneously identified as containing thalidomide, been erroneously identified in the press. And certain companies are quite up in arms about the fact that their tranquilizer, which does not have thalidomide in it, has been erroneously identified as having it. This has had a very serious effect upon the companies and the product."

PREMATURE TESTING ON TOO MANY HUMANS

Tentative judgment: There probably is a great deal of premature testing of investigational drugs and on too large a population sample.

Confirmation: page 61:

"Commissioner LARRICK. I think, I am convinced by this episode, and by some others, that our present regulations need to be reexamined and tightened. And I agree with you that there have been instances where the number of doctors, in my opinion, who have been selected to do experimental work, has been substantially greater than they should have been."

INADEQUATE REPORTING ON INVESTIGATIONAL DRUGS

Tentative judgment: There is inadequate reporting on investigational drugs to the drug company, as well as to the U.S. Government.

Confirmation: page 89:

"Senator HUMPHREY. Are you fully satisfied that in these experimental drugs, in which there are investigative physicians administering these drugs, that there is adequate reporting procedures back to the companies that have released the drug for experimental purposes?

"Commissioner LARRICK. No.

"Senator HUMPHREY. You think there ought to be a requirement that under experimental drugs, which you are required ultimately to either license or reject, the reporting procedures should be improved or strengthened?

"Commissioner LARRICK. Yes."

Pages 109–110:

"Dr. SHANNON. A deficiency here, I think, in our reporting systems is the physician who accepts a drug for study has no more than a casual obligation to the pharmaceutical concern who makes the material available in fact to report his total experience with the drug.

"Senator HUMPHREY. This is the point to which Dr. Taussig referred in her article.

"Dr. SHANNON. Yes. So that pharmaceutical manufacturer is placed in the position of receiving only a partial historical résumé of the activity. And I think it is only human that this will be colored by the enthusiasts, rather than those who became disappointed and dropped the use of it, and left the drug on the shelf.

"Although perhaps the most critical information may be in the hands of the physicians who have begun investigations and discarded it for one reason or another.

"So the one thing is one has a lack of total information on the preliminary definitive careful study of the drug."

STRENGTH COMMUNICATION BETWEEN UNITED STATES AND FOREIGN COMPANIES

Tentative judgment: There is inadequate communication between American drug companies and foreign drug companies.

Confirmation: The hearing thoroughly confirmed the need for improved communication between companies. Testimony on the case history of thalidomide confirmed that information was not promptly and systematically exchanged between the German company, the British company, and the American company.

The followup letter from Dr. Smith, president of the PMA, indicated on a general basis the need to strengthen such communication.

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COORDINATED HEW INFORMATION SYSTEMS

Mr. HUMPHREY. Mr. President, there will follow at this point excerpts of my statement of June 20, 1961, on a few of the many information inade-

quacies in the HEW information situation, and in the National Institutes of Health, in particular:

STATEMENT BY SENATOR HUBERT H. HUMPHREY

The case, as I see it, for the objectives of the amendments being recommended today will be found in the record of the House Appropriations Subcommittee (pp. 710 ff).

A few additional points are elaborated herein, and several relatively new phases are cited.

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SURGEON GENERAL'S OFFICE

The next amendment, 6-14-61B, is designed to accomplish three purposes:

(a) Provide for the first time a line-item sum for information-communications research; and

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FIXING INFORMATION RESPONSIBILITY

Over and above my amendment, may I respectfully suggest that the Appropriations subcommittee, in its report, make known to the Department of Health, Education, and Welfare, the absolute need for fixing responsibility for information research management within the Department.

In other words, I am not simply recommending that there be given $3½ million in communications research funds to the Public Health Service. In my judgment unless there is a greater degree of centralization and identification of responsibility for handling information research policy, we will not accomplish our real purpose.

The fact of the matter is, at least in my view and that of the Senate Government Operations Subcommittee staff, that information management within the Department has tended to be handled on a relatively routine basis. It has consisted of distribution, by offices of public information, of printed materials, leaflets, reports, monographs, etc. This is a necessary and important function, but it is not information research.

In terms of studying the major policies involved, and in terms of interagency information research, there has been no fixed responsibility. For example, there is apparently no single place in the National Institutes of Health where one or more experts, continuously charge with information policy per se, has or have had a clear mandate to serve as liaison with the National Library of Medicine, with other units of the Public Health Service, and with other Federal agencies, including the National Science Foundation and its Office of Science Information Service.

The National Institutes of Health have not been adequately represented, according to my understanding, on the interagency Federal Advisory Committee on Scientific Information. The information responsibility is still apparently blurred and diffused among the seven categorical Institutes and the Division of General Medical Sciences. But in my judgment, we will never get the full advances which we need in the information-communications field, until responsibility is definitely pinpointed in one or more individuals, offices and panels for NIH intramural, as well as NIH-supported extramural effort, in this growing area of activity.

"Everybody's business is and has been nobody's business." The time is overdue for information policy to become somebody's continuous business at NIH and elsewhere in PHS and in the Department. At stake is the efficiency and coordination of future information-communications research. At stake too is the speed with which hundreds of millions of dollars of research findings can be capitalized upon.

NEED FOR COORDINATED LITERATURE SEARCH ON DRUGS

There is a specific instance of a need for clear-cut and coordinated decision on information policy which I should like to bring to your attention. It concerns the need for comprehensive NIH-supported review of thousands of articles in professional journals on the main and side effects of drugs.

There have now been published two precedent-making volumes entitled "Volume II, Parts 1 and 2: Cardiovascular Agents," issued under the auspices of the National Academy of Sciences-National Research Council, under the splendid support of the National Heart Institute.

The cardiovascular literature project, responsible for this great effort, has diligently reviewed, abstracted, and indexed in an imaginative new way, some 400 biomedical journals on a page-by-page basis. But unfortunately, the project was only given the responsibility of reporting upon those drugs which are of cardiovascular significance.

The fact of the matter is, however, that many drugs such as the rauwolfia alkaloids, used in the treatment of hypertension (and, thus, of interest to the National Heart Institute), are also of great interest in terms of effects on behavior and mental disease (and therefore are of interest to the National Institute of Mental Health).

Compounds of hormonal origin, which play a role in hypertension (National Heart Institute) are also of interest to the National Institute of Arthritis and Metabolic Diseases.

Some antibiotics, which are promising as anticancer treatments (and are of interest to the National Cancer Institute), are also of interest to the National Institute of Allergy and Infectious Diseases. Anesthetics and analgesics (painkillers) have important cardiovascular effects (National Heart Institute) and are of interest to the National Institute of Neurological Diseases and Blindness, as well. Obviously, there is need for inter-Institute cooperation in funding joint projects.

Thus far, I understand, only three of the Institutes, the National Heart Institute, the National Cancer Institute, and the National Institute of Mental Health, have established systematic, large-scale programs for reporting on the experimental effects of drugs, as reported in the professional literature.

Here, however, is an ideal instance where NIH as a whole, by adopting an Institute-wide policy, could search not just part of the literature but all of the literature, so to speak. This could and should be done definitively, once—not eight separate times—by eight different projects.

The alternative is to comb hundreds of journals (including many of the same journals repeatedly), once for reports on drug effects on the heart, a second time for effects on a second organ system, then for effects on a third system, etc.

This repetitious search represents poor use of skilled manpower.

The cardiovascular literature project has now proved what can be done in indexing and in abstracting main and side effects. I, for one, feel, based on data compiled by the Government Operations Subcommittee staff, that its historic effort should now be broadened and extended. Limited, piecemeal literature searchers should now give way to an NIH mandate for comprehensive and coordinated inter-Institute searches, such as this project team, supported by the National Heart Institute, has proved it can handle.

Automatic data processing methods, such as are contemplated by the project team, should be examined.

What I am urging in effect, is not only a more coordinated approach, a more scientific approach, but a more modern, high-speed, high-reliability approach in place of obsolete techniques.

NIH and other units of PHS, particularly the National Library of Medicine, fortunately have able experts in communications and EDP problems. These experts should be given the green light to move ahead.

I have concentrated, I may say, on this information phase, because it has been the special field of interest of our subcommittee. It is, I believe, fair to say, that no committee of the Congress has studied science information problems more intensively than we have. (See for example, S. Rept. 263, 87th Cong., on "Coordination of Information on Current Scientific Research and Development Supported by the U.S. Government.")

Only last Thursday, I met with Dr. Jerome Wiesner, Special Assistant to the President for Science and Technology, to review science information problems.

COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. JACKSON. Mr. President, I yield to the distinguished minority leader [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, first, I ask unanimous consent that a special subcommittee of the Committee on the Judiciary be permitted to conduct a hearing during the session of the Senate on Tuesday, August 7, 1962, for the purpose of considering the nomination of Irving Ben Cooper, to be a U.S. district judge for the southern district of New York.

Mr. KEATING. Mr. President, reserving the right to object—and I shall not object, because I believe this hearing should be concluded—I wonder, since the Senator from South Carolina [Mr. JOHNSTON], chairman of the subcommittee dealing with the Thurgood Marshall nomination is on the floor, if I may ask that this permission be extended to include the hearing scheduled for the following day with reference to the nomination of Thurgood Marshall.

Mr. DIRKSEN. I certainly would have no objection.

Mr. JOHNSTON. I have no objection to the request of the Senator from Illinois, but I do have objection with respect to the nomination of Thurgood Marshall, which is scheduled not for Tuesday, but for Wednesday morning. I understand the full committee is going to be sitting on that day on a matter that the administration wants, a drug bill.

Mr. KEATING. Mr. President, reserving the right to object, obviously this is something which requires unanimous consent, but my request was to enlarge the unanimous consent to permit the subcommittee sitting on the nomination of Thurgood Marshall to sit on Wednesday. It is true that the full committee is considering a drug bill. We discussed it in committee today. My understanding is that those hearings or discussions may continue tomorrow. They will probably be continued during the hearing on the nomination of Judge Cooper. I do not believe there is any difference in the circumstances in this respect and I do not see why we could not sit on the nomination of Judge Marshall even if the drug bill is being considered just as we may sit on the nomination of Judge Cooper while the drug bill is being considered. It is time we brought to a conclusion the subcommittee's hearings on Judge Marshall. His nomination has been pending since January and he has

actually been sitting on the court for more than 9 months without confirmation. The subcommittee has had more than ample time to consider this nomination and it is time steps were taken to bring this matter to a conclusion.

I ask unanimous consent that permission be included for the Judiciary subcommittee to sit during the session of the Senate on Wednesday to conduct the Thurgood Marshall hearing.

Mr. MANSFIELD. Mr. President, has the Senator made a unanimous-consent request to that effect?

Mr. JOHNSTON. Mr. President, I am objecting to the subcommittee's meeting on Wednesday when the Senate is in session. That morning we are meeting on the Thurgood Marshall nomination at 10:30, and will be in session until the Senate meets, but I would object to the committee's meeting after that.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. DIRKSEN. Mr. President, I submit two requests: One for the subcommittee to meet on the nomination of Judge Cooper on Tuesday, tomorrow.

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

Mr. DIRKSEN. And the other a request for the subcommittee hearing the nomination of Judge Thurgood Marshall to meet on Wednesday at 10:30.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. I only object to the last request, the meeting to consider the Thurgood Marshall nomination on Wednesday while the Senate is in session.

The PRESIDING OFFICER. The Chair hears objection.

Mr. JOHNSTON. We are being asked to pass on something we know nothing about.

The PRESIDING OFFICER. The Chair has heard objection to the Senator's second request.

NECESSITY FOR STRENGTHENED FEDERAL DRUG LAWS

Mr. DIRKSEN. Mr. President, with reference to the drug discussion by my distinguished friend, the Senator from Minnesota, the full Judiciary Committee met this morning, and we had in attendance at the meeting Mr. George Larrick, Commissioner of the Food and Drug Administration, and also Dr. Kelsey.

A few specific things developed amidst a great deal of confusion. The first was that the Food and Drug Administration under existing law has authority to issue regulations, which authority has never been used. I think Dr. Larrick made that concession at least three different times this morning, so when he was asked, "Why has not the authority been used?" he had no answer. We can only prescribe this to some kind of bureaucratic inertia, if that is not too harsh a term.

Second, we had the latest report this morning on the new drug, very much in the public eye, with respect to 3,700 pregnant mothers, to all of whom the drug was administered. There was a report of no malformity and no deformity whatsoever.

There were other things. Questions arose with regard to the Presidential request and with respect to proprietary drugs.

I think I should say for the RECORD that the distinguished chairman, the Senator from Tennessee, at the outset of the hearings excluded proprietary drugs from consideration. Our entire hearing was directed toward what are known as ethical drugs. The proprietary drug people have never been heard. If they are to be included, the question is, Should the hearings be opened up for further testimony? Should they be deferred until some later date?

At least I wish to have the RECORD clear that there was no inclusion of proprietary drugs in the hearings on the first proposal of S. 1552, and they are not included at the present time.

I add, Mr. President, that the bill has now been on the calendar for a considerable period of time. It came from the committee by a vote of 14 to 0. If it is to be amended—if there is a necessity for amendments—I am sure the distinguished chairman of the committee will take cognizance of that fact.

We had a meeting this morning. There will be another meeting of the Judiciary Committee tomorrow. I presume there will be as many meetings as are necessary to adequately deal with the whole problem.

Mr. KEFAUVER and Mr. HUMPHREY addressed the Chair.

Mr. DIRKSEN. If I may do so, I am glad to yield to the Senator from Tennessee.

Mr. KEFAUVER. I was going to talk about the amendments submitted by the President, which I have discussed with the Senator from Mississippi [Mr. EASTLAND]. He agrees that I should put them in the RECORD and give a short explanation.

I agree with the Senator from Illinois about proprietary drugs. The hearing we had was on ethical or prescription drugs. The proprietary drug people could have been heard. They did not request to be heard and were not heard during the course of the hearings. It was stated on occasion that the bill, in certain of its provisions, would not apply to proprietary drugs. Now they wish to be heard and have been promised a hearing.

While they are entitled to a hearing on the factory inspection provision, I do not think passage of S. 1552, together with any amendments which might be accepted, should be endangered by a request to have hearings in the Senate and on the proprietary drug issue.

It will be my purpose to introduce a bill, as soon as it can be prepared, so that that matter can be separated from S. 1552, and also so that the proprietary drug people can be given an opportunity for a hearing. I do not think the passage of the bill, which is so urgent for the protection of the people who have to take drugs, ought to be delayed by virtue of hearings which would have to be held if proprietary drugs were to be included in the factory inspection provision.

Mr. President, if the Senator will permit, I wished to speak on my own.

Mr. DIRKSEN. Mr. President, I thank the distinguished Senator from Washington for yielding to me.

Mr. JACKSON. Mr. President, I yield briefly to the distinguished Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee may proceed.

Mr. KEFAUVER. Mr. President, as has already been stated, on Saturday, August 4, the President sent to the Senator from Mississippi [Mr. EASTLAND] seven amendments to S. 1552, the Drug Industry Act. The Senator from Mississippi [Mr. EASTLAND] has given me permission to introduce into the RECORD these amendments, together with the brief explanations which accompanied them.

I think this is important, because all the news media do not have copies of the seven amendments. Undoubtedly, they will be considered by the Senate shortly. They should be printed in the RECORD, so that all Senators, the press, and the public can have an opportunity to study them. I shall ask unanimous consent that they may be printed in the RECORD, together with the explanation of them as they came from the President.

I wish to compliment the President of the United States upon sending these recommendations to the chairman of the Committee on the Judiciary of the Senate. They will improve the bill insofar as powers needed by the Food and Drug Administration are concerned. We will have a better law to protect the people. We will have safer and better drugs, which are properly tested. Everyone will be able to place greater reliance on the quality of drugs. The danger that a drug such as thalidomide would get to the market will be greatly reduced.

I commend the President for awarding a medal to Dr. Kelsey for her courageous performance in not letting thalidomide get on the market in the United States. This medal will be presented tomorrow. Many of us made recommendations to the President. I so urged the President and Mr. Macy, the Chairman of the Civil Service Commission, describing in some detail the pressures to which she had been subjected and which she had resisted.

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

Mr. KEFAUVER. I wish to say, before I yield to the Senator, I am glad that his subcommittee of the Committee on Government Operations is going further into the question of intergovernmental relations in connection with the exchange of information on drugs, particularly drugs with potentially serious side effects. The Antitrust Subcommittee of the Committee on the Judiciary went into the problem of side effects at some length.

I should like to commend to all pages 198 to 222 of the subcommittee's report on the drug industry. The report describes side effects, which have caused illness, and even cost lives when there was no indication in the drug's advertisements that there were any side ef-

fects at all, or that the drug was as dangerous as it was known to be.

This is a field which needs to be further explored. I am glad the Senator from Minnesota is going to do so. What nearly happened in connection with thalidomide, while more dramatic, is illustrative of what has actually happened in connection with many other drugs, which are discussed in the report of the subcommittee and on page 43 of the report on the bill, representing the individual views of Senators CARROLL, HART, LONG of Missouri, DODD and myself. I know that much good will come from the Senator's inquiry.

I am happy to yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, my purpose in asking the Senator to yield was, first, to say that I believe the moment is at hand when we must have effective action on the question of strengthening our laws relating to drugs, and particularly the investigational processes that are involved in the marketing of a new drug.

I join the Senator in saluting Dr. Kelsey of the Food and Drug Administration for her outstanding example of attention to duty, her vigilance, and her alertness. However, I believe it should be noted that it was only by a stroke of good fortune that Dr. Kelsey was able to intercept certain information about the drug called thalidomide and to bring that information to the attention of her superiors and, in turn, to keep the drug off the American market. She happened to read a letter to the editor of the British Journal of Medicine.

Mr. KEFAUVER. Lancet.

Mr. HUMPHREY. That letter to the editor alerted Dr. Kelsey to some problems relating to thalidomide. The tragic fact is that the drug has been used widely in West Germany.

The manufacturer had not given information to a manufacturer in Great Britain who was using the same formula for a compound that was to be sold under a different name, but which was the same as the drug manufactured in West Germany. So we had the peculiar situation of a drug which was widely used, supposedly as a tranquilizer or sleeping pill, one which had wide acceptance, but which had never been tested upon pregnant women, and had never been tested as to its effect upon an unborn child.

The drug had been reported in West Germany only by the manufacturer. No report had been given to Great Britain, where the drug was being manufactured, and no report was made to the United States, where the drug was under license. So there was a complete breakdown in the dissemination of information. We have better information on airline schedules. We have better information, of course, on weather. On an international basis we have better information available on chewing gum than we had on the drug thalidomide. The Senator from Minnesota and his subcommittee are involved in studying that situation.

I wish to make it quite clear that the substance of the proposed legislation has been under the jurisdiction of the distinguished Senator from Tennessee, and he has done an excellent job. The subcommittee over which I am privileged to serve as chairman looks at the interagency coordination and the international coordination efforts. There is no interagency coordination on drug research in our Government between the National Institutes of Health and the Food and Drug Administration, between the Veterans' Hospital and the Food and Drug Administration, or between the U.S. Public Health Service and the Food and Drug Administration.

Everyone goes his own way, runs his own train, has his own show. If there is any coordination, it comes about only because there are a couple of friends in different departments who talk with each other. The lack of coordination is a situation which must be remedied.

If the bill as reported from the Committee on the Judiciary, or any of the amendments proposed by the Senator from Tennessee or the amendments proposed by the President today would bring the agencies into an exchange of coordinated information, they should be adopted at once, before there is more tragedy in our country.

I thank the Senator.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. KEFAUVER. Before I yield to the Senator from Oregon, I wish to comment that while our Subcommittee on Antitrust and Monopoly did conduct hearings and consider the entire drug problem over a period of almost 3 years, there is a great deal yet to be considered, particularly in the area of intergovernmental relations. That whole area is an exceedingly important one. The cost of drugs and devices is greater than the cost of medical fees. I am glad that the Senator from Minnesota will hold hearings on the subject. But it is absolutely imperative that we enact legislation now.

In connection with the remarks of the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], that no malformed children had yet been reported as a result of thalidomide dispensed in our country, I wish to say that a number of such children have been reported as a result of thalidomide purchased elsewhere. Moreover, the new drug application was not withdrawn in the United States until March 28, 1962. Up to that time 1,200 doctors were still giving the drug to their patients to test it on a clinical or experimental basis. So we shall not know until the first of next year whether the drugs that the doctors have put out on an experimental basis have caused malformed children.

In connection with the remarks of the Senator from Minnesota, I wish to say also that in this country the manufacturer was going to put it on the market without testing it on any animal except mice and rats. Yet, as reported in Lancet of April 28, 1962, it was discovered in England after the drug had been taken off the market there that if the drug were tested on pregnant rabbits, their offspring displayed the same kind of deformities which have occurred in children.

Thus the entire tragedy would not have arisen if those tests had been given before the drug was given to human beings. The danger would have been discovered.

One amendment, which I shall discuss later, would authorize the Food and Drug Administration to test new drugs on animals before they are issued for clinical testing on humans.

I yield to the distinguished Senator from Oregon.

Mrs. NEUBERGER. Apropos to the discussion, the other day a little item published in the Northwest Medical Journal for July 1962 came to my attention which I believe would be of interest to the Nation. I should like to read the article for the attention of Senators at this time. The article states:

> The American pharmaceutical industry * * * has served this country and the world very well, and still is. And the present powers of the FDA are still adequate. And free enterprise is still preferable to medication according to the wisdom of Mr. Ribicoff or any of his probable successors. Nineteen hundred and eighty-four is approaching fast enough; let's not hurry it.

Imagine making that statement in the light of all the evidence. One line I have read and reread. I still do not understand it. It states:

> And free enterprise is still preferable to medication—

What does that statement mean?

Mr. KEFAUVER. What the Senator has read is a sample of what members of the committee have had thrown at us by the bushel for more than 3 years. I am for free enterprise. But free enterprise involves some responsibility, and that responsibility in the ethical drug field means seeing that people have reasonably priced, safe, effective, and properly advertised drugs, which the American people have not had in recent years.

As I said the other day, S. 1552, which is on the calendar, and has been there for 2 or 3 weeks, is a considerably watered-down version of the bill approved by the Antitrust Subcommittee. I invite Senators to the original bill as they consider the one on the calendar.

However, S. 1552, as reported, has many good provisions, although they generally do not go far enough and can be improved with amendments such as those the President has submitted.

I was talking about the amendments sent to the Senator from Mississippi [Mr. EASTLAND] by the President on Saturday. These are excellent proposals, which, if adopted as amendments to S. 1552 as reported by the Judiciary Committee, will go a long way toward insuring the American people that any drug which they purchase is safe and effective and has been manufactured in plants which have been adequately inspected. The adoption of these amendments will represent a great step forward in protecting the public interest in this critical field.

Let me make it clear here that there is little in the amendments which will reduce the price of drugs. Price reductions would come about principally from changes in the patent laws, covered in provisions which were taken out of the bill in the Judiciary Committee, and which I will discuss at a later time.

Three of the amendments are virtually identical to amendments proposed in the individual views in the report on S. 1552 by Senators CARROLL, DODD, HART, LONG of Missouri, and myself. These are the amendments (a) that claims as to the efficacy of drugs be adequately supported by evidence and approved by the FDA; (b) that all advertisements for prescription drugs carry statements—or summaries thereof—of their side effects and safety and in addition show the generic name in type at least half as large as that of the trade or brand name; and (c) that all time limitations upon the FDA for the approval of a new drug be eliminated, so that no drug can be marketed until the FDA is satisfied that it is safe and effective.

Dr. Kelsey testified today before the Judiciary Committee and stated that this change is absolutely necessary. Mr. Larrick, the Commissioner of the Food and Drug Administration, was of the same opinion.

The President has proposed amendments relating to factory inspection and quality manufacturing controls. While less stringent than the amendments contained in S. 1552 in the form in which it was approved by the Antitrust Subcommittee, these amendments represent a substantial improvement over the provisions approved by the full Judiciary Committee. The ability of FDA to do its job in inspecting drug plants and in seeing to it that such plants conform to adequate standards will be substantially enhanced by the adoption of these two amendments.

The President's amendment to the factory inspection provision would apply to all drug plants, regardless of whether they are manufacturers of prescription or over-the-counter drugs. Although manufacturers of over-the-counter drugs did not request a hearing on this matter during the consideration of S. 1552, they have recently been seeking and have been promised a hearing. That is true in the Senate, and perhaps the same is true in the House.

It would be unfortunate if action on all of the other amendments were to be delayed until such a hearing could be held. Therefore, it is my view that the Senate should act now on the factory inspection provision relating to prescription drugs and hold hearings and take action as quickly as possible on a separate but identical bill relating to proprietary drugs. I plan to introduce such a companion measure tomorrow.

Another Presidential recommendation relates to the certification of antibiotics. The President is particularly desirous of eliminating from S. 1552 an exemption for antibiotics for veterinary purposes adopted in the Judiciary Committee. If this exemption were removed, the section of S. 1552 dealing with antibiotics would be substantially identical with the President's recommendations.

Finally, there is one area in which I think that the provisions of S. 1552 as reported by the Judiciary Committee have important advantages which should not be lost. Under the President's recommendations the authority to designate generic names would simply be lodged with the Secretary of HEW. A generally similar provision was contained in the original version of S. 1552. As a result of hearings, we decided that the Secretary should have that authority but would exercise it under only two conditions: (a) where requested to do so by a compiler of an official compendium, and (b) upon reviews to be made by the Secretary of generic names. These conditions have been carefully worked out in cooperation with the U.S. Pharmacopoeia and should, in my opinion, be retained.

The U.S. Pharmacopoeia, which is a very fine organization, and the American Medical Association have set up a committee on this subject, that under the committee bill they would have the initial obligation of trying to agree with the manufacturer upon a proper generic name. If they were not successful, they would refer the matter to the Secretary of Health, Education, and Welfare, and he would have to designate the generic name. In reviewing the generic name, he would also have the power to designate generic names upon a review. I think it is important that these conditions be maintained.

Finally, the other majority members of the Antitrust Subcommittee are joining me in offering an amendment authorizing the Secretary of HEW, where he deems it necessary, to require animal testing before a drug is given to humans for clinical testing. Man has been, but should not be, the first creature on whom a drug is tested. It is very doubtful whether the present law, even as modified by the Harris bill, in the House would confer this authority upon the Department of Health, Education, and Welfare. If there is one lesson to be learned from the thalidomide tragedy, it is the importance of requiring appropriate animal tests before a drug is given to humans. As I have said, animal tests performed by the Distillers Corp. of England disclosed the horrible abnormalities in the legs of rabbits, but these tests were conducted after the effect of thalidomide on humans had been identified and after the drug had been taken off the market in England.

It was stated that Mr. Larrick had not used his present authority to make regulations governing clinical testing. I do not believe he has sufficient authority under present law, or even under the present version of S. 1552, to require the testing of animals when he thinks it necessary before a drug is put out to doctors for experimental administration.

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

Mr. KEFAUVER. I am happy to yield.

Mr. KEATING. Is it not a fact that under existing law the head of the Food and Drug Administration, if he sees fit, can issue such a regulation, requiring the testing on animals?

Mr. KEFAUVER. No. I say to the Senator from New York that in my best judgment—and this has been studied by lawyers on the staff—he could not do so. Section 505 of the Food and Cosmetics Act contains a subsection which reads:

> The Secretary shall promulgate regulations for exempting from the operation of this section drugs intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety of drugs.

That is a regulation relative to exemption. It does not give him the affirmative authority which in my opinion he would need to require testing on animals before a drug is put out to doctors for experimentation. In any event, this authority ought to be clearly spelled out, so there can be no question about it.

Mr. KEATING. I agree it should be spelled out. My interpretation of existing law is that he has had that power right along. However, it is a legal question.

Mr. KEFAUVER. In my judgment he does not have the authority.

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

Mr. KEFAUVER. I am glad to yield to the distinguished Senator from Michigan.

Mr. JACKSON. Mr. President, I have yielded with the understanding that I would not lose the floor. I started to do so about an hour ago, when I yielded for 5 minutes. I yield to the Senator from Michigan.

Mr. HART. I did not know that the Senator had yielded for this purpose. I thank him for his consideration, and will shorten my questions.

Mr. KEFAUVER. I thank the Senator from Washington for yielding to me, and I wish publicly to express my appreciation to the Senator from Michigan for his work and interest and his support for legislation designed to give us safer and better and more reasonably placed drugs. He has been a real battler for the people in this fight all the way through.

Mr. HART. Mr. President, needless to say, I appreciate the kind remarks of the Senator from Tennessee, but in a way it destroys the effect of my next point, the only point for which I sought the floor.

S. 1552 is the Kefauver-Hart bill. During the many months that have intervened since the introduction of that bill, many beatings have been absorbed by some of us. No one likes to think that vindication is at a high cost. Surely none of us seeks to have the bill enacted because of tragic consequences that were not possible for us in conversation and debate on the floor to portray or suggest might happen. I have sought the floor at this time only to commend again the Senator from Tennessee for the courage which he has displayed throughout many months.

This has not been a particularly easy period for any of us. Criticisms have ranged from "Evidently you have no conception of the responsibility of the producers of these drugs, or you would not suggest there was any need for improving the requirements of the law," to the much more critical and far more harsh suggestions with respect to our failure to understand the virtue of free institutions.

I feel, as I know the Senator from Tennessee feels, that every member of the committee sought fully to understand the implications which attached to every section of the bill as we considered it. But

I am sure, too, that in the light of the tragic chapter which is being written these days on the front pages of the newspapers, the study will now be more careful, the feeling of personal responsibility fully to understand what is proposed far deeper. As a consequence of this, I am certain that the future of S. 1552 is a much brighter one.

The Senator from Tennessee and I, and other Senators, have always been convinced that if S. 1552 became law, the future of the public health of America would be brighter.

So I really rose to congratulate the Senator under whose leadership this effort has been undertaken, and whose leadership has brought it to the point where now, I think, we can reasonably expect its passage.

Mr. KEFAUVER. I thank the Senator from Michigan. Many Senators, many doctors, and many thoughtful citizens have played a more important part in this inquiry than I have; but I am glad to be a part of the team.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the President's amendment No. 1, factory inspection, and the amendment.

The PRESIDING OFFICER. Without objection, the explanation and amendment will be printed in the RECORD.

The explanation and amendment are as follows:

AMENDMENT 1—FACTORY INSPECTION

Section 4, of S. 1552, amends section 704 of existing law to clarify and strengthen FDA's present inspection authority over prescription drug plants. The provision is overly restrictive in terms of the type of records that can be inspected and is limited to prescription drug plants only. The President has said this new authority to inspect records, etc. "* * * cannot feasibly be limited to a particular class of drugs and should therefore be made applicable to over-the-counter as well as prescription drugs."

On June 12 the full committee approved a factory inspection provision covering all drugs and food, cosmetics, and devices as well. At a later meeting (June 18) the full committee reversed this vote, limited the expanded authority to prescription drug plants only and added further restrictions.

It is proposed that the Harris bill inspection provisions be substituted but limited to drugs (including nonprescription drugs). This would include provisions to strengthen safeguards in existing law against disclosure of information obtained by inspection. Also, a refusal to permit lawful inspection would be made subject to injunction so as not to require criminal action in all cases as under existing law.

The attached factory inspection amendment to S. 1552 would be identical in effect with title II of the Harris bill insofar as factory inspection relating to drugs is concerned.

FACTORY INSPECTION AMENDMENT

On page 27, line 18, strike out "; and (3)", and insert in lieu thereof ": *Provided*, That".

On page 27, lines 20 and 23, strike out "prescription".

One page 28, line 5, insert after the word "violation" the words "or potential violation".

On page 28, line 5, strike out the words "No inspection" and strike out all that follows down through "Secretary.", line 21.

On page 29 strike out lines 1 through 24.

On page 30, insert the following between lines 2 and 3:

"(c) Subsection (a) of section 302 of such Act is amended by striking out '(f),'.

"(d) Paragraph (j) of section 301 of such Act is amended by—

"(1) inserting 'or as authorized by law,' after 'Act,'; and

"(2) striking out the following: 'concerning any method or process which as a trade secret is entitled to protection'.

"(e) Nothing in the amendments made by subsections (a) and (b) of this section shall be construed to negate or derogate from any authority of the Secretary existing prior to the enactment of this Act."

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the President's amendment No. 2, quality manufacturing controls, and the amendment. The language of the amendment is somewhere between that of the bill proposed by the Subcommittee on Antitrust and Monopoly and the language of the Judiciary Committee bill. In my opinion, it is an improvement upon the latter.

The PRESIDING OFFICER. Without objection, the explanation and the amendment will be printed in the RECORD.

The explanation and the amendment are as follows:

AMENDMENT 2—QUALITY MANUFACTURING CONTROLS

Section 5, of S. 1552, amends existing law to authorize FDA to promulgate regulations requiring drug manufacturers "to maintain facilities and controls that will assure the reliability of their product." Failure to maintain such facilities and controls would deem a drug (both prescription and nonprescription) adulterated and subject it to the enforcement provisions of the act (multiple seizure, etc). To this extent the provision is consistent with the Harris bill, but it falls short in that the FDA regulations would be merely interpretive in nature, establishing only prima facie evidence of what constitutes current good manufacturing practices in any court test. This would create endless de novo litigation on the question of what constitutes good manufacturing practices each time there is enforcement action. Under the Harris bill, these regulations, issued through formal rulemaking and subject to judicial review on the record, would be binding in enforcement proceedings. In addition, S. 1552 fails to require that the manufacturing controls be such as to insure proper labeling and also to insure that the efficacy of the drug will be what it purports to be.

The attached quality manufacturing control amendment to S. 1552 would be identical to section 101 of the Harris bill. It would make the regulations binding. In addition, the amendment would make clear that personnel responsible for establishing and carrying out the necessary manufacturing methods and controls must be adequately qualified and that the manufacturer's controls must be such as to assure that the product meets all the requirements of the act, including the claimed efficacy and proper labeling.

AMENDMENT ON QUALITY MANUFACTURING CONTROLS

On page 30, line 10, strike out all following the semicolon down through line 23 and insert in lieu thereof the following: "or (B) if it is a drug and the methods used in, or the facilities or personnel or controls used for, its manufacture, processing, packing, or holding were inadequate (as determined in accordance with regulations promulgated by the Secretary on the basis of good manufacturing practice) (i) to insure that its identity and strength do not differ from, and that its purity, quality, and efficacy do not fall below, those which it purports or is represented to possess, or (ii) to insure that it will not be injurious to health when used in accordance with directions for use on its labeling, or when used in accordance with a prescription of a licensed practitioner (which prescription is consistent with its labeling), or (iii) to insure that its labeling is not such as to cause it to be adulterated or misbranded;".

(b) Section 701(e) of such Act is amended by striking out, in the first sentence, "501 (b)" and insert in lieu thereof "501 (a) or (b)".

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the President's amendment No. 3, relating to new-drug clearance procedure, and the amendment. The amendment is identical to the provisions of the original version of S. 1552.

The PRESIDING OFFICER. Without objection, the explanation and the amendment will be printed in the RECORD.

The explanation and the amendment are as follows:

AMENDMENT 3—NEW-DRUG CLEARANCE PROCEDURE

It is possible, under existing law, for a new-drug application to become effective automatically (60 or 180 days after filing) without approval by FDA and before that agency is satisfied as to the safety of the product. In so critical an area as drug safety, no automatic clearance should be possible, theoretically or in practice.

Section 6 of S. 1552 does not foreclose this possibility. Moreover, the bill, while eliminating the present statutory time limit insofar as the actual hearing period is concerned if a formal hearing is held on the application, still places an arbitrary time limit (90–180 days) on initial action by the Department and on the Department's preparation for hearing thereafter (30 days).

We fully support the attached amendment which eliminates all time limits with respect to a new-drug application. No new drug could be marketed legally unless and until the Secretary (subject to judicial review) was satisfied as to its safety and efficacy no matter how long it took him to reach that conclusion (so long as he did not act in an arbitrary or capricious manner).

In addition, the judicial review procedures of this Harris bill (sec. 104(d)) should be incorporated in S. 1552. These provisions would permit direct appeal to the U.S. court of appeals as provided in other comparable parts of the Federal Food, Drug, and Cosmetic Act. The attached amendment includes the necessary language.

AMENDMENT 3—NEW-DRUG CLEARANCE PROCEDURE

On page 31, insert "(a)" after "Sec. 6." in line 2; and strike out lines 5 through 18 and insert in lieu thereof the following:

"(c) No application filed under subsection (b) shall become effective until the Secretary has (1) determined, after the conduct of such investigation and tests as he may consider necessary, that the new drug described in that application is safe for use and is effective in use, under conditions prescribed, recommended, or suggested in the labeling thereof, and (2) transmitted to the applicant in writing notice of his determination."

(b) (1) The first four sentences of subsection (h) of such section 505 are amended to read as follows:

"(b) An appeal may be taken by the applicant from an order of the Secretary refusing to declare an application to be effective or revoking the effectiveness of an application under this section. Such appeal shall be taken by filing in the United States court of appeals for the circuit wherein such applicant resides or has his principal place

of business, or in the United States Court of Appeals for the District of Columbia Circuit, within sixty days after the entry of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose, and thereupon the Secretary shall certify and file in the court the record upon which the order complained of was entered, as provided in section 2112 of title 28, United States Code. Upon filing of such petition such court shall have exclusive jurisdiction to affirm or set aside such order, except that until the filing of the record the Secretary may modify or set aside his order."

(2) The ninth sentence of such subsection (h) is amended to read as follows: "The judgment of the court affirming or setting aside any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code."

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the President's amendment No. 4, effectiveness and safety of new drugs. The amendment is virtually the same as that contained in the original bill approved by the Subcommittee on Antitrust and Monopoly.

The PRESIDING OFFICER. Without objection, the explanation and the amendment will be printed in the RECORD.

The explanation and the amendment are as follows:

AMENDMENT 4—EFFECTIVENESS AND SAFETY OF NEW DRUGS

Definition of "new drug"

Section 8 of S. 1552 does not add to the definition of the term "new drug" in existing law the concept of "effectiveness." This is necessary in order to assure that all new drugs will have to be proved effective as well as safe for the uses for which they are offered as is provided in the Harris bill.

The Harris bill also contains appropriate transitional provisions which would require a commercially established drug to go through the "new drug" process only (a) where we find that there is substantial doubt as to its efficacy, (b) where the new-drug clearance has been withdrawn on other grounds, or (c) where an amended new-drug application is submitted. With these provisions, it would make clear that the amendment to the definition of "new drug" would not require the resubmission of all the thousands of "new drugs" hitherto cleared for the market in order to obtain reclearance for efficacy.

Standard of proof of effectiveness

Section 8 of S. 1552 requires "substantial evidence" of effectiveness to be submitted with each new-drug application. This standard of proof is inadequate in terms of assuring that drugs that reach the market have been shown to be effective for the claims made for them.

Additional grounds for suspension or withdrawal of approved new-drug applications

Section 8(c) of S. 1552 authorizes the Secretary, after notice and opportunity for hearing, to suspend the effectiveness of a new-drug application when new evidence raises a "substantial doubt" as to the safety of the product.

The Harris bill grants similar authority, but does not require new evidence. In addition, the Harris bill extends this authority to suspend when—

(a) records and reports, such as are required in section 7 of S. 1552, are not maintained;

(b) quality manufacturing controls, such as are required in section 5 of S. 1552, are not maintained; and

(c) a substantial doubt of efficacy exists.

Also, the Harris bill would authorize the immediate suspension of a new drug application on a finding that there is an imminent hazard to the public health.

Attached are amendments to section 8 of S. 1552 which would bring it into conformity with the Harris bill insofar as the effectiveness and safety of new drugs are concerned.

AMENDMENT 4—EFFECTIVENESS AND SAFETY OF NEW DRUGS

Amend section 8 (beginning on p. 35, line 15, down through p. 38, line 11) to read as follows:

"Effectiveness and safety of new drugs

"(a) Section 201(p)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(p)(1) defining the term 'new drug', is amended by (A) inserting therein, immediately after the words, 'to evaluate the safety', the words 'and effectivness', and (B) inserting therein, immediately after the words 'as safe', the words 'and effective'.

"(b) Section 201(p)(2) of that Act is amended by inserting therein, immediately after the word 'safety', the words 'and effectiveness'.

"(c) (1) The first sentence of Section 505(b) of such Act (21 U.S.C. 355(b)) is amended to read as follows: 'Any person may file with the Secretary an application for determination by the Secretary of the safety and effectiveness of any drug subject to the provisions of subsection (a).'

"(2) The second sentence of such section 505(b) is amended by inserting the words 'and effective' after 'safe' in clause (1) thereof.

"(d) Section 505(d) of such Act (21 U.S.C. 355(d)) is amended by—

"(1) inserting 'and effective' after 'safe' in clause (1) thereof;

"(2) inserting in clause (2) thereof the words 'or ineffective' after the word 'unsafe' and the words 'and effective' after the word 'safe';

"(3) striking out the words 'and purity' in clause (3) thereof and inserting in lieu thereof the words 'purity, safety, and effectiveness';

"(4)(A) inserting in clause (4) thereof the words 'and effective' after the word 'safe';

"(B) striking out in such clause the phrase ', he shall, prior to the effective date of the application, issue an order refusing to permit the application to become effective', and inserting in lieu thereof the following: 'or (5) the proposed labeling of such drug is false or misleading in any particular, he shall issue an order refusing to declare the application to be effective. If, after such notice and hearing, the Secretary finds that clauses (1) through (5) do not apply and makes the determination required under subsection (c), he shall issue an order declaring the application to be effective'.

"(e) Section 505(e) of such Act (21 U.S.C. 355(e)) is amended to read as follows:

"'(e) The Secretary shall, after due notice and opportunity for hearing to the applicant, revoke the effectiveness of an application with respect to any drug under this section if the Secretary finds (1) that clinical or other experience, tests, or other scientific data show that such drug is unsafe or ineffective, or show that there is substantial doubt as to the safety or effectiveness of such drug, for use under the conditions of use upon the basis of which the application was approved, or (2) that the application contains any untrue statement of a material fact, or (3) that the applicant has failed to establish or maintain any required records, or to make any required report, in accordance with an applicable regulation or order under subsection (j), or that the applicant or any person under his control has refused to permit access to, or copying or verification of, any such record as required by paragraph (2) of such subsection, or (4) that the methods used in, or the facilities and controls used for, the manufacture processing, and packing of such drug are then inadequate to assure and preserve its identity, strength, quality, purity, safety, and effectiveness, or (5) that the labeling of such drug is false or misleading in any particular, or (6) that any condition attached to approval of the application has been violated: *Provided,* That if the Secretary finds that there is an imminent hazard to the public health, he may suspend the effectiveness of such application immediately upon notice, pending the opportunity for hearing required by this subsection. The order shall state the findings upon which it is based.'

"(f) Section 505(f) of such Act (21 U.S.C. 355(f)) is amended to read as follows:

"'(f) An order refusing to declare an application with respect to any drug to be effective shall be revoked, and such application declared to be effective, whenever the Secretary finds that the facts so require.'

"(g)(1) Except as otherwise provided in this subsection, the amendments made by the foregoing provisions of this section shall take effect on the date of enactment.

"(2) The amendments made by section 6 and by this section to section 201(p), and to subsections (b), (c), and (d) of section 505, of the Federal Food, Drug, and Cosmetic Act, insofar as such amendments relate to the effectiveness of drugs, shall not apply to any drug intended for use under conditions prescribed, recommended, or suggested in labeling covered by an application with respect to such drug under section 505 of such Act which application was effective on the day immediately preceding the date of enactment of this Act, so long as amendment of such application is not proposed and the effectiveness of such application has not been suspended or revoked under section 505 of such Act as amended by this Act."

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the President's amendment No. 5, relating to conspicuousness and standardization of official names. I have already discussed this matter.

The PRESIDING OFFICER. Without objection, the explanation and the amendment will be printed in the RECORD.

The explanation and the amendment are as follows:

AMENDMENT 5—CONSPICUOUSNESS AND STANDARDIZATION OF OFFICIAL NAMES

Conspicuousness of official names

Section 9 of S. 1552 provides that the "official name" of a drug (either the one established by the Secretary in section 10 or the one identified in an official compendium) be printed in a manner complying with existing law which requires, in general terms, "prominence and conspicuousness". This adds nothing to existing law and in fact rolls it back in two respects:

First, section 9 would repeal the requirement of existing law that the "common or usual" name appear on the label if there is no official name. This would allow virtually all proprietary drugs to be marketed without a declaration of the ingredients.

Second, section 9 would exempt small packages from the name disclosure requirement of existing law.

The Harris bill (sec. 112) contains neither of these "rollbacks" and, in fact, requires the "generic" name to be printed in type at least as large and prominent as that used for the trade name and be given precedence in position as well, as is already true of biological drugs.

Attached is an amendment substituting section 112 of the Harris bill for section 9 of S. 1552.

Standardization of official names

Section III of the Harris bill should likewise be substituted for section 10 of S. 1552 inasmuch as the procedures for drug nomenclature standardization of that section are unnecessarily cumbersome.

Attached is an amendment substituting section 111 of the Harris bill for section 10 of S. 1552.

AMENDMENT ON CONSPICUOUSNESS AND STANDARDIZATION OF DRUG NAMES

Commencing on page 38, line 12 strike out all down through and including line 24, page 41, and insert in lieu thereof the following:

"Name to be used on drug label

"SEC. 9. (a) Paragraph (e) of section 502 of such Act is amended by—

"(1) inserting the subparagraph designation '(1)' after '(e);'

"(2) striking out the words 'If it is a drug and is not designated solely by a name recognized in an official compendium unless its label bears (1) the common or usual name of the drug, if such there be; and (2), in case it is fabricated from two or more ingredients, the common or usual name of each active ingredient', and inserting in lieu thereof 'If it is a drug, unless (A) its label bears, to the exclusion of any other nonproprietary name (except the applicable systematic chemical name or the chemical formula), (i) the established name (as defined in subparagraph (2)) of the drug, if such there be, and (ii), in case it is fabricated from two or more ingredients, the established name and quantity of each active ingredient;

"(3) striking out the words 'the name' and inserting in lieu thereof the words 'the established name';".

Commencing on page 38, line 12, strike out all down through and including line 24, page 41, and insert in lieu thereof the following:

"Name to be used on drug label

"SEC. 9. (a) Paragraph (e) of section 502 of such act is amended by—

"(1) inserting the subparagraph designation '(1)' after '(e);'

"(2) striking out the words 'If it is a drug and is not designated solely by a name recognized in an official compendium unless its label bears (1) the common or usual name of the drug, if such there be; and (2), in case it is fabricated from two or more ingredients, the common or usual name of each active ingredient', and inserting in lieu thereof 'If it is a drug, unless (A) its label bears, to the exclusion of any other nonproprietary name (except the applicable systematic chemical name or the chemical formula), (i) the established name (as defined in subparagraph (2)) of the drug, if such there be, and (ii), in case it is fabricated from two or more ingredients, the established name and quantity of each active ingredient';

"(3) striking out the words 'the name' and inserting in lieu thereof the words 'the established name';

"(4) inserting before the colon preceding the proviso the following: '; and (B) the established name of such drug or ingredient, as the case may be, on such label (and on any labeling on which a name for such drug or ingredient is used) is given precedence in position over any proprietary name or designation for such drug or ingredient and is in type at least as large and prominent as that used for such proprietary name or designation';

"(5) striking out the words 'clause (2) of this paragraph' in the proviso to such paragraph and inserting in lieu thereof 'clause (A) (ii) or clause (B) of this subparagraph'; and

"(6) adding at the end of such paragraph the following new subparagraph:

"'(2) As used in this paragraph (e), the term "established name", with respect to a drug or ingredient thereof, means (A) the applicable standard name established pursuant to section 509, or (B), if there is no such name and such drug, or such ingredient, is an article recognized in an official compendium, then the official title thereof in such compendium, or (C) if neither clause (A) nor clause (B) of this subparagraph applies, then the common or usual name, if any, of such drug or of such ingredient: *Provided further*, That where clause (B) of this subparagraph applies to an article recognized in the United States Pharmacopoeia and in the Homoeopathic Pharmacopoeia under different official titles, the official title used in the United States Pharmacopoeia shall apply unless it is labeled and offered for sale as a homoeopathic drug, in which case the official title used in the Homoeopathic Pharmacopoeia shall apply.'

"(b) Section 502(g) of such Act is amended by inserting immediately before the period at the end thereof a colon and the following proviso: '*Provided further*, That, in the event of inconsistency between the requirements of this paragraph and those of paragraph (e) as to the name by which the drug or its ingredients shall be designated, the requirements of paragraph (e) shall prevail.'

"(c) This section shall take effect on the first day of the seventh calendar month following the month in which this Act is enacted.

"Authority to standardize names

"SEC. 10. The Federal Food, Drug, and Cosmetic Act, as amended by this Act, is further amended by adding at the end of chapter V the following new section:

"'SEC. 509. Whenever in the judgment of the Secretary such action is necessary or desirable in the interest of achieving usefulness or simplicity of drug nomenclature, or because of the existence of two or more nonproprietary names (other than the systematic chemical name) for the same drug (or for two or more drugs which are identical in their active ingredients and substantially identical in their pharmacological action, strength, quality, and purity), or because the common or usual name of a drug is misleading, confusing, or not sufficiently informative, or because there exists no common or usual name for a drug, he may promulgate regulations establishing a single standard name for such drug (or for such identical drugs), together with any related or additional information which in the judgment of the Secretary is desirable to facilitate the correct and effective uses of such standard name.'"

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the President's amendment No. 6, relating to advertising, and the amendment.

The PRESIDING OFFICER. Without objection, the explanation and the amendment will be printed in the RECORD.

The explanation and the amendment are as follows:

AMENDMENT 6—ADVERTISING

S. 1552 contains no provision designed to eliminate misleading drug advertisements directed to doctors. Such advertisements should be required to make fair disclosure to physicians of the information (good or bad) needed to permit them to do a better job of selecting drugs for use in their practice.

We are in complete support of the attached amendment to S. 1552 which would deem a drug "misbranded" unless advertisements and other descriptive printed matter with respect to such drug contain the official name thereof prominently in addition to information on harmful side effects and effectiveness.

ADVERTISING AMENDMENT

On page 42, line 5, change the word "paragraph" to "paragraphs", and immediately after line 18 add the following new paragraph:

"(p) In the case of any prescription drug distributed or offered for sale in any State, unless the manufacturer, packer, or distributor thereof includes in all advertisements and other descriptive printed matter issued or caused to be issued by the manufacturer, packer, or distributor, with respect to that drug (A) the official name thereof printed prominently and in type at least half as large as that used for any trade or brand name thereof, (B) a warning or summary thereof prepared with the approval of the Secretary as to any dangerous or harmful property or effect thereof, and (C) a full and correct statement of its efficacy, or summary thereof prepared with the approval of the Secretary."

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the President's amendment No. 7, relating to certification of antibiotics, and the amendment.

The PRESIDING OFFICER. Without objection, the explanation and amendment will be printed in the RECORD.

The explanation and the amendment are as follows:

AMENDMENT 7—CERTIFICATION OF ANTIBIOTICS

Section 12 of S. 1552, while extending certification requirements of existing law to all antibiotics, is objectionable in that—

(a) the extension excludes veterinary antibiotics, thus complicating the enforcement problem in tracking down food contaminated by use of unfit veterinary antibiotics;

(b) the criteria required to be considered in granting exemptions from the certification requirements unnecessarily substitute rigid standards for the scientific judgment of FDA; and

(c) the prohibition against referring on the labeling to the fact that the antibiotic is from a certified batch works unfair disadvantage to small manufacturers, who cannot afford large promotional campaigns.

Section 105 of the Harris bill contains none of these restrictive limitations and should be substituted for section 12 of S. 1552. The attached amendment on certification of antibiotics would bring the bill into conformity with the Harris bill.

CERTIFICATION OF ANTIBIOTICS AMENDMENT

Amend section 12, page 43, line 9, to page 45, line 15, to read as follows:

"Certification of all antibiotics

"SEC. 12. (a) The heading of section 507, as amended, of such Act is further amended to read 'Certification of Drugs Containing Antibiotics', and the first sentence of subsection (a) of such section 507 is amended

to read as follows: 'The Secretary of Health, Education, and Welfare, pursuant to regulations promulgated by him, shall provide for the certification of batches of drugs composed wholly or partly of any kind of penicillin, streptomycin, chlortetracycline, chloramphenicol, or bacitracin or any derivative thereof, or composed wholly or partly of any other kind of antibiotic substance (including the chemically synthesized equivalent of any such substance).'

"(b) Paragraph (1) of section 502 of such Act is amended to read as follows:

"'(1) If it is, or purports to be, or is represented as a drug composed wholly or partly of any kind of penicillin, streptomycin, chlortetracycline, chloramphenicol, or bacitracin, or any derivative thereof, or a drug composed wholly or partly of any other kind of substance within the purview of section 507, unless (1) it is from a batch with respect to which a certificate or release has been issued pursuant to section 507, and (2) such certificate or release is in effect with respect to such drug: *Provided*, That this paragraph shall not apply to any drug or class of drugs exempted by regulations promulgated under section 507 (c) or (d).'

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of a further amendment proposed to be offered by Senators CARROLL, HART, DODD, LONG of Missouri and myself. The Senator from New York [Mr. KEATING] and I have discussed this subject. The amendment authorizes the Secretary of Health, Education, and Welfare to require animal testing, if the Secretary seems it necessary, and to require that those engaged in clinical testing maintain and submit to the Department records and reports. I ask unanimous consent that the amendment and a letter of explanation from me to the above Senators be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, the letter and amendment will be printed in the RECORD.

The letter and amendment are as follows:

JULY 31, 1962.

DEAR SENATOR: As a member of the Judiciary Committee who joined me in urging the adoption of several strengthening amendments to S. 1552, the Drug Industry Act, I request your support for an additional strengthening amendment which an investigation into the facts surrounding the thalidomide disaster has now convinced me is necessary. This is an amendment to authorize the Secretary of Health, Education, and Welfare to require "adequate tests in animals" and to give him the authority to approve such tests "before a new drug may be distributed by a manufacturer to scientific experts for testing and evaluation of its effects in human beings."

Amendment No. 3 of our report on the drug bill would go a long way toward meeting the problem raised by the thalidomide episode, but after studying the FDA file on this drug I believe there is need for a further amendment.

The reasons why I have come to this conclusion may be briefly summarized as follows: Under the present law a new drug application becomes effective automatically in 60 days unless it is disapproved or the Secretary postpones its effective date "to such time (not more than 180 days after the filing thereof) as the Secretary deems necessary to enable him to study and investigate the issue." The substantive change in the bill as reported by the Judiciary Committee is to extend the 60-day period to 90 days. Under S. 1552 as originally reported by the Antitrust Subcommittee and under our amendment No. 3 no time limit would be imposed; the new drug application would not become effective until the Secretary had determined the drug to be "safe for use and * * * efficacious in use under conditions prescribed, recommended, or suggested in the labeling thereof."

As is set forth in our dissenting views, the need for this amendment is to remove the cruel dilemma under which the physicians in the new drug division now labor: either the drug is approved for sale automatically or they must formulate and be able to support objections within an unduly short period of time. The problem would be much the same regardless of whether the time period was 60 days or 90 days.

With the automatic approval feature removed, it had been my expectation that the FDA's physicians would be able to call for, receive, and have time to analyze those types of data which they would regard as necessary for a careful appraisal of each individual drug. Presumably the types of data required would vary somewhat from drug to drug. Where, as in the case of thalidomide, there are grounds, theoretical or otherwise, for suspecting its lack of safety or effectiveness, they could not only require animal testing but make it quite clear that no consideration would be given to tests on humans until satisfactory animal studies had been completed.

While such a change in the law, accompanied by an increase in funds for the new-drug division, would in most cases provide adequate protection for the public, my inspection of the thalidomide file has convinced me of the need for a further amendment. Although most drug companies, I am sure, would defer to a request from the FDA for animal tests prior to tests on humans, there may be others who would do so only if the request were backed up by specific statutory power. The zeal of the Wm. S. Merrell Co. to get thalidomide on the U.S. market, its noncooperative attitude toward the FDA displayed throughout the file, and its continuous and high-handed pressures on the physician handling the application, Dr. Frances Kelsey, raise a serious question as to whether the company would have deferred to a request, not specifically required by law, which would have further delayed the introduction of the drug.

This is particularly the case since the company did make animal tests on mice and rats. But to disclose whether thalidomide had the specific side effect feared by Dr. Kelsey, the company would have been required to make studies on larger animals in the early stages of pregnancy.

The most tragic aspect of the entire thalidomide history is that, had such studies been made, the horror could have been averted. This is proved beyond doubt by studies of rabbits by the British seller of the product, Distillers Corp., made unfortunately after the drug had been widely used in humans and after it had been identified as the cause of the malformed infants. Reporting in the English medical journal, the Lancet, (Apr. 28, 1962), Dr. G. F. Somers notes that experiments in rats showed no malformations but that, "Now we have succeeded in producing deformities in rabbits remarkably similar to those seen in humans." More than half of the litter of the mother rabbits given thalidomide were born deformed. None of the litter of the control rabbits, i.e., those of the same colony not given thalidomide, were born deformed. Dr. Somers goes on to state, "No deformities of this kind have been previously observed in the colony, involving the breeding of over 1,000 progeny, and our chief animal technician, Mr. R. E. Hughes, states that he has never seen anything like this during 50 years' experience of rabbit breeding."

The question is how to require that this very type of testing be done, where FDA regards it as necessary, before the drug is released for use in humans, either on an experimental basis or for sale on the market. It is my judgment, with which I hope you will concur, that the seriousness of the problem warrants an additional amendment along the lines of the proposal which I am attaching hereto in draft form.

Sincerely yours,

ESTES KEFAUVER,
Chairman.

AMENDMENT TO S. 1552

On page 32, line 17, add after "Secretary" the following new sentences:

"Such regulations shall include provisions for adequate tests in animals and approval by the Secretary of the results of such tests before a new drug may be distributed by a manufacturer to scientific experts for testing and evaluation of its effects in human beings. Such regulations shall also include provisions requiring said experts to register with the Secretary, to keep records with respect to the tests performed, and to furnish to the Secretary simultaneous copies of their reports to the manufacturer and, upon request of the Secretary, reports at other times."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S.1771. An act to improve the usefulness of national bank branches in foreign countries;

S. 2869. An act to amend chapter 31 of title 38, United States Code, to afford additional time during which certain veterans blinded by reason of a service-connected disability may be afforded vocational rehabilitation training;

S. 2978. An act to authorize the Foreign Claims Settlement Commission of the United States to investigate the claims of citizens of the United States who suffered property damage in 1951 and 1952 as the result of the artificial raising of the water level of Lake Ontario;

S. 3109. An act to amend chapter 17 of title 38, United States Code, in order to authorize hospital and medical care for peacetime veterans suffering from noncompensable service-connected disabilities; and

S. 3525. An act to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW., in the District of Columbia, and for other purposes.

PACIFIC NORTHWEST POWER PREFERENCE

Mr. JACKSON. Mr. President, I fully appreciate the importance of the discussion of subject which has occupied the attention of Senators. We are all deeply aware that what has happened in recent days and weeks requires the need for urgent action on the part of the Senate. However, I wish to suggest that the Senate now proceed with another subject.

Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1707, Senate bill 3153.

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

The LEGISLATIVE CLERK. A bill (S. 3153) to guarantee electric consumers in

the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 8, line 12, after the word "thereof.", to insert "Nothing in this Act shall be construed to modify the geographical preference of power users in the State of Montana which is established by the Hungry Horse Dam Act (Act of June 4, 1944, 58 Stat. 270), as amended."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, as used in this Act—

(a) "Secretary" means the Secretary of the Interior.

(b) "Pacific Northwest" means (1) the region consisting of the States of Oregon and Washington, the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming within the Columbia drainage basin and of the State of Idaho as the Secretary may determine to be within the marketing area of the Federal Columbia River power system, and (2) any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative which has (i) no generating facilities, and (ii) a distribution system from which it serves both within and without said region.

(c) "Surplus energy" means electric energy generated at Federal plants in the Pacific Northwest which would otherwise be wasted because of the lack of a market therefor in the Pacific Northwest at any established rate.

(d) "Surplus peaking capacity" means electric peaking capacity at Federal plants in the Pacific Northwest for which there is no demand in the Pacific Northwest at any established rate.

(e) "Non-Federal utility" means any utility not owned or controlled by the United States, including any entity (i) which such a utility owns or controls, in whole or in part, or is controlled by, (2) which is controlled by those controlling such utility, or (3) of which such utility is a member.

(f) "Energy requirements of any Pacific Northwest customer" means the full requirements for electric energy of (1) any purchaser from the United States for direct consumption in the Pacific Northwest, and (2) any non-Federal utility in that region in excess of (i) the hydroelectric energy available for its own use from its generating plants in the Pacific Northwest, and (ii) any additional energy available for use in the Pacific Northwest which, under a then existing contract, the utility (A) can obtain at no higher incremental cost than the rate charged by the United States, or (B) is required to accept.

SEC. 2. Subject to the provisions of this Act, the sale, delivery, and exchange of electric energy generated at, and peaking capacity of, Federal plants in the Pacific Northwest for use outside the Pacific Northwest shall be limited to surplus energy and surplus peaking capacity.

SEC. 3. (a) Any contract for the sale or exchange of surplus energy for use outside the Pacific Northwest, or as replacement, directly or indirectly, within the Pacific Northwest for hydroelectric energy delivered for use outside that region by a non-Federal utility, shall provide that the Secretary, after giving the purchaser notice not in excess of seven days, will not deliver electric energy under such contract whenever it can reasonably be foreseen that such delivery would impair his ability to meet, either at or after the time of such delivery, the energy requirements of any Pacific Northwest customer. The purchaser shall obligate himself not to take delivery of or use any such energy to supply any load under such conditions that discontinuance of deliveries from the Pacific Northwest in seven days would cause undue hardship to the purchaser or in his territory, and, further, the purchaser shall acknowledge full responsibility if any such hardship occurs. Deliveries by a non-Federal utility from its generating plants in the Pacific Northwest for use on its own distribution system in an area outside but contiguous to the Pacific Northwest (not including any extension of its outside service area by merger or acquisition after the effective date of this Act) shall not be deemed deliveries by such utility for use outside the Pacific Northwest.

(b) Electric energy generated at Federal plants in the Pacific Northwest which can be conserved, for which there is no immediate demand in the Pacific Northwest at any established rate, but for which the Secretary determines there may be a demand in meeting the future requirements of the Pacific Northwest, may be delivered for use outside that region only on a provisional basis under contracts providing that if the Secretary determines at a subsequent time that, by virtue of prior deliveries under such contract, the Secretary is or will be unable to meet the energy requirements of any Pacific Northwest customer, the purchaser will return the full amount of energy delivered to him, or such portion or portions thereof as may be required, at such time or times as may be specified by the Secretary, except that the Secretary shall not require return during the purchaser's daily peak periods. The Secretary shall require the return of the energy provisionally delivered hereunder, to such extent and at such times, as may be necessary to meet demands at any established rate for use within the Pacific Northwest.

(c) Any contract for the disposition of surplus peaking capacity shall provide that (1) the Secretary may terminate the contract upon notice not in excess of forty-eight months, and (2) the purchaser shall advance or return the energy necessary to supply the peaking capacity, except that the Secretary shall not require such advance or return during the purchaser's daily peak periods. The Secretary may contract for the sale of such energy to the purchaser, in lieu of its return, under the conditions prescribed in subsection (a) of this section.

(d) The Secretary, in making any determination of the energy requirements of any Pacific Northwest customer which is a non-Federal utility having hydroelectric generating facilities, shall exclude any amounts of hydroelectric energy generated in the Pacific Northwest and disposed of outside the Pacific Northwest by the utility which, through reasonable measures, could have been conserved or otherwise kept available for the utility's own needs in the Pacific Northwest. The Secretary may sell the utility as a replacement therefor only what would otherwise be surplus energy.

SEC. 4. Any contract of the Secretary for the sale or exchange of electric energy generated at, or peaking capacity of, Federal plants in marketing areas outside the Pacific Northwest for use within the Pacific Northwest shall be subject to limitations and conditions corresponding to those provided in sections 2 and 3 for any contract for the sale or exchange of electric energy or peaking capacity generated within the Pacific Northwest for use outside the Pacific Northwest.

SEC. 5. Without regard to the limitations specified in sections 2 and 3 of this Act, the Secretary may enter into contracts for the exchange with areas other than the Pacific Northwest of (1) surplus energy during the Pacific Northwest storage refill period, (2) any energy during the Pacific Northwest storage refill period which will be returned to the Pacific Northwest in equal amounts during the same Pacific Northwest refill period or the succeeding storage drawdown period, (3) any energy which will be returned to the Pacific Northwest in equal amounts during the same Pacific Northwest storage drawdown period, (4) peaking capacity, or (5) surplus peaking capacity for energy. All benefits from such exchanges, including resulting increases of firm power, shall be shared equitably by the areas involved, having regard to the secondary energy and other contributions made by each.

SEC. 6. Any capacity in Federal transmission lines connecting, either by themselves or with non-Federal lines, a generating plant in the Pacific Northwest or Canada with the other area or with any other area outside the Pacific Northwest, which is not required for the transmission of Federal energy or the energy described in section 8, shall be made available as a carrier for transmission of other electric energy between such areas. The transmission of other electric energy shall be at equitable rates determined by the Secretary, but such rates shall be subject to equitable adjustment at appropriate intervals not less frequently than once in every five years as agreed to by the parties. No contract for the transmission of non-Federal energy on a firm basis shall be affected by any increase, subsequent to the execution of such contract, in the requirements for transmission of Federal energy, the energy described in section 8, or other electric energy.

SEC. 7. The Secretary shall offer to amend, without imposing any other requirement as a condition to such amendment, all existing contracts for the sale or exchange of electric power generated at Federal plants in the Pacific Northwest to include, and shall include in all new contracts, provisions giving the purchaser priority on electric power generated at such plants in conformity with the provisions of this Act.

SEC. 8. The provisions of this Act shall not be applicable to (1) the Canyon Ferry project and (2), except as provided in section 6, downstream power benefits to which Canada is entitled under the treaty between Canada and the United States relating to the cooperative development of the water resources of the Columbia River Basin, signed at Washington, January 17, 1961, nor to energy or capacity disposed of to Canada in any exchange pursuant to paragraph 1 or 2 of article VIII thereof. Nothing in this Act shall be construed to modify the geographical preference of power users in the State of Montana which is established by the Hungry Horse Dam Act (Act of June 4, 1944, 58 Stat. 270), as amended.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. JACKSON. Mr. President, I shall state the reasons why the Committee on Interior and Insular Affairs reported S. 3153 to the Senate.

The purpose of this bill is to provide a means for the Pacific Northwest to

solve a rather complicated problem of marketing its surplus of seasonal, or dump, hydroelectricity. At the same time, the bill would clear the way for other areas to benefit from the purchase of this surplus hydroelectricity.

This problem is unique to the Northwest which unlike any other area, generates 96 percent of its electricity by waterpower.

The region has a predicted shortage in 1965–66 of firm power—that is, power, that its dams could produce if critical waterflows would reoccur in the Columbia River that year.

On the other hand, the Northwest now has, and for many years will continue to have, large surpluses of seasonal or dump power—power which is available when streamflows are normal, but is not available in a critical water year.

This year, and last year, for example, the region produced about 15 billion kilowatt-hours of this secondary energy which had to be wasted.

In terms of dollars, the Bonneville Power Administration was forced last year, and again this year, to waste more than $30 million of this seasonal power by spilling it over the dams.

From a national standpoint, as well as a regional standpoint, this waste of energy and dollars should stop. All segments of the electric industry in the Northwest—public power and private power—agree that this bill is necessary to help end such waste.

The marketing of hydroelectricity produced at Federal dams on the Columbia River system is different from that of any other Federal dam in the West. Whereas other Federal projects sell virtually all of their firm power to public agencies and cooperatives, the Bonneville Power Administration does not.

BPA, of course, serves all of the public agencies and cooperatives in its marketing area—which presently includes the States of Washington and Oregon; northern Idaho, and western Montana. Most of these public agency customers, I might say, are located in the State of Washington. Presently about 38 percent of BPA's power sales are to preference customers.

Historically, a large proportion of the BPA's sales—more than 50 percent—have been to private utilities and private industries. At the present time its sales to these nonpreference customers comprise approximately 51 percent of its total energy sales.

With the concurrence of Congress, Bonneville Power Administration has built one of the greatest high voltage transmission systems in the world to serve these public and private loads. This system represents an investment of $500 million being paid for by the customers of the Bonneville Power Administration.

In reliance on a continued supply of firm power from Bonneville, industrial companies have made large investments in plant facilities—investments of approximately $450 million. These factories, directly and indirectly, employ 40,000 men and women. Such companies as these: Carborundum—silicon carbide; Alcoa—aluminum pig, rods, and wire; Pennsalt—chlorine, ammonia, and other chemicals; Union Carbide—ferromanganese; Victor Chemical—phosphorus.

We have, therefore, this situation: Our area needs to sell the seasonal or dump energy now being wasted to the extent of $30 million every year. But, at the same time, these sales must be made on such a basis that they do not threaten the firm power supply on which long-established industries and private utilities rely.

The difficulty under existing laws of accomplishing these two goals has been recognized for many years. In the 80th Congress, the distinguished junior Senator from California [Mr. ENGLE] introduced the first bill attempting to solve the problem—H.R. 6367, 80th Congress, 2d session.

In 1959 and 1960, the Senate Committee on Interior and Insular Affairs held hearings on a proposal of the Pacific Gas & Electric Co. to build a line interconnecting with the Bonneville transmission system. At the hearings, we received statements from the Governors of Oregon, Washington, and California, and from many of the public and private utilities in these three States.

The 1959–60 hearings revealed that if the proposed interconnection were built, it could result in an extension into California of the Bonneville Power Administration's marketing area. This, in turn, could result in demands from California public agencies, serving from 20 to 25 percent of the State's electric loads, that would threaten the industrial power base of the Northwest.

To put it another way: The Bonneville Power Administration under present law could not sell its seasonal or dump power to California customers and be assured that it could terminate such sales in the event of a recurrence of low-water conditions in the Columbia River.

The committee therefore requested the Secretary of the Interior not to sign a power sales contract with P. G. & E.—but, instead, to draft a proposed bill to remedy this difficulty in the present laws. S. 3153 is what the Secretary and the President have recommended in response to the committee's request.

This bill has been drafted and redrafted many times after the most careful study by Bonneville, the public agencies, the private utilities, Bonneville's industrial customers, and the Governors of Oregon, Washington, and California. It was supported before the committee by the public agencies and private utilities of the Northwest, by BPA's industrial customers, and by the public agencies of California. Governor Rosellini of Washington and Governor Hatfield of Oregon have endorsed the bill—the latter, subject to clarifying amendments which he feels desirable.

In summary, Senate bill 3153 sets forth a legislative definition of the Bonneville marketing area. It includes all of BPA's present marketing area, and leaves to the discretion of the Secretary of the Interior the addition of the parts of the Columbia Basin not presently served by Bonneville.

As the law now stands, Congress has placed no limit on Bonneville's marketing area, other than "economic transmission distance". In 1937, when the Bonneville Project Act was adopted, the economic transmission distance was about 200 miles. The Bonneville Administrator testified before the committee that today the economic transmission distance is 2,000 miles.

Obviously, Bonneville could not take care of all the electric loads of public bodies and cooperatives within 2,000 miles, or even 1,000 miles, of the Columbia River. There is not that much power to be developed in the Northwest. Furthermore, it would be economically foolish to shut down industries now served by Bonneville, in order to serve a new customer located 1,000 miles away.

The marketing area described in Senate bill 3153 was carefully chosen because it makes economic sense. It is not a small area; in fact, it is probably the largest marketing area of any utility in the United States. It is three times the area of the TVA. On the other hand, the defined marketing area is of such a size that Bonneville can economically continue to serve the loads within it, and not spread so thin as to do no one any good.

Senate bill 3153 expressly permits BPA to sell surplus electric energy and peaking capacity outside its described marketing area but subject to recall when such electricity is needed within the marketing area.

There is a large market in California for this seasonal power. California, unlike the Northwest, generates most of its electricity by steam. Both public and private utilities in California want to purchase Northwest dump power for steam displacement.

Senate bill 3153 also permits larger term contracts for the shipment of seasonal surpluses of power back and forth between other areas. Large electrical interties permit utilities to make the most economic use of generating plants by taking advantage of seasonal or even daily diversities of loads between interconnected systems. Senate bill 3153 has been carefully drawn to allow this to be done. The result, of course, is that more power is made available to each interconnected system when it is needed.

This bill would assist the Bonneville Power Administration to solve the difficult financial problem now facing it. Bonneville has a surplus, estimated at $20 million at the close of the fiscal year ending June 30, 1962. But 5 years ago this surplus was almost $79 million. And here is the paradox: In every one of the past 5 years, while the surplus has been reduced, BPA has had to waste dump power worth far more than the annual deficit. In 1961, for instance, its annual deficit was about $15 million, and it spilled more than $30 million worth of water.

Senate bill 3153 is a key measure in Administrator Luce's program for turning BPA's current deficits into annual surpluses. Those who are genuinely concerned about Bonneville's financial problems should support this proposed legislation.

Let me correct a misimpression that a few persons seem to have about this bill and its relationship to the construction of extra-high-voltage interties by Federal agencies. This bill does not authorize the construction of such interties. Bonneville already has legal authority to construct lines anywhere within economic transmission distance of Columbia River plants. The bill is equally necessary regardless who constructs interties between the Bonneville system and other regions. Two private utilities have already announced a plan for building the first link in a Northwest-California intertie at 500,000 volts. Public agencies in both the Northwest and California are known to be considering the construction of as large or larger intertie between the two regions. It matters not who owns the lines—the need for this bill is the same.

In summary, these are the main points that commend S. 3153 for enactment by the Congress:

First. It will help end a waste of seasonal power presently worth $30 million per year.

Second. It will provide assurance to investors and employees of the basic industries that sales of seasonal power will not threaten their investment or their jobs.

Third. It will make practicable the shipment of large quantities of surplus power to other regions, with great savings to electric consumers of both public and private utilities.

Fourth. It has been carefully worked out by all segments of utility industry to provide a sensible, homogeneous Bonneville marketing area, and ground rules for the shipment of surpluses of power in and out of the area.

Mr. President, I recommend S. 3153 for passage by the Senate.

Mr. GOLDWATER. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The Senator's amendment is not in order until the committee amendments have been acted upon.

The Clerk will state the committee amendment.

The LEGISLATIVE CLERK. On page 8, line 12, insert language, beginning with the word "Nothing," down to page 8, line 16.

The PRESIDING OFFICER. Is there objection to the amendment?

Mr. METCALF. Mr. President, may I make a couple of comments on the committee amendment before the Senator from Arizona calls up his amendment?

The PRESIDING OFFICER. The Senator from Montana.

Mr. METCALF. Mr. President, the Senator from Washington has discussed the huge Bonneville power system, which is, as he has said, three times the area of the TVA. The purpose of the bill is to provide that the status quo in the Bonneville system will be maintained, and at the same time we will be able to dispose of the surplus power generated in the Bonneville system in other marketing areas outside the Columbia Valley region.

In the Columbia we have a happy marriage, a marriage of private, public, and non-Federal public power, of marketing the power there through the Northwest Power Pool.

For instance, in Montana we have Hungry Horse, the northernmost and the highest dam in the region, a Federal dam. Farther down the river we have Kerr Dam, one of the oldest Montana Power Co. dams in the area. Farther down the river there are Noxon Rapids Dam and Cabinet Gorge, built in Montana by the Washington Power Co. All of them are members of the Northwest Power Pool. All of them get along and benefit from the storage we have provided at Hungry Horse, and at the same time generate power for western Montana, northern Idaho, and eastern Washington and Oregon.

We want to maintain that status quo.

When Hungry Horse Dam was built, in the act authorizing Hungry Horse, which is chapter 234, 78th Congress, the following language is contained.

I ask unanimous consent that section 1 of that chapter be incorporated in the RECORD at this point in my remarks.

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

CHAPTER 234

An Act to provide for the partial construction of the Hungry Horse Dam on the South Fork of the Flathead River in the State of Montana, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of irrigation and reclamation of arid lands, for controlling floods, improving navigation, regulating the flow of the South Fork of the Flathead River, for the generation of electric energy, and for other beneficial uses primarily in the State of Montana but also in downstream areas, the Secretary of the Interior is authorized and directed to proceed as soon as practicable with the construction, operation, and maintenance of the proposed Hungry Horse Dam (including facilities for generating electric energy) on the South Fork of the Flathead River, Flathead County, Montana, to such a height as may be necessary to impound not less than one million acre-feet of water.

Mr. METCALF. When Hungry Horse was authorized, Congress provided that it was "for the purpose of irrigation and reclamation of arid lands, for controlling floods, improving navigation, regulating the flow of the South Fork of the Flathead River, for the generation of electric energy, and for other beneficial uses primarily in the State of Montana."

Since then we have had many acts dealing with Hungry Horse Dam. We have had appropriations. We have had discussions on the floor. We have had administrative decisions.

I have prepared a brief summary of the preference for Hungry Horse power, which was contained on pages 19 and 20 of the hearings, and I ask unanimous consent that it be incorporated in the RECORD at this point as a part of my remarks.

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

PREFERENCE TO MONTANA FOR HUNGRY HORSE POWER

1. Montana preference for Hungry Horse power is explicit in the authorizing legislation, and in justification of the appropriations for constructon.

2. Authorization for construction, the Mansfield Act (act of June 5, 1944, ch. 234, 53 Stat. 370) authorizes and directs construction of Hungry Horse Dam (including power-generation facilities) for, among other purposes "* * * the generation of electric energy, and for other beneficial uses primarily in the State of Montana * * *."

3. The priority position of Montana thus accorded in the authorizing legislation rests on—

(a) Full discussion by the project sponsors in the congressional hearing on H.R. 3570, 78th Congress;

(b) The report and testimony of the Department of the Interior; and

(c) The report of the House Committee on Irrigation and Reclamation that recommended enactment.

4. In the 78th Congress, Congressman (now Senator) MANSFIELD placed in the CONGRESSIONAL RECORD (Mar. 4, 1944, p. 2395) a full statement of the justification for Hungry Horse Dam authorization on the basis, among other reasons, of the needs of Montana for additional power supply.

5. In the hearings on H.R. 3570 (which became law) statements by (then) Congressman MANSFIELD (p. 6) and Senator Murray (pp. 16–22) explicitly state the purpose of providing electric generation to meet Montana needs. Comments during the hearing by committee members, Congressman (now Senator) Barrett and (former) Congressman O'Connor (p. 16 et seq.), clarify the intention to afford priority to Montana. Excerpts from testimony in the hearing relevant to Montana's priority for Hungry Horse power are in the CONGRESSIONAL RECORD (Apr. 20, 1944, p. 3663).

6. The report of the Department of the Interior on H.R. 3570 (letters of February 19, 1944, from Abe Fortas, Acting Secretary of the Interior, to Hon. Compton L. White and J. N. Bankhead, chairmen of the House and Senate Committees on Irrigation and Reclamation) also are explicit in recognition of Montana priority to Hungry Horse power. This recognition is shown in the Department report, by the recommended amending language that repeats the phrase "* * * primarily in the State of Montana * * *." The Department report further states that by marketing the energy through the Bonneville Power Administration "* * * abundant low-cost electric power can be made available throughout the area, including western Montana." Testimony in the hearing on H.R. 3570 by William E. Warne (then Assistant Commissioner of Reclamation), stated as a purpose of Hungry Horse Dam "* * * power production for use in Montana."

7. In the report of the House Committee on Irrigation and Reclamation recommending enactment (H. Rept. 1193, 75th Cong.), amending language was adopted including explicitly the phrase "* * * primarily in the State of Montana * * *." Agreement of the House and the Senate is reported in the CONGRESSIONAL RECORD (May 26, 1944, pp. 5105–5106).

8. Appropriations for construction of Hungry Horse Dam have repeatedly been made on the basis of explicit disclosure to the Congress that the electric power generated is primarily for use in the State of Montana. Examples of such disclosure include:

Congress	Appropriation for fiscal year	Bill No.	Witness	Hearing page No.
79th	1947	6335	Murray	(House) 702.
79th	1947	6335	D'Ewart	(House) 705.
79th	1947	6335	Murray	(Senate) 1154.
80th	1948	3123	D'Ewart	(House) 1409.
80th	1948	6705	Gov. Ford	(Senate) 1044.
			Murray	(Senate) 1046.
			Mansfield	(Senate) 1056.

Another example is that the appropriation for construction of Hungry Horse Dam was increased over the budget estimate with disclosure by (then) Congressman MANSFIELD of Montana's priority to Hungry Horse power (CONGRESSIONAL RECORD, May 27, 1948, p. A2992). Similar disclosure was made by (then) Congressman MANSFIELD on July 5, 1949 (CONGRESSIONAL RECORD, p. 4465).

Mr. METCALF. With reference to this amendment, which was adopted by the committee, as Mr. Norwood said, as appears on page 65 of the hearings:

I would like to emphasize that the Montana amendment would underline and strengthen the Hungry Horse preference and create a further legislative record in favor of enabling the cooperatives in central Montana to have the right to Hungry Horse power which they have never been able to obtain up to this time.

Mr. President, this committee amendment is merely an amendment to carry out the basic purpose of the bill to maintain the status quo on the river. The amendment was obtained by a series of administrative decisions, legislative reports, and statements and colloquies on the floor, and is based on the proposition that I have outlined and previously read.

We are not putting anything new into this bill by this amendment. We are not getting anything new for the State of Montana. We are merely, by submitting the amendment to the committee—and I am very grateful to the committee for bringing it to the floor—carrying out the provisions of the bill and, by this amendment, not taking anything away from Montana.

I make that point because other amendments will be offered that will vary the purpose of the bill, or will vary the status quo of the power situation in the Northwest, and will vary the distribution of power insofar as it is provided as between the Columbia Basin and other basins. This amendment does not vary any of that distribution, but merely carries out what is established law under the previous decisions of the Bonneville Power Authority and the provisions of law.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. Without objection——

Mr. MUNDT. Mr. President, reserving the right to object, what is the specific language before the Senate now?

The PRESIDING OFFICER. The specific language is on page 8, beginning at line 12.

Mr. MUNDT. I would like to raise the question, then, with the author of the bill, or the Senator from Montana, or with some Senator who understands, what is intended here, and as to what impact, if any, this language would have concerning a very similar geographic preference which was established by law for the power users of the Big Bend project in South Dakota.

It would seem to me, as I read the bill, that it is not designed at present to make it necessary for this language to be written concerning Hungry Horse. If there is something in the bill which is tucked away or hidden by implication which would make such a reservation for Montana with regard to Hungry Horse, then it seems a similar provision should be applicable to power produced at Big Bend.

Mr. JACKSON. I shall be glad to respond to the question of the Senator from South Dakota. This amendment will not have any effect on the Big Bend project.

Mr. MUNDT. I know that. Why was the committee amendment added?

Mr. JACKSON. The committee amendment was added for clarification. A preference for Montana was in the original law authorizing the Hungry Horse project, but there had been some question raised as to the exact language, especially in the report accompanying the act. This allocation has always been recognized by the Department of the Interior. The purpose of the amendment was to reaffirm existing law. That was the judgment of the committee.

Mr. MUNDT. Does the Senator from Montana want to add anything to that statement?

Mr. METCALF. The only addition is that Hungry Horse is in the Columbia Basin and is affected by this bill, and when the Department sent up the proposed bill, it said, "We think this bill would change the Hungry Horse preference." That is the only act the bill would have changed. The Hungry Horse Preference Act would give preference first to the Columbia Basin, including western Montana, the second preference to the marketing area in California, Nevada, and Utah, where this dump power is going to be sold, and, third, eastern Montana.

The Hungry Horse Preference Act at the present time applies to the entire State of Montana. We do not want to build a wall one way or the other. We merely want to see that we have the same preference for the entire State of Montana that we had in the original act. This would not destroy a preference we have had before. Neither Big Bend Dam, Oahe, nor any other dam, would be affected by passage of the bill. There would be no preference which would be altered or changed by passage of the bill. Therefore, there was no necessity for such an amendment.

Mr. MUNDT. What the Senator says is completely true of all the other Missouri River dams in South Dakota and North Dakota except with respect to the construction of Big Bend. In that act there are provisions which tend to reserve for that area certain of the power which is produced, up to the extent of 50 percent. Our legislation was modeled and passed, very frankly, as a followup to the Hungry Horse legislation. We used that as a model, as a guide, as a precedent. Our legislation, therefore, did for Big Bend, to the extent of 50 percent of its power potential, precisely the same thing which the reservation did for the Hungry Horse project in Montana.

I merely wish to be positive that we establish by legislation or by legislative history the fact that although there will appear in S. 3153 an amendment specifically stating that nothing in the act is going to affect in any way the geographical preference for power users in the Hungry Horse Dam vicinity, by saying nothing and remaining silent it does not become established policy that something in the act conceivably might change the preference clauses so far as Big Bend is concerned.

Mr. METCALF. I say to the Senator from South Dakota that if the act were to be applicable to the Missouri River Basin, the Senator from Montana would be on the Senator's side, preserving his rights in regard to Big Bend, exactly as I hope the Senator will be on our side with regard to the Columbia River, to preserve our rights in the Hungry Horse project.

Mr. MUNDT. Quite apart from the merits of the bill—I shall have something to say about that later—since we are dealing with this particular amendment, may I have from the Senator from Montana, first, a categorical statement that there is nothing in the proposed legislation and that there would be nothing by the adoption of the amendment, if it is adopted, which in any way, shape, or form would change in any degree the existing considerations, legislation, and policies obtaining at Big Bend.

Mr. METCALF. The Senator has that assurance from the Senator from Montana. So far as I know, that is true, and I have carefully examined the bill.

Mr. JACKSON. Mr. President, as previously stated the bill will have no effect whatsoever on the Big Bend project. That is about as unequivocal a statement as one could make.

Mr. MUNDT. The Senator is talking about the bill?

Mr. JACKSON. I am talking about the bill, which includes the amendment adopted by the committee now pending before the Senate.

Mr. MUNDT. In other words, as the author of the bill the Senator is stating for the record that there is nothing in S. 3153, as presented to the committee or including the amendment affecting Hungry Horse Dam, which in any way would alter the prevailing policies and regulations and programs as they have prevailed concerning Big Bend.

Mr. JACKSON. The Senator is precisely correct. It would not affect Big Bend one iota. Is that unequivocal enough?

Mr. MUNDT. The Senator, as always, speaks with conviction and with certainty.

Mr. JACKSON. I speak with the facts, if that statement is in order. I give only the facts, nothing else.

Mr. MUNDT. The facts are what we want.

Mr. JACKSON. That is precisely the situation. As the distinguished junior Senator from Montana stated, the bill relates only to the Columbia Basin.

Mr. MUNDT. I wanted that established for the legislative record. I have no objection to the amendment per se, but only to its implications.

I think there are some serious flaws in S. 3153, quite apart from the amendment the Senate is about to consider, but I wanted this established for the legislative record at the time the amendment affecting Hungry Horse is considered.

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

The committtee amendment was agreed to.

Mr. GOLDWATER. Mr. President, I call up my amendments designated "8-1-62—A."

The PRESIDING OFFICER. Does the Senator from Arizona want to have the amendments printed in the RECORD rather than read?

Mr. GOLDWATER. I can explain the amendments briefly. I ask unanimous consent that the amendments may be printed in the RECORD, and that the clerk need not read them.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

The amendments ordered to be printed in the RECORD are as follows:

On page 1, in line 1 of the title to the bill, insert after the words "Pacific Northwest", the words "and in the State of Arizona".

On page 1, in lines 2 and 3 of the title to the bill, strike out the words "that region" and insert in lieu thereof the words "those areas".

On page 2, line 9, after the words "Pacific Northwest" insert the words "and in the State of Arizona".

On page 2, line 11, strike out the words "the Pacific Northwest" and insert in lieu thereof the words "those areas".

On page 2, line 13, after the words "Pacific Northwest" insert the words "and in the State of Arizona".

On page 2, line 14, strike out the words "the Pacific Northwest" and insert in lieu thereof the words "those areas".

On page 3, after line 7, insert a new subparagraph (g) as follows:

"(g) 'Energy requirements of any State of Arizona customer' means the full requirements for electric energy of (1) any purchaser from the United States for direct consumption in the State of Arizona, and (2) any non-Federal utility in that State in excess of (i) the hydroelectric energy available for its own use from its generating plants in the State, and (ii) any additional energy available for use in the State which, under a then existing contract, the utility (A) can obtain at no higher incremental cost than the rate charged by the United States, or (B) is required to accept."

On page 3, line 10, after the words "Pacific Northwest" insert the words "and in the State of Arizona".

On page 3, line 11, strike out the words "the Pacific Northwest" and insert in lieu thereof the words "those areas".

On page 3, line 14, after the words "Pacific Northwest" insert the words "or the State of Arizona".

On page 3, lines 15 and 16, after the words "Pacific Northwest" insert the words "or the State of Arizona".

On page 3, lines 16 and 17, strike out the words "that region" and insert in lieu thereof the words "those areas".

On page 3, line 23, after the word "customer" insert the words "or the energy requirements of any State of Arizona customer".

On page 4, line 1, after the words "Pacific Northwest" insert the words "or from the State of Arizona".

On page 4, line 5, after the words "Pacific Northwest" insert the words "or in the State of Arizona".

On page 4, line 7, after the words "Pacific Northwest" insert the words "or the State of Arizona".

On page 4, line 10, after the words "Pacific Northwest" insert the words "or the State of Arizona".

On page 4, line 12, after the words "Pacific Northwest" insert the words "and in the State of Arizona".

On page 4, line 13, after the words "Pacific Northwest" insert the words "or in the State of Arizona".

On page 4, line 16, after the words "Pacific Northwest" insert the words "and the State of Arizona".

On page 4, line 17, strike out the words "that region" and insert in lieu thereof the words "those areas".

On page 4, line 21, after the word "customer" insert the words "or the energy requirements of any State of Arizona customer".

On page 5, line 5, after the word "Northwest" insert the words "or within the State of Arizona".

On page 5, line 17, at the end of the line, insert the following words "or the energy requirements of any State of Arizona customer".

On page 5, line 20, after the words "Pacific Northwest" insert the words "or in the State of Arizona".

On page 5, line 21, after the words "Pacific Northwest" insert the words "or the State of Arizona".

On page 5, line 24, after the word "Northwest" insert the words "or in the State of Arizona".

On page 6, line 13, after the words "contracts for" insert the letter "(a)".

On page 6, line 22, after the word "energy" insert the following language: "and (b) the exchange with areas other than the State of Arizona of (1) surplus energy during the State of Arizona storage refill period, (2) any energy during the State of Arizona storage refill period which will be returned to the State of Arizona in equal amounts during the same State of Arizona refill period or the succeeding storage drawdown period, (3) any energy which will be returned to the State of Arizona in equal amounts during the same State of Arizona storage drawdown period, (4) peaking capacity, or (5) surplus peaking capacity for energy."

On page 7, line 11, after the word "energy" insert the words "in the Pacific Northwest".

On page 7, line 15, after the word "energy" insert the words "in the Pacific Northwest".

On page 7, line 24, between the words "west" and "to include" insert the words "and in the State of Arizona".

On page 8, add a new section 9, as follows:

"SEC. 9. In the case of Federal hydroelectric power projects now or hereafter situated at points on streams which form the boundary of the State of Arizona with an adjoining State, the State of Arizona shall be allotted one-half of the energy and capacity of such Federal power projects and such capacity and energy shall be subject to the provisions of this Act."

Mr. GOLDWATER. Mr. President, we are considering a regional preference bill, S. 3153, a bill that would limit an Interior Department curtain around all of the power produced by the Federal Government in the Pacific Northwest and retain it in the Bonneville system for all users in that area—that is retain all that those users, public and private alike, want or need to meet all of their requirements.

Laws applying to the disposal of electric power produced by the Federal Government carry preference provisions that say the power shall first be made available to public agencies of States, municipalities, and nonprofit rural electric cooperatives. Those provisions, as discriminatory and unjust as they may be, have been zealously defended by the Government power advocates. But now there is a situation where the preference provisions interfere with another objective of the Government power advocates. They want the Government to construct a high-voltage transmission line that would extend from the Bonneville system down to Los Angeles. But if the Government built the line, under present preference laws, those qualifying as preference customers in California would have equal rights to preference customers in the present Bonneville marketing area and superior rights to the nonpreference customers in that area.

Some of our friends from Washington and Oregon want to have their cake and eat it, too. Being ardent Federal power advocates they would like to see the Government build the tieline but they do not want to see preference customers in California cutting in on power produced in the Bonneville system so long as there is any need for it in their area. Mr. President, I do not blame these people for wanting to keep first call on this power—it is the cheapest in the country with Government subsidy, of course. But it is interesting to note how these great defenders of preference are willing to shade such obstacles as principle a little bit if it interferes with something else they want to do.

It is also interesting to see how other advocates of Government power are willing to bend principle a little bit too and to note how they attempt to reconcile these things. Assistant Secretary of Interior Kenneth Holum, in a speech out in Nebraska on August 2, 1962, had this to say:

> Now, for this regional preference matter. As you know, the legislation is related to the proposed construction of an extra high voltage common carrier transmission line between the Pacific Northwest and Pacific Southwest.

I hope you will note, Mr. President, that according to Mr. Holum, an administration spokesman, the purpose of this legislation is to clear the way for construction of a Federal transmission line down the west coast which, incidentally, would be an important link in a federally owned national grid which is the ambition of those who favor the nationalization or socialization, whichever you want to call it is immaterial, of our electric power industry.

Mr. Holum continued:

> The legislation we propose is nothing new. The uniqueness of the Northwest situation has been recognized for some time—both in Congress and under the previous administration. The record shows that since May 1959 the Senate Interior Committee has been concerned with the question of need for regional preference in the Northwest, should an intertie with Pacific Southwest markets be constructed. It also shows that in August 1960 the Secretary of the Interior sent a letter to that committee indicating the Department had assisted Senator Lusk, of Oregon, in preparing a regional preference bill.

How do you like that, Mr. President? We are supposed to be gullible enough to accept that sort of doubletalk. What does he mean when he says legislation that would bottle up power in one marketing area despite preference laws is nothing new. I am sure the Interior Department recognized the necessity of this legislation if it was going to build the west coast intertie. But the necessity is a political one. The Interior Department does not want to offend or enter into a contest with the Government power advocates of the Pacific Northwest—people who support every attempt to expand Federal power and who defend the preference concept unless it conflicts with their ambitions.

The Assistant Secretary said further:

> The Northwest's situation is unique because a number of important industrial concerns dependent upon cheap and abundant power have settled here and are now large customers of the Federal system. Because of their unique operations they are dependent upon the low-cost Bonneville power rate to stay in business. Their purchases have ranged from a high of 60 percent of Bonneville's sales in 1945 to an average of about 36 percent in the last 4 years.
>
> These firms employ 15,000 Pacific Northwest citizens directly and another 30,000 indirectly. Obviously, in such a unique situation, where the very life of a region is concerned, commonsense dictates the necessity of protecting that area's long range power needs through legislation. Organizations such as the American Public Power Association have endorsed this position by appropriate resolution.

Mr. President, here we have a very strange and unusual situation. Mr. Holum, a spokesman for the Interior Department, is expressing concern for the future welfare of some investor-financed businesses. I am sure that I have every bit as much interest in private business as anyone connected with the present administration and especially that incubator of socialized electric power, the Interior Department. But, Mr. President, here we are being asked to pass a special law to give business in one section of the country advantages over businesses elsewhere. These businesses Mr. Holum is so solicitous of have been enjoying electric rates subsidized by the taxpayers of this country for a long, long time and I have no inclination to pass a special law to continue that subsidy. The Bonneville Power Administration has been losing money for several years with the loss increasing yearly. I understand the Administrator admits it faces a $17 million loss this year. The unit costs of the new projects being added to the Bonneville system greatly exceed the costs of Bonneville and Grand Coulee which were built during depression days and yet the selling price of power is still based on the cost of those two projects. Instead of considering legislation to reserve this low-cost power for a specific area we should be passing legislation to require the Bonneville and all other Federal power marketing agencies to increase rates in a sufficient amount to keep the taxpayers whole. The new prices of power should also include an allowance for taxes forgone.

Mr. Holum included another interesting paragraph in his speech:

> While we have recommended regional preference legislation to meet the Northwest's special problems, we just as strongly assert that we firmly oppose the establishment of regional preference fences around any other portion of the United States. We believe that our position is consistent with our strong beliefs in the preference clause.

Mr. Holum believes that this special preference the administration now requests is consistent with their strong beliefs in the preference clause. In other words, they have a strong belief in preference but they also have a strong belief in another preference within the preference clause. Just how inconsistent can these people get, Mr. President? It would be amusing if the question was not so serious to observe the tortuous reasoning these people use to try to uphold something they have been defending for years while at the same time trying to alter it in order for them to do something else. You will also note that they will firmly oppose such special provisions for any other portion of the United States.

Mr. President, I have never believed in the preference clause because I do not believe in special privileges for any of our citizens. There has been entirely too much of that already. Each time we give any group of citizens special privileges over another we violate our Constitution and thereby weaken our whole form of government. But if there is going to be discrimination for any section of the country, then I am going to insist that my constituents receive like advantages. That is the reason for my amendment. All that my amendment does is reserve for use in Arizona power which the Federal Government generates in Arizona. That is exactly what the bill we are considering does for the present Bonneville marketing area. If such legislation is good for the Pacific Northwest, then my amendment is good for Arizona, and similar amendments would be good for other sections of the country.

Mr. President, I must start out my explanation of my amendments by stating that I cannot blame the States from the northwest region for wanting to see passage of the bill. If it has the merit they seem to feel it has, I see no reason why it should be confined to the Northwest. My amendments would merely add the name of the State of Arizona to the Northwest territory, so that we would not be damaged by anything the Senate does today.

I suggest that my colleagues from other States would do well to study the bill and to listen to my few remarks, or to read them, because I feel that if this proposal is good for one section of the country it is good for other sections of the country. To be fair to all States and to all people, I suggest that the provisions of the bill could well be and should be extended to all of the States in the country.

The PRESIDING OFFICER. If the Senator from Arizona will yield at that point, the Chair is advised by the Parliamentarian that there are a series of amendments offered by the Senator from Arizona, each relating to a specific portion of the bill. Does the Senator from Arizona wish to have the amendments considered en bloc?

Mr. GOLDWATER. Mr. President, when it is time to consider my amendments they should be considered en bloc. There are a series of amendments which merely provide that my State, Arizona, would be included in the bill. I think, by the time we are through, other States will wish to be included also.

This is merely a series of technical subamendments which constitute an overall amendment to the bill.

Mr. KEATING. Mr. President, will the Senator from Arizona yield to me for a parliamentary inquiry?

Mr. GOLDWATER. I am happy to yield.

Mr. KEATING. My parliamentary inquiry is, Mr. President: Suppose the amendments of the distinguished Senator from Arizona are agreed to. Would that preclude adding the names of other States to the bill? Must those States be added in amendments to the Senator's amendment?

The PRESIDING OFFICER. That would not preclude adding any other amendment to the bill.

Mr. GOLDWATER. Mr. President, I would suggest it might be easier if the Senators who want their States added to this protective device should merely add the name of the States to my amendment. There are a number of places where the addition of the name of the States must be provided.

This looks like a rather complicated series of amendments, but I assure the Senate it is not. This would protect Arizona, as well as protecting the States of Washington, Oregon, and other States in the Northwest.

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

Mr. GOLDWATER. I am happy to yield.

Mr. MUNDT. I should like to ask the Senator from Arizona, in line with what he has said, if he is willing to modify his amendment, which is now at the desk, to include after "the State of Arizona" the words "the States of South Dakota and of North Dakota" at every place appropriate in the amendments? I shall discuss the reasons for that later, but this seems to be the propitious time to make the modification and to have the whole thing placed before the Senate.

Mr. GOLDWATER. The Senator from Arizona would be very happy to modify his amendment in the manner suggested by the Senator from South Dakota.

Mr. MUNDT. I thank the Senator. Mr. President, does that conclude all that needs to be done in order to have it now a part of the Goldwater amendments?

The PRESIDING OFFICER. The Senator from Arizona has a right to modify his amendment. That is all that is necessary.

Mr. MILLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. GOLDWATER. I yield for that purpose.

Mr. MILLER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Iowa will state it.

Mr. MILLER. Would the junior Senator from Arizona be in order, in view of what the Presiding Officer has stated, to further modify his amendment?

The PRESIDING OFFICER. The Senator from Arizona can modify his amendment further.

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

Mr. GOLDWATER. I am happy to yield.

Mr. MILLER. In line with the comments made by the distinguished Senator from South Dakota, I invite the attention of my colleague to the fact that the State of Iowa borders on the State of South Dakota, and that we are likewise deeply interested in the regional power development of the area.

I wonder if the Senator from Arizona would be agreeable to a further modification of his amendments so as to include the State of Iowa.

Mr. GOLDWATER. The junior Senator from Arizona would be very happy to modify his amendments, as the Senator has requested.

The PRESIDING OFFICER. The amendments are so modified.

Mr. MILLER. I thank the Senator from Arizona.

Mr. KUCHEL. Mr. President, will the distinguished Senator from Arizona yield?

Mr. GOLDWATER. I am happy to yield to my friend from California.

Mr. KUCHEL. As I understand the amendments of the Senator from Arizona, they deal with the bill before the Senate in a number—perhaps in most—respects, but not entirely so. Am I correct in my understanding that the Senator from Arizona has included in the last section of his amendments an extraneous provision from the standpoint of the bill before the Senate?

Mr. GOLDWATER. Does the Senator refer to section 9?

Mr. KUCHEL. Yes.

Mr. GOLDWATER. I do not believe that the section is extraneous. I think it is in keeping with the tenor of the bill. In section 9, I have proposed:

SEC. 9. In the case of Federal hydroelectric power projects now or hereafter situated at points on streams which form the boundary of the State of Arizona with an adjoining State, the State of Arizona shall be allotted one-half of the energy and capacity of such Federal power projects and such capacity and energy shall be subject to the provisions of this Act.

I point out to Senators, as my friend from California well knows, that the boundary between California and Arizona is the Colorado River. Hoover Dam, Davis Dam, and Parker Dam are all situated on the Colorado, half in my State and half in the State of the distinguished Senator from California.

I assure the Senate that the State of Arizona does not enjoy 50 percent of the power produced. By the amendments I would merely provide that what has happened could never happen again. I remind my friend from California that a filibuster by Arizona's two Senators was required in 1927 or 1928 in order to insure that Arizona would get any power from Hoover Dam. It has been a continuing struggle. I do not want to see my State or, for that matter, any other State, have the problems that we have had in getting our just share of power from dams constructed half in my State and half in the State represented by the able Senator.

Mr. KUCHEL. Up to the last provision in the amendments of the Senator from Arizona, his amendments deal with Bonneville and the Pacific Northwest. The last provision interjects another problem. It is different subject matter than is covered in the remainder of his amendments. Is that not correct?

Mr. GOLDWATER. I believe the Senator might be able to construe it that way, but the junior Senator from Arizona does not agree that the provision is extraneous. For example, a question I wish to ask during the period of debate is, What is the definition of "Pacific Southwest"?

I believe that if the definition were correctly interpreted to include the State of Arizona, it would then apply directly. But I have a feeling that the Pacific Southwest is to be considered by the Federal Power Commission and by the authors of the bill as being southern California. If that is the case, it puts an entirely different light on the bill. I can well understand the concern of the senior Senator from California. However, I do not believe that the provision is different or outside the boundary of the bill. If the Senator can convince me in the interim, I shall be very glad to consider a modification.

Mr. KUCHEL. No. The Senator has a perfect right to offer the amendments as written. I respect that right. My point in raising the question, however, is that I shall object to having the amendments considered en bloc. I want the RECORD to show that. I wish to preserve my rights to have the last section of the amendments offered by my friend from Arizona considered separately and independently. I do not quarrel with a proposal to consider the other items of the amendments, if I correctly understand that they deal with the Pacific Northwest and the surplus power energy being generated today at Bonneville. But, proceeding from an abundance of caution, I wish to preserve my right to consider separately the last section of the amendments apart from any other section of the amendments having to do with the problems of hydroelectric projects—"now or hereafter situated at points on streams which form the boundary of the State of Arizona with an adjoining State."

I wish to make a little clearer to the Senate the views that I have on that portion of the amendments.

Mr. GOLDWATER. I should be happy to withdraw my unanimous-consent request that the amendments be considered en bloc, and we can proceed through them one at a time.

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

Mr. GOLDWATER. I yield.

Mr. JACKSON. I think the Senator from California will find, if he reads the amendments offered by the Senator from Arizona, that they are inseparable, and that he would not accomplish what he has in mind by merely separating the section. I think it is all one amendment. I make that statement in all fairness.

Mr. GOLDWATER. I agree, but I can understand the position of my friend from California.

Mr. JACKSON. The amendments would have a substantial effect on the relationships that now exist in the disposition of power from Federal dams in that area even if the two proposals were separated.

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

Mr. GOLDWATER. I yield.

Mr. KUCHEL. I agree with what my friend from Washington has said. However, because the implications in the last section of the proposed amendments of the Senator from Arizona present to the Senate a considerably different and certainly not less important issue than the other provisions of the bill, I think it would be easier to state my position as best I can, were they separated.

Mr. GOLDWATER. Mr. President, as I said, I will withdraw my request to have the amendments considered en bloc. I recognize that the distinguished Senator from California [Mr. KUCHEL] is giving his usual careful attention to the problems of his State. It is a question with which probably only four Members of the Senate have great association. We cannot make the situation any worse.

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

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Colorado?

Mr. GOLDWATER. I yield.

Mr. ALLOTT. Does the Senator construe the bill S. 3153, as it is now before the Senate without the amendments of the Senator from Arizona, as providing that hereafter, except for surplus energy and surplus peaking energy, both of which are described or defined in the bill, the Pacific Northwest would erect a fence around itself for the use of its own power?

Mr. GOLDWATER. The Senator has correctly interpreted the bill. As I said at the outset, I cannot find fault with any Senator attempting to do what is best for his own State or section. I am merely trying to get my State in the act.

Mr. ALLOTT. Mr. President, will the Senator yield for another question?

Mr. GOLDWATER. I yield.

Mr. ALLOTT. The Senator is aware, I believe, that the Bonneville system has been operating at a deficit.

Mr. GOLDWATER. Yes. If the Senator is interested, I shall read from the 1961 report on the U.S. Columbia River power system, U.S. Department of the Interior. On page 1 the following statement appears:

Four years ago, BPA was $78,800,000 ahead of schedule in repaying its obligations to the

Treasury. However, 4 successive deficit years—$15,300,000 last year, alone—have reduced this surplus to $37,800,000. Future deficits are predicted for the next 4 or 5 years.

I add this merely as an interesting comment. As shown on page 2, construction during an 8-year period has had no new starts, and there have been large amounts of generation by public and private utilities, which have reduced Bonneville sales. This seems to speak rather well for private development in this area. However, there has been a deficit, and it is predicted it will continue.

Mr. ALLOTT. Is it not also true that Bonneville's power rates, which are effective for 5 years, have not been increased?

Mr. GOLDWATER. From what I have been able to ascertain, the Senator is correct.

Mr. ALLOTT. I am reading from a committee print of the Committee on Interior and Insular Affairs, dated May 3, 1960, in which the statement is made that the present rates are to continue in effect until December 20, 1964. Therefore, with a system which is operating at a loss now, and so far with a refusal to raise rates, to which the Federal Government is, in effect, adhering, they are putting a fence around themselves to keep any power from going outside their area, and in that way have all of it remain with them. Is that the Senator's interpretation?

Mr. GOLDWATER. That is my interpretation. That is the reason for my amendment; it is the only reason for it.

Mr. ALLOTT. To go one step further, if the Senator does not mind answering my questions, what the pending bill does is create a preference within a preference. Is that correct?

Mr. GOLDWATER. If the Senator does not use "preference" as it is interpreted by the law. If we use it in its dictionary meaning, the Senator is correct. However, I hope to develop that this proposal would actually destroy preference where it exists.

Mr. ALLOTT. What it does is to give a preference to the customers in the Pacific Northwest, whether they are preference customers as we use the term with relation to Government projects, or whether they are private customers. Is that correct?

Mr. GOLDWATER. The Senator is absolutely correct. I read further from the Bonneville report, at page 2:

As a result of the foregoing circumstances, we have shaped our program to achieve two paramount purposes: (1) To maintain our low rates; (2) to meet the load growth requirements of the region, including those for new industries whose location in the region is dependent upon the availability of low-cost power.

This should be of great interest to my friend from New York [Mr. KEATING], and Senators from other Eastern States. This is the development of power below cost to draw industries away from other sections of the country.

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

Mr. GOLDWATER. Has the Senator from Colorado finished with his questions to me?

Mr. ALLOTT. I have one or two more questions to ask, if the Senator will yield. The amendment of the Senator from Arizona is very intriguing. Of course, we all have an interest in the same question. He is aware of the Upper Colorado River Project Act. He is just as aware as I am, I am sure, that the Glen Canyon Dam will be located in the State of Arizona. Would the Senator from Arizona construe the effect of his amendment as keeping power from the Glen Canyon Dam from going along the transmission lines of the Government into the State of Colorado?

Mr. GOLDWATER. No; I would not construe it in that way. We are talking now about the upper and lower basin. We are talking about a single compact which created the Colorado River Basin, and then divided it. We already have entered into agreements with respect to lines and wheeling, and so forth. Therefore we would be treating the Colorado River Basin as the pending bill is treating the Columbia River Basin. I do not believe it would affect the language. We already have entered into agreements along that line. Before I conclude my argument on this point, let me say that when we were drafting the amendment we tried to do it by basins. However, we found, in our opinion, that it was impracticable to do so. For example, the Mississippi River system would have to be broken up into a number of components. The Missouri River Basin is a constituent part of the Mississippi River Basin; and it, in turn, would have to be broken into segments. The Columbia River Basin is broken into segments in the pending legislation when we consider provisions for the State of Montana as separated from the remainder of the Columbia Basin.

That is the reason why I did not offer the amendment based on the basin concept, because I think it would be impossible properly and minutely to define the areas of concern. Then, too, I believe we would encounter a problem such as the Senator from Colorado has mentioned.

Mr. ALLOTT. Therefore, this point should be made clear, particularly with respect to the legislative history on the bill: In offering the amendment the Senator in no way would affect the Upper Colorado River Project Act or any of the participating projects under it. Is that correct?

Mr. GOLDWATER. I agree to that. I believe the safest way to be sure of that would be for the State of Colorado to have its name attached to the amendment.

Mr. ALLOTT. It would be impossible to do that, of course, unless the legislative history made it absolutely clear as to what the intent of the Senator's amendment is, because I would not want the name of Colorado on the amendment if there were any question that the amendment might be interpreted in the way suggested by the questions I have asked the Senator. Therefore, I should like to ask, in light of the legislative history, whether the Senator would have any objection to including the State of Colorado in his amendment.

Mr. GOLDWATER. No; I would be very happy to have the great State of Colorado added to the amendment.

Mr. ALLOTT. Would the Senator make such a request?

Mr. GOLDWATER. I do not have to make the request. I am told that I can modify my own amendment at any time. I ask the Chair whether I am correct.

The PRESIDING OFFICER. The Senator is correct. Until the yeas and nays have been ordered on his amendment, the Senator may modify his amendment.

Mr. GOLDWATER. I am very happy to modify my amendment to include the State of Colorado.

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

Mr. GOLDWATER. I yield.

Mr. MUNDT. With respect to this same point, the Senator from Colorado is well advised to have his State added, in the same way that the amendment was modified earlier when the States of South Dakota and North Dakota were included. We had looked at this problem from the original standpoint of dealing with it by basins, because lines are not clearly defined. However, it was thought best to do it by naming the States.

From the big dams in South Dakota, we have been transmitting power to the State of Minnesota and to other neighboring States, other than to North Dakota.

I did not see either Senator from Minnesota on the floor at the time I offered my amendment. I believe the State of Minnesota should be entitled to continue to receive the power it is now getting from our dams. However, if we enact the proposed legislation, Minnesota will be cut off from South Dakota dams, as will Nebraska, Iowa, and other States, because they are not mentioned in the bill. Those States will not be cut off because we want to be unneighborly, but because we are forced to adopt a program which I believe is highly improper and highly injurious to the development of a national power system.

I wish to protect South Dakota and North Dakota. We have consulted on this subject; and if this proposal is to become policy for the others, it will become policy for us.

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

Mr. MUNDT. I yield.

Mr. HUMPHREY. In my effort to defend the interest of my State I should like to ask the Senator from South Dakota where he finds anything in the proposed legislation—in the bill, not in the amendments—which would affect the right of the people of Minnesota to enjoy the same power benefits from the Missouri River development?

Mr. MUNDT. The bill—not the amendment—proposes to Balkanize the power grids of this country for the first time. It starts in the Northwest by establishing around the Northwest a Chinese wall. It provides that none of the power which is generated from the dams, in which Federal funds have been employed—and I think that even includes private generating plants in this

instance—shall be transmitted beyond the boundaries of the areas into other areas not located in the area in which the power is generated.

So the Senator from Arizona very wisely and prudently, in my opinion, sought, because his State and North Dakota and South Dakota are located in areas which are producing this power—and those are the four States in the country which primarily produce power, so far as the location of generating plants is concerned——

Mr. HUMPHREY. Only the location of generating plants. The States do not produce the power; the Federal Government produces the power.

Mr. MUNDT. Precisely; just as in the Northwest the States do not produce the power; it is produced by Federal money.

The Senator from New York [Mr. KEATING] is on his feet. He is concerned because New York pays healthy taxes—and it will pay even healthier taxes if this bill is passed—to subsidize industry in the Northwest with cheap power, because there will be no possibility of transmitting power outside the grid.

So the Senator from Arizona has acted on the old axiom that what is sauce for the goose is sauce for the gander, because obviously if this is to be a new Federal policy, if this is to be considered proper for the Northwest—I do not consider it to be proper—but if it is to be the policy, it should be equally proper for Arizona and certainly for North Dakota and South Dakota.

So in the absence of Minnesota's inclusion in the amendment, if the bill should become law, and the amendment should prevail, and the precedent should prevail, we would find that adjacent States which are receiving the benefits of hydroelectric power will cease to receive them.

In that context, I mentioned Minnesota, because we have worked together. Many transmission lines have been built into Minnesota. We are hoping to have an interchange of power. But under the concept established by S. 3153, I think that happy relationship would be brought to an end.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. MUNDT. I yield.

Mr. HUMPHREY. It is my understanding that the proposal to be offered by the Senator from South Dakota would provide for making North Dakota and South Dakota an area separate unto themselves, and would exclude Minnesota.

Mr. MUNDT. Only because, as I stated when we were discussing this proposal, when I learned what was involved, neither Senator from Minnesota was present. Although I admire that State, where I attended college, I did not think it would be proper to include Minnesota in the amendment. But I am sure the Senator from Minnesota, upon inquiry, will want to include Minnesota, as well.

Mr. HUMPHREY. Senators suggest the inclusion of their own States; but if a Senator is not present, his State is forgotten.

Mr. MUNDT. The Senator from Minnesota usually gets around.

Mr. HUMPHREY. Do not worry. The Senator from Minnesota will be present to protect the vital interests of the State which he is privileged to represent in part.

What disturbs me is that the Senator handling the measure, the distinguished junior Senator from Washington [Mr. JACKSON], finds nothing in the measure which adversely affects the interests of either North Dakota, South Dakota, or Minnesota; but he finds that a few monkeywrenches are being thrown into the gears of the bill by one State after another being mentioned by name, which is an exclusive reference, and means that those not mentioned are left outside the arrangement. It seems to me that this is a rather hodgepodge way to legislate. If we want to legislate concerning the Missouri River Basin, we can do so. I know what States are in the Missouri River Basin. One of them is Minnesota.

Mr. MUNDT. The Senator is correct. The Senator from Washington bases his proposal upon the specific line of reasoning that Congress should enact a pattern of legislation regarding power which shall become applicable for that area only. I do not believe the Senator from Minnesota needs to be told that when we adopt a policy which would become a precedent, it will spread. If it is proper to enact legislation to meet the criteria established for a certain area, it is equally proper and appropriate to establish criteria in our area; so I think the best time to protect against this situation is while the bill is being discussed.

Mr. JACKSON. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. JACKSON. Let us keep the record straight. Every region is different. The situation in which we find ourselves today with respect to the bill before the Senate develops from a situation which occurs in the Northwest, a situation not applicable to any other area of the United States.

Mr. MUNDT. Will the Senator spell that out?

Mr. JACKSON. The Northwest has 96 percent hydropower. We are producing a vast amount of dump power. The Bonneville Power Administration has been criticized because the dump power is not being sold. Thirty million dollars worth of power is being dumped into the Pacific Ocean each year because of water going over our dams.

On the one hand, we hear people say, "Look at Bonneville, it is running a deficit." The reason we are here is to correct that deficit. There is no other reason. This bill is the result of resolutions adopted in 1959 and 1960, when the Pacific Gas & Electric Co. wanted to buy power from the Bonneville Power Administration without any protection being offered to the consumers in the Northwest. We obtained a ruling—and this was under the previous administration—which held that if power was sold in California, it would open the Bonneville marketing area to California. Sales to preference customers in California would interfere with long-term contracts with private industry and public bodies, and with short-term contracts with private utilities.

We want to be able to sell the power which is being dumped into the Pacific Ocean over the tops of our dams, so that we can make up a deficit which is running about $15 million a year. California wants to buy it. The marketing area of Bonneville Power Administration has been defined in the present law as the economic transmission distance. When the act was passed, that meant a distance within 200 miles. Because of advances in technology and the state of the art, Bonneville can now deliver power almost anywhere in the United States.

Would the distinguished Senator from South Dakota want the power from his State delivered to Florida or some other State? It is necessary to deal with this situation by regions. Every region has a different problem.

That is the only reason why we are here. We want to sell power to private and public bodies of California, if they want the power. No effort is being made to discriminate. What worries the Pacific Gas & Electric Co. is that they will not get all the power. The private utilities, the public bodies, and the private industries of the Northwest unanimously endorse the proposed legislation. What is taking place is, I think, obvious. Let us be completely candid. There was no appearance before the committee when hearings were held to change this area and include other sections of the United States. We know that the disorderly way to legislate on this subject is to bring in State after State, without hearings being held—and all the interested and affected States having an opportunity to be heard.

I know that the Pacific Gas & Electric Co. does not want the proposed legislation. I know it has been lobbying day and night to kill this bill because it hopes to get all of the power.

Mr. KUCHEL. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I do not have the floor.

Mr. GOLDWATER. I have the floor.

Mr. MUNDT. Mr. President, I wish to correct a misstatement the Senator from Washington inadvertently made; namely, that no statement was made about this matter. On July 12, I wrote a letter about it to the Senator from New Mexico [Mr. ANDERSON], chairman of the Committee on Interior and Insular Affairs.

Mr. JACKSON. But that was after the hearings were completed.

Mr. MUNDT. Yes; but I wrote the letter when we found out what some Senators were endeavoring to do, and the letter was written before the committee had acted on the bill.

Mr. JACKSON. The bill was introduced on April 11, and has been pending all this time.

Mr. MUNDT. That may be; but when I learned that the committee was finally going to act on this particular bill, as one of a small handful among the whole basketful which were introduced, I became concerned about the reservation,

and I wrote the letter. It is dated July 12; and it appears in the CONGRESSIONAL RECORD of July 13, on page 13534. In the letter I questioned the wisdom of trying to Balkanize the power grids in this country—which is what would be done if this arrangement were to be applied in connection with the same problems on the Missouri River. We have the problem of the transmission of hydroelectric power, the problem of dump power, and the problem of sales across State lines. These problems are as characteristic of our areas as they are of the areas in the Pacific Northwest. There is nothing particularly unique about these problems. They exist both under the Bonneville Power Administration and under the systems handled by the Department of the Interior.

Mr. JACKSON. If the Senator from South Dakota wishes to use the word "Balkanization," I point out, with all due respect, that the power in his area is sold within a given area. Is that not true?

Mr. MUNDT. Yes.

Mr. JACKSON. Then why is the Senator from South Dakota talking about "Balkanization"?

Mr. MUNDT. The power in our area is sold under a power transmission system, as is the power in the Pacific Northwest, although in regard in the Pacific Northwest the bill is narrowed down, so as to define a specific area geographically.

Mr. JACKSON. I am sure the Senator from South Dakota is misinformed about the problem of surplus power or dump power. That problem does not exist in the Missouri River Basin. But I am sure the Senator from South Dakota would not want it to be held that if in the Missouri Basin it was possible to sell dump power, all existing rights to take care of their own customers would be lost.

Mr. MUNDT. But that problem is not before us.

Mr. JACKSON. But that is precisely the situation. The Solicitor of the Department of the Interior has ruled that if Bonneville power is transmitted to California, in the absence of the enactment of this bill, our marketing area will be extended all the way to the Mexican border. That would jeopardize the power supply of private industry and all private utilities in the Pacific Northwest. That is the only reason why we are seeking to have this bill enacted, and it was for that reason that the bill was introduced.

Mr. GOLDWATER. Mr. President, our concern, and also the reason we have offered this amendment, is not so much over what is provided by the bill as it is over what is outside the bill. It was a part of a message from the President. The bill was introduced by request. In my opinion, it is a part of a program to federalize power in this country. All that is needed to start that is a high-voltage transmission line out of any basin into any other basin or region, and then it will not be long before there will develop the problem of what will happen to Minnesota, North Dakota, South Dakota, or Arizona or any other area in the United States.

With the completion of this line—and I am not insinuating that the bill has any reference to a high-voltage line from the Pacific Northwest to the Southwest—there will be completed an important part of an interconnecting grid that would need only a relatively short transmission line in order to reach into the TVA area, and then the creation of a relatively few reactor-type generators in the Pacific Northwest in order to completely take over the power industry in the United States. When that happens, my area, which happens to be a power-starved area—and it will continue to be, even with the completion of the Glen Canyon Dam—would find that the power available there could be used to supply power wherever it might be wanted.

Arizona is not a customer of the Pacific Gas & Electric Co.; that company does not operate in my State.

Mr. JACKSON. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I am glad to yield.

Mr. JACKSON. Let me explain that at the present time the Pacific Gas & Electric Co. has entered into an agreement with the Pacific Power & Light Co., of the Pacific Northwest, for the construction of an interconnecting line and for P.P. & L. to send its surplus power to California.

This line could be made available to public bodies in California. If it were, the Solicitor of the Department of the Interior under both administrations has ruled that such public bodies in the State of California would become preference customers under the Bonneville Act and the Bonneville marketing area would be extended to California.

So the proposed legislation is needed, regardless of whether there is a Federal line or a non-Federal line. The question of a Federal line is not involved here, as has been properly pointed out; this bill does not authorize any Federal transmission line.

Mr. GOLDWATER. It does not need to.

Mr. JACKSON. True, because that is authorized by previous Federal law. But I point out that the enactment of this bill is needed, even if the present plans go through. I refer to the plans of the private utilities. I have no objection to having the Pacific Gas & Electric Co. obtain surplus power from Bonneville. That will be fine. If they want to buy it there, that will be fine. We want to be able to reduce the $30 million annual waste of dump power that is going to the Pacific Ocean. In order to stop that waste and end that deficit, we need the proposed legislation.

If the bill is not enacted, the firm power supply of both the private utilities in the Northwest will be affected most disadvantageously.

I wish to make clear that in the Pacific Northwest the private utilities and industries get more than half of all the power produced by Bonneville. So the proposed legislation is absolutely essential if we are to reduce the deficit which now is being incurred because we cannot market dump or waste power, which has an annual value of $30 million.

Mr. GOLDWATER. But under the Senator's argument the area could very easily be extended; all that would be needed would be a few short miles of transmission line between that high-voltage line and either Hoover Dam or Davis Dam, in order to connect into the Glen Canyon grid and connect all the Rocky Mountain States with that basin, and then extend into the southeastern area; and then, under the argument the Senator from Washington is using, it could be required that Federal power flow from our area into all those States—both the power we have now and the power we shall have when Glen Canyon Dam is completed.

Mr. JACKSON. Mr. President, the Senator from Arizona is basing his argument on what can be done now.

Mr. GOLDWATER. I do not follow the Senator's point.

Mr. JACKSON. Let me explain. The Pacific Power & Light Co., in connection with the Pacific Gas & Electric Co., is building a large tieline into California, and can interconnect it with another system elsewhere, and have a private utility grid throughout the country. This is sound engineering practice—so that power flows can be reversed to carry maximum loads. We do this in the Pacific Northwest. The Bonneville Power Administration has invested over $500 million in transmission lines in the Northwest, connecting with private and non-Federal utilities. This makes it possible to maximize the power available in that area, so we do not waste it, and so that each utility does not operate as a separate entity. This is sound engineering practice.

The bill is needed for the purpose of making it possible to sell such power to private utilities or to public bodies in such a way as not to jeopardize or upset the marketing practices which now exist in the Pacific Northwest.

Mr. GOLDWATER. Mr. President, if what the Senator from Washington says is true—and I know it to be true, because we have worked out similar agreements between the Upper Basin and the Lower Basin in Arizona, Utah, and Colorado—why should there be objection to the inclusion, if not on a regional or basin basis, on a State-by-State basis? If it is good for the Pacific Northwest, it is good for the Southwest and the Middle West.

Mr. JACKSON. I will state why. It is because the situation confronting the Pacific Northwest does not exist anywhere else in the Nation. In the Pacific Northwest there is a vast amount of surplus or dump hydroelectric power. That situation does not exist anywhere else in the Nation. But if the proposed legislation is not enacted, it will be possible to arrive at a precedent for any Federal dam to sell power 1,000 or 2,000 miles away from the State in which it is located; and I am sure the Senator from Arizona is not arguing that that should be done. I am sure he does not want to ask for a Federal grid system to bring that about.

Mr. GOLDWATER. No; the Senator from Arizona is trying to prevent that.

Mr. JACKSON. That matter about which he is concerned is not involved in the pending bill.

Mr. GOLDWATER. I recognize that, but I cannot help but read in the report and read in the hearings the intent. The intent is interconnection. That is a part of the report made on December 15 from the task force. I remember mentioning my concern about it. It is a blueprint.

Mr. JACKSON. That is an entirely separate matter of appropriations.

Mr. GOLDWATER. I do not argue that, but I think this is merely getting the nose under the tent, getting the foot in the door. It is part of the measure, and it did not come from any Senator's pen; it came from the White House in a message that is a part of the overall Federal power program. If it is good for the Northwest, it is good for other parts of the country.

Mr. JACKSON. It is good for the Treasury of the United States, because we are now wasting $30 million worth of power, virtually all of which could be sold.

Mr. GOLDWATER. Perhaps the Federal Government ought to get out of the generation and sale of electric power.

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

Mr. GOLDWATER. I yield to the Senator from New York.

Mr. KEATING. I appreciate the Senator's courtesy in yielding to me. I commend him for his diligence in protecting the State of Arizona, and commend the Senator from South Dakota for his diligence. I commend also the Senator from Colorado, and the Senator from Iowa. They have put all their States into the amendment. So far we are only as far east as Iowa, but I assume we will go farther east. I will not add an amendment yet to include New York.

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

Mr. KEATING. I yield.

Mr. HICKENLOOPER. By all means, I want Iowa scheduled.

Mr. KEATING. Iowa is included.

Mr. HICKENLOOPER. Are we in?

Mr. KEATING. Iowa is in.

Mr. HICKENLOOPER. I am sorry; I just entered the Chamber. I think we have as much right to be in as any other State.

Mr. KEATING. I agree. I commend the Senator from Washington. He is diligently looking out for the interests of his own State. He wants to keep all his power in that small area.

This is a very revealing letter from the Administrator of the Bonneville Administration to the Honorable Stewart Udall, Secretary of the Interior. This sentence has been read once before, but it had better be read again. There may be some Senator who will take an interest in it, including the Senator from Vermont, and perhaps other Senators from other areas around our vast and glorious country:

As a result of the foregoing circumstances, we have shaped our program to achieve two paramount purposes: (1) to maintain our low rates; (2) to meet the load growth requirements of the region, including those for new industries whose location in the region is dependent upon the availability of low-cost power.

We know that that area has been trying to lure industries away from other States, but now it is down in black and white that, "We want all of the taxpayers of this country to agree, through their representatives in Congress, that we will keep this power in our own little hot hands in this area; we will not let it get out of there, so we can attract some industries from the States of New York, Connecticut, and Ohio." My friend the Senator from Ohio [Mr. LAUSCHE] will be present tomorrow to say something on this subject, and I shall have much more to say on it in due course.

This is an alert to all Senators who happen to represent areas which are not entirely within the Federal public power complex, that they had better be present tomorrow to look into this bill very carefully, because there is a warning in writing to them that their industries are to be taken away and they are being asked to pay for moving their own industries into this area.

Think of it, Mr. President, they are being asked to contribute their tax dollars in order that this area can hold this power, within its confines, and can assure X corporation, "This bill has gone through. You do not have to worry any more. We can assure you of cheap power. We will not raise our rates. We have been maintaining our low rates. We will never raise our rates on you. Move in here, and you will have these low rates forever. We will take good care of you, and we will make all the taxpayers in the United States pay for it. And we will see that they never have to share our riches and resources."

It is a great thing if one can do it.

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

Mr. KEATING. I yield.

Mr. HICKENLOOPER. I am surprised to hear the Senator's argument. Is there any objection on the part of anyone to having all the States get some of the electricity paid for by all the taxpayers?

Mr. KEATING. I do not know about that. The Senator from Washington does not want to have specific States added. He does not like to have Arizona and Colorado added. I am sure he is going to object when I try to add New York.

Mr. JACKSON. Will the Senator explain what the law is with respect to Niagara?

Mr. KEATING. What I am objecting to is that all the taxpayers, including those in the State of New York, are being asked to subsidize this purloining of their own industries by the cheap power areas.

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

Mr. KEATING. I do not have the floor.

Mr. GOLDWATER. I yield to the Senator from Washington.

Mr. MAGNUSON. Before we become too excited about this proposal, I think one thing should be made clear. I suppose I have had as much to do with appropriations for the development of hydropower as any other Member of the Senate.

Mr. KEATING. The Senator is an effective spokesman for his State.

Mr. MAGNUSON. I hear these statements continually sometimes even in the Appropriations Committee. The Senator from South Dakota knows about the taxpayers paying for hydro development in the Columbia Basin. We have paid back every nickel, with interest, and we are ahead of our payment schedule. That is not true of Niagara, but I am for Niagara, too. We happen to have a great resource in our area, a great river that is available to develop low-cost power in the Northwest. Pennsylvania has coal. Some States have gas. The State of New York has the St. Lawrence. We went down the line to help New York develop it. It is not on a payback basis. This is the only investment the Federal Government has ever made which pays back with interest.

I have supported all the reclamation and irrigation projects. Some of the early projects in Arizona have paid back. I think the Salt River project has paid back, in taxes alone, more than its cost. I have supported projects in South Dakota and Nebraska. They have paid back, but without interest. We are the best investment the Federal Government has ever made.

Mr. KEATING. In view of the generosity of the Senator, I cannot understand why the Senator is saying, "We want to keep the power here."

Mr. MAGNUSON. We are trying to sell our dump power down south. We have to do it. River basins must be kept intact. The whole river basin area is usually a development that includes reclamation, navigation, and all kinds of uses, even recreation. It has become a part of this development. It is not a question of whether we want to keep something. What we want to do is not to keep something, but to leave there what we had. We did not get it, ourselves. The taxpayers loaned the money. We are paying it back, and we are ahead of the repayment schedule.

Mr. GOLDWATER. If the Senator will yield to me——

Mr. MAGNUSON. Bonneville Dam is now 50 percent paid for, with 3 percent interest.

Mr. GOLDWATER. Mr. President, I have the floor.

Mr. MAGNUSON. I merely wanted to keep the record straight, in respect to the taxpayers.

Mr. GOLDWATER. I do not mind yielding to Senators. What my friend from Washington has been discussing does not enter into the question today. We are happy to have him discuss his projects, but now the Senator is talking about an amendment I have offered, which would include my State.

Mr. MAGNUSON. I know.

Mr. GOLDWATER. And any other State which wishes to be added.

Mr. MAGNUSON. Yes.

Mr. GOLDWATER. We could debate later about Bonneville, about the TVA, and any other project later.

Mr. MAGNUSON. I was merely answering the question of my friend from Iowa and of my friend from New York, who talked about the taxpayers of the United States putting up money, to be taken to the State of Washington, for the purpose of developing low-cost power, thus bringing industry to Washington.

Mr. HICKENLOOPER. Are they not doing so?

Mr. MAGNUSON. The money has been loaned to us. I have voted for many projects on the Mississippi River, on the Missouri River, and in the whole of the Columbia Basin. Congress has helped to support those projects, and has worked for them.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me?

Mr. GOLDWATER. I am happy to yield.

Mr. HICKENLOOPER. We have never tried to put into law, for the Mississippi River Basin or for the Missouri River Basin, anything to provide that the power would be exclusively for the use of the States nearby.

Mr. MAGNUSON. I will obtain some information to present tomorrow to show certain instances in which Senators have tried to write various proposals into law. At one time there was a request to build a transmission line out of South Dakota into the area of Minnesota. Everyone from South Dakota and neighboring areas opposed it.

Mr. HUMPHREY. It received seven big votes.

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

Mr. GOLDWATER. I yield to the Senator from Montana.

Mr. METCALF. Mr. President, I come from an area where the great rivers of America rise. The Missouri River rises in the State of Montana. Some of the hydroelectric dams ship power all the way to the Mississippi River. Many of the headwaters of the Columbia River are in the State of Montana.

I am as concerned as is the Senator from South Dakota with respect to the development of power and other resources of eastern Montana, which is three-fifths of the State I represent.

There is a power shortage in the Missouri River Basin. If we could develop the coal resources of South Dakota, Wyoming, and Montana, to supplement the hydroelectric power, we could take care of the power shortage which exists.

The Senator from Montana [Mr. MANSFIELD], the majority leader, and I have asked for a survey as to how to make use of the Columbia River power in the Missouri River Basin. The situation has been the same as it is in the area of the Senator from Arizona, and as it was in previous authorization for the Fryingpan-Arkansas project.

When Glen Canyon power comes on the line, it is possible that there will be a surplus of dump power for a while, which it would be the wish of the people to dispose of in some other power-hungry area, thus helping to pay off the debts to the Federal Government.

At the same time, the people will wish to preserve for the State, as the Senator's amendment would seek to do in this instance, or for the region, the benefits of the resources of that region.

So what we are saying to the people of the United States, from the western two-fifths of Montana and the Pacific Northwest, is "Give us an opportunity to help pay off the Federal Government by the shipment of our surplus power into power-hungry regions. Then, when Glen Canyon power comes on the line, when a survey of that region or river basin is needed, and when some of the other power dams are on the line in the Missouri River Basin, so that there is a surplus of power, we can devise a program for that river basin. We have an exceptional and, so far as we are concerned at this time, a unique situation in the Bonneville Power Administration and in the development of the Columbia River, which is one of the great resources of our country. We want to share it with other people. We want to share the surplus power with the people of our neighboring States. At the same time, we want to have the advantage of a great resource which we possess, exactly as we wish to maintain an advantage for the Missouri River Basin when the Senator from South Dakota gets his power from the line, and exactly the same as other people wish to have the advantage of Glen Canyon power when that power comes on the line."

I predict that there will be a power surplus, with regard to Glen Canyon similar to that which we have, for a temporary time, in the Columbia River Basin.

Mr. GOLDWATER. In answer to the Senator's remarks, by the adoption of the committee amendment, he has taken care very adequately of Montana. I congratulate the Senator. I am merely trying to do the same for my State by offering an amendment. That is the extent of what my amendment would do.

So far as the possibility of Glen Canyon producing surplus power is concerned, I assure the Senator that that will never happen. We shall be fortunate if sufficient power is produced to pay back.

Mr. METCALF. I hope the Senator is correct. If he will yield for a moment more, the point at which we got the amendment for Hungry Horse was when Hungry Horse was authorized and when the appropriations for it were made. We did not get that amendment in an omnibus bill of this sort. The amendment with respect to Arizona should have been obtained in connection with the Upper Colorado River authorization bill; or in the same manner in which the Senator from South Dakota got the preference clause for Big Bend, in the authorization bill and in the appropriation bill.

This is not the time to divide the territory State by State and say, "Let us add one other State, even though we do not have a survey as to what would happen to the other river basins and to the other regions in the Nation."

Mr. GOLDWATER. I say to my good friend from Montana that hindsight is the only 20-20 legislative vision of which I know. When we pressed for the Glen Canyon project, had we known of the report which was to be submitted, which came to the committee on December 15 of last year, certainly we would have asked to have this plan agreed upon and probably it could have been done on a basin basis.

But we were not intelligent enough to do so. We could not visualize that the Federal Government would ever want to get into a national grid, or that it would ever want to construct high voltage lines across the country. Had we then realized it, we would have objected to not having an exclusive clause, such as the Northwest basin is suggesting now, and which Hungry Horse has had, as the Senator correctly observes, ever since the passage of the original bill.

The Representatives from Montana must have had some foresight at that time which we were not possessed of, because they did precisely what I now seek to do at this late hour.

Mr. METCALF. If any foresight was involved, it was exercised by the majority leader when he was a Member of the House of Representatives.

Mr. GOLDWATER. The majority leader has always had excellent foresight. I saw that when I saw the committee amendment. I said, "Oh, oh; here comes a long-range look again."

Mr. MANSFIELD. No. Mr. President, will the Senator yield?

Mr. GOLDWATER. He is not looking backward. He is not even looking at the New Frontier. He is looking far out in front. I admire him.

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

Mr. GOLDWATER. I yield.

Mr. MANSFIELD. I wish to support in full what my distinguished colleague has said relative to the preference clause in the Hungry Horse Dam Act. I point out that this is almost absolutely necessary for our part of the country. As the Senator from Montana [Mr. METCALF] pointed out, both the Columbia River and the Missouri River have their origins in Montana, but the Hungry Horse project in Montana has the prior use of only approximately 200,000 kilowatts of power. Downstream the people get 700,000 or 800,000 kilowatts of power, because of storage as a result of the impounding of the Hungry Horse Reservoir.

Insofar as the Garrison Dam is concerned—and I note that the Senator from North Dakota is in the Chamber—their power is implemented because of impounding of waters behind Fort Peck Reservoir.

What happens, in effect, is that we have all these resources and we get very little by way of return. What we are asking the Senate to do is to protect us and strengthen us in the rights we already have, because this is a question of life and death.

Mr. GOLDWATER. We have already done that, by adopting the committee amendment. All the junior Senator from Arizona is attempting to do is to get a little of that which the Northwest and Montana now are to have. I believe in spreading the benefits around. In this

respect I follow the preachments of the New Frontier. I want to get some action on this proposal, and not to see the benefits confined to one region.

It may be a partial answer to the remarks of my friend from Minnesota to point out that under section 1 of the bill the report refers to preference:

> This subsection, together with sections 2 and 3, superimposes a regional geographic priority on existing preference and priority statutes.

I suggest that this is something which should give the REA people great concern.

It should give preference customers more concern, because it superimposes a regional geographic priority that does not now exist. I am sure that is the reason the distinguished Senator from Montana suggested the amendment to the committee bill in the committee. I merely mention that point as further food for thought for those who wish to study the question tonight before action is taken on the bill.

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

Mr. GOLDWATER. I yield.

Mr. MUNDT. I am glad the Senator has touched upon an issue which had not previously been mentioned this afternoon, but has greatly disturbed many of the REA people in South Dakota. The issue is the impact that the new kind of community preference will have on the established preference-customer concept which has done so much to develop, build, perpetuate, and expand REA. I am frank to say that the committee report skips over that subject lightly. But I have received through the mail from an REA constituent back home a speech which the REA Administrator, Norman Clapp, delivered in San Juan, P.R., on May 17, which I had printed in the RECORD on July 13, and in which he raised some very serious questions about the "Balkanization" of power—that was not his term, but is mine—which proposes a new concept of preference.

Let me explain the way the plan would inevitably work if the bill should become law and there were preference customers—rural people, rural REA's and public bodies outside of the periphery which is being fenced in by the bill. Before such people could get their power, the power needs of all the people in the Northwest area, from the smallest REA to the biggest Kaiser aluminum plant, would have access to the power. I seriously fear that if we enact the proposed legislation as it is presently presented, we shall jeopardize, if not destroy, the preference-customer concept which has done so much to develop farm electricity and REA's throughout America, and which, I submit, is as much needed now as when REA was in its infancy, because there was nothing to protect the preference customer outside the preference area.

I doubt the wisdom of developing preference communities, which is what the bill would do. I believe we ought to adhere to our preference-customer legislation. But certainly if we should pass the bill without amendment, we would protect preference customers outside the preference communities, and then we would begin to sound the death knell to the preference-customer legislation and regulations in America.

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

Mr. GOLDWATER. I yield.

Mr. DIRKSEN. I should like to ask the assistant majority leader the program for the remainder of the day. I also would like to know whether he expects to have the Senate convene at an earlier hour tomorrow.

Mr. HUMPHREY. Mr. President, it is hoped that the Senate can adjourn very shortly and reconvene at 11 o'clock tomorrow morning. I gather that considerable more discussion is desired on the amendments that are being offered. There would be little or no opportunity to vote on the amendments at any early hour tonight. Rather than to ask the Senate to remain in session late tonight, if it is agreeable, I suggest that the debate be concluded in another half hour or so for the evening, the Senate to reconvene at 11 a.m. tomorrow.

Mr. DIRKSEN. Mr. President, if the Senator will yield further, I should like to ask a question.

Mr. GOLDWATER. I yield.

COMMITTEE MEETING DURING SENATE SESSION

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet tomorrow morning notwithstanding the session of the Senate, because the committee is now considering the drug bill.

The PRESIDING OFFICER. Is there objection?

Mr. HRUSKA. Mr. President, reserving the right to object, some of us who are interested in the hearing of the Committee on the Judiciary are also interested in the pending bill. It will be a little difficult for us to be in two places at the same time.

Mr. DIRKSEN. I respectfully suggest to my distinguished friend from Nebraska that there will doubtless be discussion on the bill. There will be a quorum call, and by the hour of 12 o'clock we should be back in the Senate Chamber. I do not make the request for the afternoon, but only for the morning.

Mr. HRUSKA. There is a hearing also scheduled for 2 o'clock on the confirmation of the nomination of Judge Irving Cooper.

Mr. DIRKSEN. That is correct.

Mr. HRUSKA. Would the Senator's request include that hearing also?

Mr. DIRKSEN. Yes. I obtained that consent earlier today.

Mr. HRUSKA. The hearing was postponed from last week when we had an extended discussion on another bill in the Senate.

Mr. HUMPHREY. Mr. President, we might be able to accommodate Senators if the Senate were to meet at noon tomorrow.

Mr. HRUSKA. That would help.

ORDER FOR ADJOURNMENT

Mr. HUMPHREY. Mr. President, I move that when the Senate completes its business today it stand in adjournment until 12 noon tomorrow.

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

Mr. HICKENLOOPER. Mr. President, will the Senator yield so that I might ask the acting majority leader a question?

Mr. GOLDWATER. I yield.

COMMITTEE MEETINGS DURING SESSION OF SENATE TOMORROW

Mr. HICKENLOOPER. Mr. President, I should like to ask the acting majority leader whether the Committee on Foreign Relations will be authorized to meet tomorrow?

Mr. HUMPHREY. I shall make a special unanimous-consent request to continue the hearings, which are being held without too much interference with the work of the Senate.

Mr. President, I ask unanimous consent that the Senate Committee on Foreign Relations may be authorized to meet during the session of the Senate tomorrow.

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

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet during the session of the Senate tomorrow.

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

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate Subcommittee on Permanent Investigations be authorized to sit during the session of the Senate tomorrow.

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

PACIFIC NORTHWEST POWER PREFERENCE

The Senate resumed the consideration of the bill (S. 3153) to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes.

Mr. GOLDWATER. Mr. President, I had no idea that the amendments would create so much interest. I had a prepared statement to make on the amendments themselves. A great deal of interesting discussion has taken place today. When Senators who were not present read it, it will give them some pause in the consideration of the bill. Frankly, I do not think the bill is needed. Even if my amendments were agreed to, I would be reluctant to vote for the bill, because I think the Secretary has all the authority that is needed today. I further feel that we would jeopardize very seriously the preference clauses in our Federal construction. That statement comes from one who does not happen to believe in the preference concept.

Mr. HUMPHREY. Mr. President, will the Senator from Arizona yield for a point of information?

Mr. GOLDWATER. I yield.

Mr. HUMPHREY. Does the Senator wish to press his amendments to a vote tonight?

Mr. GOLDWATER. No; the Senator will not press his amendments for a vote tonight.

Mr. HUMPHREY. I thank the Senator.

Mr. GOLDWATER. I understand that certain Senators who are out of the city today are vitally interested in the amendments of the Senator from Arizona and other amendments that will be offered by Senators on both sides of the aisle.

Mr. HUMPHREY. I so understand. For the information of Senators, there will be no votes tonight.

Mr. GOLDWATER. That is correct.

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

Mr. GOLDWATER. I yield.

Mr. DIRKSEN. I would regard it as rank discrimination if the State of Illinois were not included in the amendments of the Senator from Arizona.

Mr. GOLDWATER. I think the Senator is absolutely correct. I think he would find it rather difficult to explain to some of his constituents why Illinois did not feel just as entitled to the benefits as the Pacific Northwest, Arizona, Iowa, and Colorado.

Mr. DIRKSEN. Is the Senator from Arizona agreeable to the inclusion of an amendment that would include also the great Commonwealth of Illinois?

Mr. GOLDWATER. I modify my amendments to include the great Commonwealth of Illinois.

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

Mr. GOLDWATER. I am happy to yield.

Mr. KEATING. We are coming farther and farther east all the time. I wish to think the question over. I do not want to act precipitately by asking for the inclusion of New York. There are arguments on both sides. But I now congratulate the distinguished Senator from Illinois for looking after his State. One upon whom I neglected to heap encomiums was our distinguished majority leader, who acted before the bill ever reached the floor of the Senate. That is the time to protect a State. We have all learned that. He did a fine job, as he has always done, representing Montana. I congratulate him and my friend, the chairman of the committee. I shall not ask the distinguished Senator from Arizona to modify his amendments tonight.

Mr. GOLDWATER. I would be most happy to do so.

Mr. KEATING. I am sure the Senator would be happy to do so, but I do not want to make that request until I am sure it is in the best interest of my State. Senators are all looking out for their own States. After all, I feel we should do something about it. I wish to confer with my friend, the Senator from Vermont.

Mr. GOLDWATER. I cannot consider a better axis than a New York-Arizona axis.

Mr. KEATING. I agree with the Senator. I think it would be absolutely unbeatable.

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

Mr. GOLDWATER. I yield.

Mr. MUNDT. For the information of the Senate, since my request was made to the committee before the committee had marked up the bill, and because I received no consideration for my proposed amendment at that time, I have been working rather diligently on the problem. It is a very real problem for anyone outside the Pacific Northwest. So, working with the legislative counsel, I have had prepared in my office an amendment which I shall now read. The amendment would apply the same criteria to every State in the Union meeting the same problems as they arise.

I hope the Senator from Washington will listen to my reading of the amendment, because he is a very fair-minded individual, and perhaps after reading the amendment in the RECORD he may desire to become a cosponsor of it tomorrow, in which case I shall be glad to add his name. I read the amendment:

At the end of the bill insert a new section, as follows:

"SEC. 9. (a) Any contracts of the Secretary for the sale or exchange of electric energy generated at, or peaking capacity of, Federal plants in any State for use outside such State shall be subject to limitations and conditions corresponding to those provided in sections 2, 3, 6, and 7 for any contract for the sale, exchange, or transmission of electric energy or peaking capacity generated within the Pacific Northwest for use outside the Pacific Northwest.

"(b) The provisions of this section shall apply only to States and parts of States not included in the Pacific Northwest."

What we do here is to apply precisely the same situation that is proposed for the Pacific Northwest.

I would also amend the title to read, as follows: "A bill to guarantee electric consumers in the Pacific Northwest region and in any State or part of a State outside such region first call on electric energy generated in Federal plants in such region or in such State, respectively, and for other purposes."

I send the amendment to the desk and ask that it be printed for use at the time the Senate enters upon consideration of amendments to the bill.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. MUNDT. Mr. President, I have a second amendment, which I also send to the desk, which I read, as follows:

At the end of the bill insert a new section as follows:

"SEC. 9. Any contracts of the Secretary for the sale or exchange of electric energy generated at, or peaking capacity of, Federal plants in the States of North Dakota, South Dakota, and Arizona for use within any area outside such States shall be subject to limitations and conditions corresponding to those provided in sections 2, 3, 6, and 7 for any contract for the sale, exchange or transmission of electric energy or peaking capacity generated within the Pacific Northwest for use outside the Pacific Northwest."

Amend the title to read as follows: "A bill to guarantee electric consumers in the Pacific Northwest region and in the States of North Dakota, South Dakota, and Arizona first call on electric energy generated in Federal plants in such region or such State, respectively, and for other purposes."

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MUNDT. Therefore, tomorrow we will present for consideration two proposals: One, to provide for Arizona, North Dakota, South Dakota, and the Pacific Northwest, as the major power-producing States of the area, precisely the same criteria, considerations, and protective measures; the other, to provide for every State this new pattern of protection which would be established by precedent in the proposed legislation as affecting the Pacific Northwest.

I submit these amendments reluctantly, because I believe that our present program of preference customers for public purposes and for REA's is better than the proposed substitution of regional preference or community preference for preferred customers. I believe it is undesirable to start balkanizing the great power systems of this country, which are brought about by the expenditure of public funds or by money borrowed from the Public Treasury.

However, I submit that if it is wise to do this under certain considerations in the Pacific Northwest, it is equally wise to meet the same problems as they arise, and to cure the same conditions, in the other States of the Union.

The criteria should be made applicable to all of them, but certainly to the other big power producing States like Arizona, North Dakota, and South Dakota.

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

Mr. MUNDT. I yield.

Mr. AIKEN. Am I correct in understanding that the Senator's amendment would apply to storage dams and reservoirs which are constructed with public funds but which are utilized for the generation of power at privately owned plants?

Mr. MUNDT. If they are constructed by public funds; yes.

Mr. AIKEN. Or if they were constructed to take care of flood conditions and later used as storage basins. Would that entitle the people of that area to the preference use of power?

Mr. MUNDT. I presume it would, although I should probably yield on that question to the distinguished Senators from Washington, who are the authors of the pending bill, because we would apply precisely the same criteria, whatever they are, to other States which are proposed for the Pacific Northwest.

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

Mr. MUNDT. I yield.

Mr. JACKSON. I believe it is perfectly clear what is involved in the Senator's amendment. The purpose is to change completely all existing law with relation to the distribution of power from Federal dams throughout the United States.

Mr. MUNDT. Only if the conditions which the Senator says are unique to the Pacific Northwest can be shown to prevail in the other areas.

Mr. JACKSON. I believe the amendment should be considered as a separate bill, after proper hearings have been held, with opportunity given to all interested parties to testify.

Mr. MUNDT. We would make applicable the same desiderata to our proposal as to the Senator's proposal. The Senator may wish to become a cosponsor, as I have said.

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

Mr. MUNDT. I yield.

Mr. MAGNUSON. Who prepared the amendments?

Mr. MUNDT. I prepared the amendments in my office, in cooperation with the legislative counsel, who put them into legislative language.

Mr. MAGNUSON. The concept of area preference is not a new one. In one form or another it has been a part of Federal power policy for nearly 35 years. The Boulder Canyon Project Act (45 Stat. 1057) grants a preference to Arizona, California, and Nevada. I do not believe anyone would want to change that. Perhaps Arizona would like to change the percentages.

Mr. GOLDWATER. We want to protect that situation.

Mr. MAGNUSON. We want to protect it also.

Mr. GOLDWATER. I agreed at the outset that the Senator from Washington was wise. We merely want to get hitched to the Senator's wagon.

Mr. MAGNUSON. Hungry Horse Dam Act (58 Stat. 270) grants a preference to the State of Montana.

Mr. MUNDT. Which is recited in the pending bill.

Mr. MAGNUSON. The Priest Rapids Project Act (68 Stat. 573, 574) requires that the Federal Power Commission license of the project must offer a reasonable portion of the capacity and energy of the project for sale within the economic market area in neighboring States. The Niagara Power Project Act (71 Stat. 401) requires that any Federal Power Commission license of the project must make a portion of the power available for use within reasonable economic transmission distance in neighboring States. The River and Harbor Act of 1958 (72 Stat. 297, 311) provides that the States in which future Corps of Engineers dams in the Missouri basin are located shall have preference to a portion of the power.

Mr. MUNDT. That is correct. That has been reaffirmed in the legislative history today.

Mr. MAGNUSON. Most recently, the 1959 amendments to the Tennessee Valley Authority Act (73 Stat. 280) define the marketing area of the Authority and thereby grant a form of regional preference to that area. There is nothing conceptually new in the proposal. Congress has provided a power reservation on a number of occasions. But it is important to note that the reservations have not been uniform. Each area or region is different and Congress, after a careful study, tailored, and should tailor, the power reservation to meet the needs and problems of the particular area or region involved. That is what is being done here. This is nothing new.

Mr. MUNDT. It was done in the Pacific Northwest originally.

The Senator's colleague pointed out that now, to use a happy phrase, the state of the art has reached the point where the power can be pumped a little farther than at the time of the enactment of that act. However, the state of the art which creates a new situation in the Northwest also creates it in the Missouri Valley.

Mr. JACKSON. Mr. President, we can debate this issue tomorrow, but it is clear that what is involved is a change in the fundamental law which is applicable now to the distribution of power from the various Federal dams. These laws were passed after careful and detailed hearings. It is clear that if we wish to approach this problem intelligently, it is necessary to approach it by regions.

This is what Congress had done throughout the years. We have approached this problem by a Pacific Northwest regional approach. It seems to me it is commonsense that other areas which have problems that are unique to those areas should approach them on that basis. We cannot legislate in an orderly fashion by doing what is proposed in the various amendments.

Mr. GOLDWATER. As I stated on August 1, when I submitted this amendment, I explored at great length the possibility of acting on a regional or a basin basis. In my own judgment and the judgment of my legal advisers, that could not be done, because it would not be definitive enough. For example, there are existing contracts and agreements in the Colorado basin, which my amendment would not alter. In the basin from which the Senator from Washington comes, there are agreements which my amendment would not alter.

Mr. JACKSON. But it would alter them.

Mr. GOLDWATER. No, I do not think so. I do not think Senators have fully realized the situation. Subsection (b) of section 1, together with sections 2 and 3, would impose a regional geographic priority on existing preference priority statutes. In other words, if the bill were passed, it would then be a niche above the existing statutes and preference agreements.

I did not intend to enter into a discussion of this subject today, because it is only remotely related to my bill; but I think it is something the Senate should consider. We should consider whether we want to superimpose regional geographic priorities or the priorities we have already established between the States of the Upper and Lower Basins of the Colorado River, and whether we want to do the same thing with respect to the Pacific Northwest.

If there had been any other way in which to offer my amendment, I would have offered it in that way.

I must admit that it is difficult to act State by State; but I see no other way of acting if we are to prevent other areas of the United States from taking power out of my State, which is now a power-starved State, and will be even after the completion of the Glen Canyon Dam.

Mr. JACKSON. Nothing in the pending bill takes anything away from Arizona.

Mr. GOLDWATER. But an extension of this idea would make it possible eventually to apply not only to Arizona, but to any other State where a grid would touch. I remind the Senator from Washington that the grid comes very close to the Columbia basin right now. It could be connected clear up into Idaho.

Mr. JACKSON. This proposal has nothing to do with the Federal grid.

Mr. GOLDWATER. I have agreed with the Senator as to that.

Mr. JACKSON. It has nothing to do with it.

Mr. GOLDWATER. One reason why I have been apprehensive about this type of legislation, even though I recognize the Senator's problem in the Pacific Northwest, where large amounts of power have to be dumped, is that the argument might be extended to TVA. TVA might say, "Let us build 10 more steamplants."

Mr. JACKSON. Congress has limited the transmission distance of TVA. That is what we are seeking to do in this instance. Private utilities were concerned in the Tennessee Valley. They wanted to have the area distribution limited. In this proposal, we seek to limit the area of distribution.

Mr. GOLDWATER. That is all I am asking. I do not blame the Senator.

Mr. JACKSON. But we are not proposing to change any basic law in relation to the distribution of power from Federal dams. However, the amendments which have been proposed turn upside down all the laws which have been passed over the last 50 years providing for the allocation and distribution of power from Federal dams. Those laws were passed after careful and detailed hearings, in which witnesses from the various areas within a region had an opportunity to be heard. The proposed amendment denies that opportunity.

Mr. GOLDWATER. The Senator's bill imposes, in his own area, a regional, geographic priority over existing agreements that the Northwest district might have. The Senator from Arizona does not like that. I do not like the idea of the Federal Government disturbing any arrangement that has been made by agreement among the States or within the States or by the districts.

If this were to happen in the case of the Pacific Northwest, it would not be many years or many Congresses until some kind of preferential treatment were sought by some other area. It may not seem to be a problem, but a problem can be found. Those in the Federal Government who want to federalize the power system of this country are hard at work, day after day, trying to find a way to do it. In the case of the Senator from Washington, there is too much water; in our case, there is too little water and too little power. We have many steamplants.

Mr. JACKSON. All the private utilities of the Pacific Northwest participated in the drafting of the bill. They agree with it. I do not suppose they would be parties to the bill if they believed they were to be federalized. Their worry is that if the proposed legislation is not passed and the dump power is sold in California, they will lose their present contractual rights to buy firm power from the Bonneville Power Administration. That is very important, because more than half of all the power

from the Bonneville system goes to private utilities and private industries in the Northwest.

Mr. GOLDWATER. The Senator has said that the private power interests of the Pacific Northwest have participated in the drafting of the bill. In my own State, my attention has been called to the bill by the Arizona Power Authority, a State body which controls the power in that State.

While I have had no direct contact with our own large private utility, Arizona Public Service Co., I believe I am correct in stating that they share the position of the Arizona Power Authority with respect to the bill.

One might not expect a State body to be opposed. However, the Arizona Power Authority is. They believe that if it is good for the Northwest—which I have recognized—it is also good for our section of the country, the Southwest.

I wish that sometime the Senator from Washington would define what "Pacific Southwest" means. I have a suspicion it ends at the Colorado River going east. If it excludes the State of Arizona, that might make some difference in future consideration, but not at this time.

Mr. MUNDT. Mr. President, I must admit to the Senators from Washington that I am always predisposed to support any proposed legislation bearing the names of JACKSON and MAGNUSON, and that I have sought to propose amendments which would get the bill into an affirmative position on the floor of the Senate.

The junior Senator from Washington [Mr. JACKSON] said the bill had its genesis in the fact that the Bonneville Power Administration wants to sell dump power in California, but that two different solicitors have ruled that if power were sold into southern California, they would have a vested interest on the part of the consumer and could never withdraw it.

Mr. JACKSON. Preference consumers.

Mr. MUNDT. I can see that this is a problem. It is something that should be solved.

I am concerned about the other ramifications involved in the bill. I do not see the particular implication between the private power and public power problem that the Senator from Arizona is concerned about, because I do not believe this proposal would create any new transmission lines or develop any new problems in that area. But it seems to me that the Senator from Washington is using a sledge hammer when a tack hammer would solve the problem just as well. Why not devise a piece of legislation which would upset the opinion of the Solicitor of the Department of the Interior and would provide solely for that kind of recapture, instead of extending into the area into which this bill would go, for the bill covers a much larger field, and would, I believe, by creating a new kind of preference, upset the customers' preference clauses which have been created in this country.

Mr. JACKSON. No, that is not the case at all. We are taking care of a need to sell surplus, dump power without changing the pattern which has been established over all these years.

The Senator's argument amounts to saying that when a dam is built and when power from it is to be allocated, we should pass a law to allocate it to the entire country. Certainly when dams were built in the Missouri basin, each dam was handled separately.

Mr. MUNDT. No; only the Big Bend was handled separately; and that was based on the precedent developed at Hungry Horse, and later applied to Niagara Falls.

Mr. JACKSON. When the legislation in regard to the Missouri basin was passed, it was not applied to all power throughout the United States.

Mr. MUNDT. It did until the development of the precedent at Hungry Horse, which was reaffirmed at Niagara Falls.

I point out that if this precedent is established, it will apply to other areas, just as the precedent established at Hungry Horse was applied to other areas. So we must protect the power developed in other areas, as is being done with respect to the Pacific Northwest.

Mr. JACKSON. I think the Senator from South Dakota will find that when legislation affecting dams in the Missouri basin was passed, it was geared only to dams in that area.

The late Senator Case of South Dakota was responsible for the special allocation to the Big Bend, in South Dakota. No attempt was made to apply such a yardstick throughout the country. We have never attempted to legislate on that basis.

That is why we have brought this bill before the Senate—to deal with a situation which is unique to the Pacific Northwest.

ADJOURNMENT

Mr. JACKSON. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn, pursuant to the order previously entered, until tomorrow, at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 2 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, August 7, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 6, 1962:

JUDGES OF JUVENILE COURT OF THE DISTRICT OF COLUMBIA

Morris Miller, of the District of Columbia, to be judge of the juvenile court for the District of Columbia for the term of 10 years; new position.

Marjorie McKenzie Lawson, of the District of Columbia, to be judge of the juvenile court for the District of Columbia for the term of 10 years; new position.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 6, 1962:

COMMISSIONER OF NARCOTICS

Henry L. Giordano, of Maryland, to be Commissioner of Narcotics.

TAX COURT OF THE UNITED STATES

Howard A. Dawson, Jr., of Maryland, for the unexpired term of 12 years from June 2, 1958, to be judge of the Tax Court of the United States.

Austin Hoyt, of Colorado, for a term of 12 years from June 2, 1962, to be judge of the Tax Court of the United States.

COLLECTOR OF CUSTOMS

Raymond F. Hufft, of Louisiana, to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La.

EXTENSIONS OF REMARKS

FHA Mortgage Loans

EXTENSION OF REMARKS

OF

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 6, 1962

Mr. ROSENTHAL. Mr. Speaker, I introduce today a bill to authorize payment of certain claims for major defects in homes protected by Federal Housing Administration insured mortgages, and to require indemnification bonds in the case of certain new construction under such mortgages. The scope of this bill is confined to one- to four-family dwellings covered by FHA mortgage insurance, so it deals with the family resident or the small piece of investment property.

In the case of such dwellings previously or subsequently covered by FHA mortgage insurance, this bill would permit the Commissioner to reimburse the mortgagor, within 3 years after issuance of the insured mortgage, for the reasonable costs of correcting structural or other defects in the dwelling that are necessary to bring it into substantial conformity with the Commissioner's plans and specifications, or to make the dwelling safe and habitable. The bill would confer a maximum of administrative latitude upon the Commissioner, who would be empowered to prescribe the terms and conditions under which he would honor mortgagors' claims.

With respect to dwellings on which the mortgage is insured by FHA after enactment of this measure, the Commissioner would be empowered to require that a bond be posted, by the builder or seller, for example, to indemnify the Commissioner in the event that he is subsequently required to reimburse the mortgagor for correction of structural or other defects.

I believe that this bill will provide a workable and economical procedure for correcting what often are tragic and sometimes unavoidable situations which leave a helpless homeowner saddled with a defective dwelling and without a legal or financial remedy. I urge its favorable consideration and enactment.

Mukwonago, Wis., Picnic

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, August 6, 1962

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD excerpts from an address prepared by me for delivery at the Mukwonago, Wis., picnic, on August 5, 1962.

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

Friends: The "happy air" of a picnic—wonderful in itself—does not provide an atmosphere in which to easily discuss the great, solemn and sometimes grave, challenges of the times. For you might rather be eating another hotdog; the children might rather be scampering around the playgrounds; and I, too, might rather be slicing another delicious piece of the watermelon.

Even at such a festive time, however, perhaps we justifiably could pause to think of a few of the achievements which make possible our freely picknicking here; some of the wonders around us in our national life and the world; the challenges of the times in which we live.

Through the ingenuity, creativity, imagination and hard work and sweat of a forward-striding people, we: Agriculturally, feed more and more people on less and less land than ever before; industrially, turn out millions of types and kinds of products and goods to provide the best standards of living in the history of humanity; scientifically, too, we are literally "reaching for the stars"—talking and televising through satellites such as Telstar—traveling almost at supersonic speeds in jet planes—rocket-powering manned X-15's upward into space—orbiting the earth—planning trips to the moon, and perhaps ultimately, to the other planets of the universe. On earth, too, we enjoy ever-better homes, food, clothing, schools, cars, and other good things of life.

In such a miraculous age then, our heads, at times, may be in the stars; however, we must "keep our feet on the ground." Why? Despite great benefit—much still unknown—from such progress, there are also serious built-in problems. These must be resolved: If we are to adequately meet the needs of our people; if we are to maintain a strong, forward-striding nation; and if we are to create and preserve peace in the world.

AGRICULTURAL OUTLOOK

First, let us take a look at agriculture. According to the Secretary of Agriculture, we—in the next 20 years—will be feeding 77 million more people on 50 million acres less land than is now in production.

Normally, high efficiency and productivity would—and should—be considered a great national asset—not a liability—as, indeed, for the most part, it is. Unfortunately, however, inadequate consumption, lack of effective distribution channels, and too little effort to utilize farm commodities for commerce—industrial purposes have resulted in:

A national surplus stockpile of about $9 billion worth of farm commodities, including now about 93 million pounds of cheese, 376 million pounds of butter, and 472 million pounds of dry milk.

Too low returns to farmers for the sale of produce—even though the farmer, himself, has to meet ever-higher taxes and costs of labor, machinery and equipment, and general operations of the farm; and for the future, other serious readjustments in farm life itself.

Now, what can be done?

In Congress, the outlook for miracle-type, problem-solving legislation is extremely dim.

Recently, the House of Representatives passed its version of the Food and Agriculture Act of 1962.

As of now, the Senate bill is still pending.

In general, the Senate Agriculture Committee recommended legislation to create a revised land-use program, including: Permanent agricultural conservation programs on a national basis; assistance to producers under long-term agreements (not to exceed 15 years) to conserve and develop soil, water, forest, wildlife, and recreational resources; appropriations would be restricted to $10 million annually. A loan program to State and local public agencies for carrying out more effective land utilization programs; special assistance for Federal participation in installation costs of recreation projects and in land costs for fish, wildlife and other purposes.

The committee also recommended extension of the existing law relating to feed grains; a modified wheat program; revised laws for shipping surplus food abroad; liberalization of farm credit; and expanding research for industrial uses of agricultural products.

The pending bill, then, contains some highly controversial provisions—particularly those relating to extending Federal control.

Consequently, the outcome at this point is unpredictable.

Regrettably, the outlook for price improving legislation for dairying—of major interest to Wisconsin—however, is extremely poor. To the contrary, the existing policies have resulted in (a) greater surpluses, and (b) lower prices. As things stand now, there is little hope for immediate legislative action for improving the dairy farm income—significant, of course, not only to the farmer, but to the whole economy, particularly that depending upon farm buying power.

For the days ahead, we need, then, a more realistic, imaginative and creative effort to improve the outlook in agriculture. Among the proposals I included the following:

1. Expanding research, as I mentioned, for greater industrial-commercial utilization of dairy and other farm commodities.

2. Greater utilization of food, as a strategic weapon in the cold war.

3. Establishment of an Advisory Production Board within the Department of Agriculture—utilizing existing, not hiring new, personnel. The purpose would be to provide better guidance to farmers in long-range production planning.

4. Promoting greater efforts to sell, not just give away, food elsewhere in the world. As of now, about two-thirds of the world is hungry. During World War II, you—the Wisconsin and American farmer—produced food for the people of many nations. Why can't we try this now? The idea would be to explore for contracts—by individuals, organizations, and government—for the sale of food to nations that have an inadequate food supply. Wisconsin, for example, could well supply a whole country with high-quality milk and other dairy products, for 1, 2, 5 or 10 years. Unfortunately, a great many of the food deficient countries are poor. Nevertheless, the available resources could be invested in no better way than providing healthful food for their people.

5. Finally, early completion of the family farm study—now underway by the Department of Agriculture—is essential. The purpose would be to help solve some of the great problems, particularly those confronting the farm family in the years ahead.

MUTUAL FARM-CITY INTERESTS

As a nation, we—after a long time, perhaps too long—are also realizing that farm-city interests are mutual—not conflicting. Realistically, a dynamic, forward-moving economy depends upon: Greater town-farm cooperation on communitywide development projects; stimulating greater industrial growth in both city and rural communities; expanding rural development programs for improving the economic outlook in chronically low-income areas; improvement in rural buying power, of course, affects the growth and development of local villages and towns; and improving town planning, development and administration to better meet the needs of the citizens.

GETTING OUT OF THE RUT

Unfortunately, we, as citizens, farmers, businessmen, professionals, teachers, conservationists, sportsmen: all of us—often get into a rut—adhering to, and practicing, outworn and outmoded ideas.

For this reason, we need, from time to time, to take a new look at ourselves; to reevaluate our progress; to reassess our potential; and to determine whether or not we are best utilizing our citizen and community resources to serve the well-being of our people and promoting progress.

How could this be done? Possibly by:

First. Reestablish the town-meeting-type council—for farm; for city; for farm-city groups and then appoint special community committees to undertake the following action: Study economic problems and trends; reevaluate the pace, and direction, of progress; consider alternative steps for solving problems and getting ahead faster; and encourage local citizens to pool efforts, material, and finances to undertake needed projects.

Second. In attempting to speed up progress, obtain guidance and assistance from the available outside sources, such as: State agencies, educational institutions, bureaus of business research; bureaus of economic research; etc.; the Area Redevelopment Administration of the Department of Commerce; the Small Business Administration; agricultural or conservation programs that may be applicable to local problems; and rural development programs, particularly in developing farm-village projects for mutual benefit.

Third. After determining the needs of the community, and establishing plans to promote progress, there must be efforts to mobilize the people, in spirit and action, as well as resources, for promoting economic and other types of progress.

ECONOMIC ILLITERACY

Historically, free enterprise—the establishing and successful operation of business—has represented a fundamental working principle of action, of progress, of our way of life.

Over the years, however, we have gradually diminished our appreciation of the significance of our economic system to our progress and security.

How then, can we better understand and strengthen free enterprise?

This can, I believe, be done by the following steps:

1. By better educating our citizens, adult, and in school, of the significance and working principles of our economic system.

2. By encouraging more people, not only to understand and appreciate—but also confidently invest in—enterprises, small and

large, serving as a hub of economic life for a community.

3. By undertaking renewed efforts to brighten the economic prospects for enterprise, over 95 percent of which fall into the category of small business, such as: by encouraging community support of community development corporations to provide financing for necessary projects; formation of farm, small business and other type pools—to undertake research, tackle production problems too large for single operations, or shoot for higher goals; cooperative efforts to foster new enterprises under the area redevelopment program—now beginning to get underway in Wisconsin and elsewhere; by reawakening our citizens' enterprising spirit, full of faith and confidence, to improve the economic status of existing, and creating new enterprises for a strong, free economy.

President Kennedy Hails Representative Farbstein's Aid

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 6, 1962

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I am pleased to include an article which appeared in the New York Times, Thursday, July 26, 1962. The article, which follows, reports President Kennedy's appreciation of Representative FARBSTEIN's support of his program:

LETTER MAY BE FIRST IN PLEDGE BY PRESIDENT TO HELP THE SUPPORTERS OF PROGRAM

(By Richard P. Hunt)

Representative LEONARD FARBSTEIN, of Manhattan, who is running for reelection, made public yesterday a letter from President Kennedy praising him for his work in Congress.

The letter, dated July 20 and addressed to "Dear Congressman," was the first of its kind to come to light here since the President said on Monday that he was "going to help elect Democrats" who supported his legislative program.

Although the President did not specifically endorse Mr. FARBSTEIN for reelection, he praised the Representative for "clear judgment, wisdom, dedication, and energy." Mr. FARBSTEIN left no doubt that he considered it an endorsement.

BACKED KENNEDY BILLS

Although the Representative has voted consistently for administration bills, he faces a contest for the Democratic nomination in the 19th Congressional District. The winner will run against Richard S. Aldrich, a cousin of Governor Rockefeller, who is unopposed for the Republican nomination.

The letter, written on White House stationery, said:

"DEAR CONGRESSMAN: Thank you for sending me a copy of your bill which would provide for a Domestic Peace Corps to aid in combating juvenile delinquency. I shall be watching its progress with interest.

"I would like to take this opportunity, at this point late in the second session, to express my personal appreciation for your sustained support of our legislative program. In the important Foreign Affairs Committee and on the floor, your clear judgment, wisdom, dedication, and energy have significantly furthered our advancement toward our common goal of greater progress at home and the attainment of a peaceful world of free and independent nations.

"With warm regards and best wishes,

"Sincerely,

"JOHN F. KENNEDY."

The 19th Congressional District includes most of the area between the southern tip of Manhattan and 14th Street on the East Side and 86th Street on the West Side.

I hope that Representative FARBSTEIN will be successful in his endeavors. He has been a most loyal supporter of the Kennedy administration and President Kennedy's letter signifies his appreciation.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 6, 1962

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of August 4, 1962:

THE REPUBLIC WITHIN A DEMOCRACY

(Washington Report, by Congressman BRUCE ALGER of Texas)

A republic is representative government, wherein at all levels the people (the components of the democracy) are represented by elected officials—the Republic in action. Elected officials must exercise their judgment based on the facts as they see them and then subject their decisions and the facts as they know them to the electorate for acceptance or rejection—every 2 years for House Members and 6 years for the Senate. Naturally, the Representatives are expected to be knowledgeable. To the extent their knowledge exceeds the knowledge of the electorate collectively the Representatives at any time on any issue may seem to be out of step. At that point, they must explain satisfactorily their conduct. So the element of choice is present always in each of these (1) to get the facts, (2) to act judiciously, (3) to explain. The danger (and politics encourages such weakness) is to take the easy way: (1) be loose with (not be bound by) facts, (2) act expediently and politically, (3) dodge or curtail explanation. The question unanswered—at least satisfactorily by our generation—will elected officials pursue courses not politically popular even though facts and moral rightness dictate the proper course? As a result deficit financing, debt, and staggering taxes have grown, wartime programs have not been terminated, and politically expedient (not commonsense) programs have been the rule. Without study and self-discipline by elected officials and constituents representative government will fail. Is this to be our course? I say not, but I cannot now prove when or how we'll take the right course to prevent it. In my own case, I make every endeavor to relate my conduct and votes to facts, use my best judgment, and do my best to report to the people of Dallas by newsletter, radio, and television, beyond the normal correspondence in soliciting of views and answering inquiries. The time is ripe for constituents throughout the United States to subject our Government (the body politic) to scrutiny, to determine how the Republic is functioning, just as we submit our physical body to the doctor for examination to restore good health, or our car to a trained mechanic for a tuneup.

The independent offices appropriations bill 1963 passed overwhelmingly (ALGER against). This bill involved appropriations totaling $11,501 million for 26 executive agencies and is approximately $2 billion more than appropriations for similar purposes last year, which is approximately $1 billion less than the President asked in the budget. (Note: Increased expenditures over last year but reduced expenditures below the budget request permit any Member of Congress to be for increased spending or reduced spending while voting for the bill). For my part, I disapprove the increase in size of the Federal Government which has averaged 6,500 people per month since President Kennedy came into office. Also the bill contained $155 million for 33 new public buildings, which, as I see it, is downright immoral in a period of deficit financing. Funds for the Dallas Federal Building are lacking in the bill. This is a glaring omission from any listing of new Federal buildings and makes it obvious that some projects have been included for reasons other than meritorious. Some new buildings approved in the bill, such as a Federal building in Boston, Mass., home of the President, and Austin, Tex., the political headquarters of the Vice President, seem to be far less necessary and far less carefully considered than the Dallas project.

The Department of Labor and Health, Education, and Welfare appropriation bill 1963 conference report between House and Senate compromising differences passed 348 to 35. Disagreement centered around an increase of $120 million above the budget of the National Institutes of Health which by the testimony of responsible leaders was more money than was necessary to accomplish the task. Once again, it is obvious that the only solution for the liberals is to throw money into all the programs, a solution which has failed so many times as to have taught many of us the lesson that money alone will not solve problems confronting us.

The payment of balance of awards under Philippine Rehabilitation Act of 1946 provoked sharp differences of viewpoint on the floor during debate. Admittedly the United States has repaid war claims for Philippine war damage and this bill was in the nature of gifts for rehabilitation to specific companies and individual groups. Many of those opposing this bill are not against further aid to the Philippines for rehabilitation but strongly object to financially aiding other countries when the United States itself is borrowing the money in order to give it away (through deficit financing). It's time we thought about strengthening the economy of our own country.

The Public Relations Society of America is composed of leading executives of large corporations in public relations and members of public relations organizations who meet annually to be informed on and to discuss isues of the day in all fields of our domestic economy. It was my pleasure to address this group at Cornell University this week. It was a most rewarding experience for me and, I hope, for them.

The National Lottery of Bolivia

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 6, 1962

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Bolivia. This

lottery is operated solely for the benefit of health and welfare agencies in the country.

In 1961, the gross receipts of the Bolivian lottery came to over $1 million. The profits in that year amounted to over $400,000. This income was not retained by the Government but was distributed to several welfare and charitable organizations. Half of the money went to the Bolivian Red Cross.

Bolivia is not a rich country by any means, and a national lottery offers needed revenues. These moneys are well used. America, with all its affluence, could derive tremendous financial benefits from a lottery. Why are we holding back?

Mr. Speaker, if we could operate a national lottery in the United States we would raise over $10 billion a year in additional revenue. This needed income could bring happiness to our overtaxed wage earners.

"This Problem Is Much More Serious With Drugs"—Testimony in Opposition to Bills To Relax Delaney Clause on Animal Feeds

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 6, 1962

Mrs. SULLIVAN. Mr. Speaker, I appeared this morning as the first witness before the Subcommittee on Health and Safety of the House Committee on Interstate and Foreign Commerce on legislation to relax some of the provisions of the Delaney anticancer clause in the Food Additives and Color Additives Acts as it applies to animal feeds. While the legislation has one important redeeming feature—that is, in authorizing the Government to remove quickly from the market any previously approved animal feed ingredient if there should arise substantial doubt as to safety—primarily, it is legislation to aid some feed manufacturers to overcome a competitive and technical business problem, and is not, in any sense, consumer legislation.

It seems to me that in view of the urgent need for strengthening our laws to protect the consumer, we should get to that task quickly and not diffuse our efforts and energies by selecting out for special attention at this time just one obscure provision of the administration bills to amend the Food, Drug, and Cosmetic Act.

In my testimony, I tried to outline the vital areas of the law which require corrective action at this time, including changes intended to strengthen the hand of Dr. Kelsey and her associates in the FDA in evaluating new drug applications. Because of the widespread interest in this whole issue as a result of the thalidomide incident, I am submitting my testimony this morning for inclusion in the CONGRESSIONAL RECORD. It stresses the need for action on H.R. 1235, which I introduced 19 months ago, or on H.R. 11581 and H. 11582, the two administration bills introduced recently to cover some of the same ground included in H.R. 1235. I do not think we should be diverted into consideration of a minor amendment of interest primarily to only one inudstry when so many major changes are needed in the Food, Drug, and Cosmetic Act—and needed urgently.

The statement follows:

STATEMENT BY CONGRESSWOMAN LEONOR K. SULLIVAN OF MISSOURI

Chairman ROBERTS and members of the subcommittee, I have mixed feeling about appearing this morning to oppose a bill introduced by the chairman of this subcommittee, whom I regard not only as a good friend and an outstanding Member of Congress but as one who has probably done more than any single American to protect the safety of the American people on the highways of this Nation. The attack on exhaust fumes and the increasing use of seat belts in automobiles can be attributed largely to the work of this subcommittee and its chairmen. And in the general field of health legislation, hospital construction, and health professions education, this subcommittee has a proud record.

Thus, I would never take the position that this subcommittee, under Congressman KENNETH A. ROBERTS, is interested in weakening the protections of the American consumer from dangerous food products, or that it is interested in undermining, in any way, the effectiveness of the Food, Drug, and Cosmetic Act. On the contrary, I am sure the subcommittee joins me in wishing to see the Food, Drug, and Cosmetic Act 1938 brought up to date and made much more effective in protecting our lives and health and safety.

Nevertheless, I feel I must go on record here that I believe strongly that we should not enact as a separate piece of legislation H.R. 12437 by Chairman ROBERTS or H.R. 12420, the bill introduced by Congressman NELSEN, even though the language of these bills was taken out of one of the administration bills to amend and strengthen provisions of the Food, Drug, and Cosmetic Act. When I testified before the full Committee on Interstate and Foreign Commerce in June on H.R. 11581, the administration bill on drugs, and H.R. 11582, the bill dealing with cosmetics and therapeutic devices, containing together most of the major provisions of my own bill introduced 19 months ago—H.R. 1235—I raised some questions about the validity and the justification for this particular provision of H.R. 11582, the feed additives amendment, which has now been reintroduced as a separate bill. After mentioning approvingly some of the few provisions of H.R. 11581 and H.R. 11582 which are not in H.R. 1235 but which I would be willing to see added on to my bill, I turned to this particular provision on feed additives, relaxing the Delaney clause, and said:

"However, I have strong doubts, I must admit, over the retreat on the Delaney anticancer clause on feed additives, as contained in H.R. 11582, particularly in view of the Government's experience several years ago with the hormone-treated chickens. It cost us $10 million to remove from the market the fowl treated with a drug considered safe for the purpose—after it was learned that there were residues of the cancer-inducing substance in the skin of the chicken. Too often for complacency, new testing methods disclose the existence of harmful residues which had not shown up in earlier tests, but by then the damage is done."

NOT INCLUDED IN PRESIDENT'S CONSUMER MESSAGE

Mr. Chairman, it will be noted that my comments at the time on this particular provision of one of the administration bills were mild indeed. I thought I recognized why this provision had been included in the package of administration proposals making drastic changes to close loopholes and eliminate unsafe features in the 24-year-old Food, Drug, and Cosmetic Act. Most of the administration proposals, like nearly all of those in H.R. 1235, are tough changes in the law—necessarily so—to cope with increasing evidences of danger to the consumer. The President touched on some of these in his March 14 message to Congress on consumer protection, but there was not a single word in the President's message about relaxing or changing the Delaney anticancer clause in either the food additives or color additives sections of the law.

On the other hand, he strongly endorsed proposals—all of them in H.R. 1235—for requiring pretesting for safety of all cosmetics; for requiring proof of efficacy as well as safety of all new drugs; for requiring proof of safety and efficacy for all new therapeutic devices; for tightening up drastically our powers to cope with the illicit sale of pep pills and sleeping pills; for rewriting the factory inspection authorization to enable the Food and Drug Administration inspectors to ferret out dangerous conditions in the manufacture, distribution, warehousing and sale of foods, drugs, and cosmetics; for promoting the feasibility of having doctors prescribe by generic terms instead of trade names as a means of bringing down the cost of prescription drugs, and, for enabling the Government to move quickly—immediately—in taking off the market any previously approved drug about which serious doubts have developed after the drug has gone on sale.

These are the major provisions of H.R. 1235 and of those sections of H.R. 11581 and H.R. 11582 which amend the Food, Drug, and Cosmetic Act. None of these purposes would be accomplished by passage of either of the two bills now before you this morning.

LEGISLATION BENEFITS ONLY SOME BUSINESS FIRMS

Instead, you propose in this legislation to take out of the administration package of proposals to strengthen the Food, Drug, and Cosmetic Act one obscure provision which does nothing whatsoever for the consumer, but puts profits into the pockets of some businesses making animal feeds.

Perhaps there are inequities in the feed additives "grandfather" clause which permit some feed manufacturers to continue to use cancer-inducing substances or coloring matter in their animal feed products if the particular firms were permitted to do so prior to the passage of the Food Additives Act of 1958 and the Color Additives Act of 1960, and as long as the Government cannot prove danger to the consumer on the other hand, a feed manufacturer not authorized before 1958 to use cancer-inducing chemical substances and not authorized before 1960 to use cancer-inducing coloring matter in animal feed cannot use them now, because of the Delaney clause, contained in both the 1958 and 1960 acts. So it is a competitive inequity.

But, gentlemen, let us look at it from the consumer standpoint. There is no value whatsoever to the consumer—none—in having our meat and poultry supply fattened for market with the aid of feed additives containing materials which could cause cancer. Some of the hormones are of economic value to the producer—fattening his livestock quicker with less feed.

I don't believe it means a single cent's difference in the consumer price of the meat, and it could endanger the consumer's health.

That is why the stilbestrol-treated chickens had to be taken off the market several years ago at huge cost to the taxpayers. The Government had sanctioned the use of the stilbestrol pellets on the basis of evidence that no residue was found in the edible portions of the meat. Later—much later—with better testing methods, traces of this dangerous and cancer-inducing substance were found in the skins, and also in the livers and kidneys of the chickens. Who among us can guarantee that the further improvement of tasting methods in the near future—or the distance future—will not demonstrate similar consequences from use of the cancer-inducing materials now permitted in some animal feeds under the "grandfather's" clause?

PROBLEM MUCH MORE SERIOUS IN NEW DRUGS

I did not come here to be obstructive. I know there is a competitive problem among feed manufacturers based on when a particular firm happened to begin marketing a particular feed additive which competitors later going into the field could not legally use. But the problem goes much deeper than the competitive situation in the animal feed industry.

Our present law on new drugs requires very stringent proof of the safety of a new drug before it can be marketed. Thalidomide could not be marketed in this country because the manufacturer was not able to convince Dr. Frances Kelsey of FDA that such beyond-a-doubt proof existed. She has testified that, for a long time, she could not put her finger on the exact danger.

If she had approved the drug, based on what appeared to be very convincing proof of safety as a result of widespread usage abroad, she would not have been the heroine she is now, but I am sure she would not have been criticized for accepting the scientific proof presented to her as sufficient. This is a terribly complex scientific problem in the clearing of new drugs, since, as we know, any new drug carries dangers with it and the question is whether the good it can do—under proper medical supervision—outdoes the potential danger. Think how long it took before researchers connected this drug to the sudden increase in the birth of malformed infants.

But here is my point: If Dr. Kelsey had approved the application for sale of this drug, the Food and Drug Administration would then have had to wait for legal and incontrovertible proof of its danger before it could then have removed it from the market. The "tingling sensation" Dr. Kelsey had read about in a letter to the editor of the British Medical Journal—a piece of information which alerted her suspicions—would hardly have been the proof necessary to stop sale of the drug if it had already been approved for sale in this country.

That is the big loophole in our new drug law. The bills you are considering this morning seek to meet this problem as it involves feed additives by providing that the Secretary can quickly move to withdraw from sale any feed additive containing a chemical or color additive which he has once approved, if later he has substantial doubt of its safety. That part of the Roberts-Nelsen bill is all to the good.

OTHER CHANGES NEEDED IN DRUG LAW

But this problem is much more serious with drugs than it is with feed additives. We should not call forth a mouse when we need a massive solution to this problem of removing from the market drugs once approved but later found to be dangerous. Thus, if we are going to do anything on this, we should change all of the appropriate provisions of the food, drug, and cosmetic law to cover not only feed additives, but all drugs—in fact, I believe the feed additives involved in this matter are technically drugs under the act, and the safety feature of H.R. 12437 would be accomplished by H.R. 1235 or the administration bills.

Dr. Kelsey's experience points up the need for another important change in the drug laws: extending the period during which the Government has to act on a new drug application, as H.R. 1235 and H.R. 11581 both provide. Secretary Ribicoff and Commissioner Larrick testified on this during the full committee hearings in June. Dr. Kelsey herself has said that such a change in the law is needed to give her and other FDA scientists sufficient time for evaluating new drug applications. We don't need legislation to tighten up on experimental testing of drugs—FDA can now do that. But we need legislation to close other loopholes in the drug laws and it is urgent that we pass such legislation as I have proposed and the President has called for.

I know the present jurisdiction of the subcommittee is somewhat limited by the fact that H.R. 11581, H.R. 11582 and H.R. 1235 are pending before the full committee, and that this feed additives amendment alone, rather than any of the omnibus bills, is all that is before you right now.

But I think it would be most unfortunate if, out of all of the truly vital, urgent—changes needed in the Food, Drug, and Cosmetic Act right now, the Congress should rush to pass only a bill giving profits to feed manufacturers who happened to have run into a technicality in the law which prevents them from marketing feeds containing cancer-inducing substances, while other firms may still do so.

Furthermore, I refer you to the information I supplied this committee 2 years ago in connection with the color additives bill—information from experts at the NIH—that there is no such thing as a harmless portion of a cancer-inducing substance in food or in drugs or in anything which might be ingested. Tests so far have shown that small quantities of some cancer-inducing substances fed to or injected in some classifications of meat animals, notably beef cattle, in animal feed, to speed the fattening process or for similar economic purposes, do not show up in the edible meat and apparently also do not harm the animal. But please keep in mind that the same "proof" existed on the use of stilbestrol pellets in chickens. That "proof" was faulty, just as the "proof" of the safety of thalidomide was faulty.

GIVE THE CONSUMER "SOMETHING FOR SOMETHING"

I ask that you put this legislation aside as a separate bill. If the Food and Drug Administration can give you incontrovertible evidence that this proposed change in the law is important or necessary, then—even then—I would say, make it part of an omnibus bill which also does something for the consumer. This is one of the few sections of any of the omnibus bills which any industry will enthusiastically support. I say: If you're going to go out of your way to provide relief, as this bill would, to some feed manufacturing companies, make it, to use the Latin, a quid pro quo—something for something—in other words, as part of the price the consumer must pay for getting a whole lot more consumer protection in the law. Otherwise, the industry gets what it wants, and the consumer gets nothing.

Mr. Chairman, I have the whole story of what happened on the stilbestrol pellets case involving chickens several years ago. This consists of a statement by former HEW Secretary Flemming, at a news conference December 10, 1959, when HEW announced its agreement with Agriculture that stilbestrol would not be used in chickens and that the Government would then buy up all fowl which had been treated with this previously approved drug. Also, at the same time, Mr. Flemming released a chronological report on how the crisis had developed. This is my only copy. I believe it should be part of the hearing record on this legislation. I ask that you include this material—that you obtain copies from HEW and insert this information in your hearings. It shows what happened when it was discovered that this harmless use of stilbestrol in chickens was not harmless after all—and why the Government could not move quickly on its own authority when the evidence indicated substantial doubt as to safety. The lesson we should learn from it is this: We should be extremely wary about authorizing any cancer-inducing substance under any circumstances in food, drugs, or cosmetics, as the Delaney clause provides. I do not believe the Delaney clause should now be weakened. We fought too hard to get it into law to see it weakened merely to help some animal feed manufacturers improve their competitive situation.

Kastenmeier of Wisconsin: A Profile in Courage

EXTENSION OF REMARKS

OF

HON. LESTER R. JOHNSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 6, 1962

Mr. JOHNSON of Wisconsin. Mr. Speaker, few newspapermen have done as admirable a job of catching the quality of a man as has Ivan Kaye, in his recent feature report "KASTENMEIER of Wisconsin: A Profile in Courage."

In printing this article on July 30, 1962, the Capital Times, of Madison, Wis., has done a service to many Wisconsin people. I firmly believe that we must remain true to our finest traditions. I think that the Members of the House of Representatives will benefit from this article and will agree that the United States cannot condone brutality in any fashion in any part of the world.

After reading this article, Mr. Speaker, I asked Congressman KASTENMEIER for a copy of the letter he sent to the President which I believe will be of interest to the Members of the House. I include the article and letter under leave granted me so to do:

KASTENMEIER: A PROFILE IN COURAGE—YOUNG CONGRESSMAN FROM WATERTOWN ASKS UNITED STATES TO BE TRUE TO ITS FINEST TRADITIONS

(By Ivan Kaye)

WASHINGTON.—The capacity for true moral outrage is about as rare in this city as a balanced budget.

There are any number of Congressmen who can work themselves into oratorical tantrums over trivia, but there are only a few, who can focus an aroused conscience on those issues that must be brought to the national attention if Americans are to be able to look themselves in the eye.

One of the few is ROBERT WILLIAM KASTENMEIER, of Watertown, Wis., and last week he applied his unyielding moral sensitivity to one of the real dilemmas of the cold war.

It all started when he opened a copy of Time magazine and found a picture of an American soldier standing by while a couple of good Vietnamese exhibited a little patriotic brutality toward a couple of bad Vietnamese.

The bad Vietnamese were two teenage boys who had some Communist songbooks in their possession. The good, or pro-American,

Vietnamese wanted their captives to tell them certain things, and when they refused, several gallons of water were poured down one boy's throat as a way of inducing cooperation.

The fact that the boys survived the ordeal, and the fact that there are admittedly worse ways to torture a prisoner were beside the point, as far as KASTENMEIER was concerned. So was the suspicion that there may be worse brutalities that have not yet come to light.

What he was really concerned about was the American in the picture, and the well-known fact that the Vietnamese are under the influence of our military advisory group there.

The question KASTENMEIER would now like answered, and it is perhaps the fundamental question about American posture in the cold war, is: How far are we willing to go?

To what extent, that is, are we as a nation willing to look away from these and other similar acts, and to rationalize them as a necessary aspect of the confrontation with Russia and China?

KASTENMEIER wants to know whether our complicity in such practices will be justified in official quarters on the basic of expediency.

He has fired off a letter to President Kennedy and a copy to Defense Secretary McNamara urging an immediate end to such goings-on as the water episode.

In the letter, written with a bright and burning eloquence, he left no doubt that if such acts could be justified officially as part of cold war policy, we would then have lost something of our essence as people dedicated to fairplay—something that no totalitarian ever could have taken from us.

If brutality to children were to be accepted as a component of our foreign policy, KASTENMEIER wondered, how long would it be before the United States were called before the bar of world opinion as France was for its inhuman treatment of the Algerian rebels?

"It matters not whether the men are Algerian or Vietnamese, young or old; nor indeed how hostile may be their political views," KASTENMEIER wrote, "they are human beings and should not be treated in this way."

What he was asking, in essence, was for Americans to make a judgment.

They must decide whether there are some acts that cannot be justified under any circumstances, or whether, in a time of national peril, there are some otherwise reprehensible practices that will now be tolerated.

Wiretapping is another example, and KASTENMEIER has come out completely against it in every case.

It takes a kind of courage even to ask the question. It is so much easier to paint the Nation's enemies as devils, and thus to justify any inhumanity toward them.

It also takes a rare kind of fortitude to remind one's countrymen that they cannot evade responsibility when an American soldier—a representative of the Government, and thus of the people themselves—supervises the sadistic treatment of prisoners.

Since a great many citizens may not want to accept this responsibility, and since the electorate has never exactly idolized those who reminded it of its obligations, this is not an issue that has what the professionals here call political mileage.

Yet, if it does not have political mileage, KASTENMEIER obviously feels that it has moral mileage.

It is the sort of issue that may reveal only too well the real composition of the American conscience.

The way litmus paper tells a chemist when there is acid present, the public attitude on this may tell a sensitive Congressman the temper of the society he represents. And, more important, it may also tell the people something about themselves.

KASTENMEIER has a reassuring faith in his countrymen. He is certain that a great many of them have not been raised in this civilization to accept sadism as a means to any end.

There are those here who would disagree with him—who would say that we have become so progressively brutalized over the past generation, and so dedicated to creature comforts, that practically nobody is going to be willing to put himself out over the water torture of a couple of pink Vietnamese.

If some would call KASTENMEIER naive for expecting any better conduct from American soldiers in southeast Asia, it could be said in his defense that he is also naive enough to take American ideals seriously.

"There is no room for indifference to the value of the individual in American history, tradition, or mortality," he wrote to the President.

If KASTENMEIER turns out to be wrong—if there is now room for indifference to the value of the individual in a new American cold war morality—then he may have to ask one more question: If we must become brutalized in order to save our way of life, what have we saved?

JULY 20, 1962.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: A picture in the July 20, 1962, issue of Time (p. 29) shows two young Vietnamese boys being led off to be tortured under the watchful gaze of an American adviser.

The story explains that the youths, who are said to be 15 and 19 (but look no older than 11 and 13) were captured with Communist songbooks in their possession: "The older boy was pinned to the ground and—as the Rangers call it—'taken for a swim.' His jaw was forced open and 5 gallons of water from a rusty old can gradually poured into his mouth. The youth gagged and screamed, but refused to talk, even when prodded with a rifle butt."

The fact that this scene took place under the eyes and camera of an American newsman indicates a callous indifference to the opinion of the world. It also indicates a strange insensitivity to the inhumanity of the actions, for these are men who do not seem to care who is watching as they supervise the brutal treatment of youths. To what depths must men sink before they feel shame and the fear of other men's judgments? And if we are permitted to witness these acts, we might well ask what is now being done that may be hidden from our view.

The U.S. soldiers advising the Vietnam soldiers represent both the Government and the people of this country. I am shocked to see them associated with these practices. There is no place for our help or cooperation, or even our complacency in the face of such facts. The world is fully aware of our deep involvement in Vietnamese affairs. We publicly proclaim that we are advising, training and, indeed, supervising the actions of the Vietnamese forces. We cannot escape responsibility for our participation in these less than human acts.

It was not long ago that we read with disgust of the tortures of Algerians by the French Army. Then the French clergy and men of conscience throughout the world joined in the protest against inhuman acts done in the name of necessity. I would hope our country will not be the next to be called before the judgment of the world. For it matters not whether the men are Algerian or Vietnamese, young or old; nor, indeed, how hostile may be their political views: they are human beings and should not be treated in this way.

In the past our men have been criticized for their lack of morale and fighting spirit in Korea and elsewhere. I have never doubted the courage or dedication of our soldiers. But these recent stories force me to question whether or not some really understand what they are fighting for. I do not understand how men brought up in America can condone the practice of torture in Vietnam or elsewhere. There is no room for indifference to the value of the individual in American history, tradition, or morality. And I am forced to the conclusion that these men must be instructed once more in the real meanings and demands of democracy.

I need not point out that the ends cannot justify the means in this situation. Nor need I say that the excuse of necessity or expediency should not be offered, and cannot be accepted in America. I can only ask that, before we begin the slow descent to a moral level where men pass off reports of torture with indifference and impatience, actions be taken to halt our complicity in these inhuman practices.

Mr. President, I respectfully request your response on this matter.

Yours respectfully,
ROBERT W. KASTENMEIER.

CC.: Secretary of Defense.

Hon. ROBERT S. MCNAMARA,
Secretary of Defense,
The Pentagon,
Washington, D.C.

DEAR MR. SECRETARY: I am enclosing a copy of a letter describing the brutal treatment of prisoners in Vietnam which I sent to the President today. I hope that on your trip to Vietnam you will have an opportunity to fix responsibility for these practices and call a halt to them.

Yours sincerely,
ROBERT W. KASTENMEIER,
Member of Congress.

Independence Day of Upper Volta

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 6, 1962

Mr. POWELL. Mr. Speaker, we take this opportunity to send warm felicitations to His Excellency the President of the Republic of Upper Volta, Maurice Yameogo; and His Excellency the Ambassador of Upper Volta to the United States, Frédéric Fernand Guirma, on the occasion of the second anniversary of Upper Volta's independence.

On August 5, 1960, the former French West African Territory of Upper Volta became the independent Republic of Upper Volta. Like the other now independent states of former French Africa, its Government is based on the principle of popular sovereignty, and legislative power is exercised by an assembly elected by direct universal suffrage. In 1959 Upper Volta joined with three other French West African territories—Ivory Coast, Niger, and Dahomey—to form the Conseil de l'Entente, a loose cooperative association which was continued after independence and which has resulted in the coordination of development plans and of various social, fiscal, and economic policies. The Conseil has set up a customs union providing for free trade

among the four members and a solidarity fund for financial assistance. Thus, in political development the Republic of Upper Volta has not only become a modern democratic state but with three of its sister states has formed a unique cooperative association especially adapted to the African scene where economic and social development is of prime importance.

The land itself, which has no outlet to the sea, is a vast plateau rising from a low of 650 to a high of 1,000 feet. It is a land of wooded hills and harsh desert, of cattle-grazing savannahs and lowland rice paddies. Its history before the advent of the European is the tale of the empire-building Mossi, a people believed to have come from East Africa sometime in the 11th century and gradually to have created feudal empires throughout Upper Volta. In the 19th century it became a French protectorate, and later a territory of French West Africa. Now as an independent state and a member of the United Nations it is a respected participant in the world community.

Since the economy of Upper Volta is based on agriculture and animal husbandry, the increase of agricultural and livestock production has been one of the main goals of the country's economic development plans. The new republic has made concentrated efforts to intensify production through the adoption of soil conservation measures, the initiation of agricultural research programs, and the establishment of animal breeding centers. These measures attest to the clear sightedness of Upper Volta's economic planners.

And in the fields of health, education, and welfare Upper Volta has also exerted intensive efforts since independence. A program aimed at expanding primary and secondary education is underway, and it is hoped that full enrollment will be achieved within 15 years. Health conditions are steadily improving, and through the introduction of compulsory innoculations epidemics of infectious diseases such as yellow fever and the plague have been checked. Social welfare programs have been developed in urban areas. A workingman's compensation fund handles accident compensation and allowances to families of incapacitated workmen.

Thus, Upper Volta has quickly assumed the responsibilities of a sovereign state. In foreign relations it is peace loving and trustworthy. In domestic affairs the Government has willingly accepted its obligations toward its citizens and is devoting its every effort toward raising their standard of living as quickly as possible. We congratulate the Government and people of Upper Volta on the second anniversary of their independence.

SENATE

TUESDAY, AUGUST 7, 1962

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

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

O God, whose spirit searcheth all things, and whose love beareth all things: For this dedicated moment, turning from our often divisive loyalties and our party cries, we would humbly bow in a unity of spirit, realizing our oneness in Thee.

Forgive us for praying that Thy kingdom may come, and then, by our own selfish stubbornness, barring the way when it has sought to come through us.

Deliver us from the hypocrisy of giving lipservice to the golden goals of Thy kingdom, as if we looked for it without, in others, and not in our own hearts. Grant us a fundamental fealty to the common good, expressing itself in divergent attitudes and convictions which are the glory of our national heritage, yet putting always above partisan advantage the weal and welfare of the commonwealth to which we solemnly pledge our supreme allegiance. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 6, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 6, 1962, the President had approved and signed the following acts:

S. 1074. An act for the relief of Chao Yao Koh;

S. 1889. An act for the relief of Mrs. Geohar Ogassian; and

S. 2339. An act for the relief of George Ross Hutchins.

REPORT OF NATIONAL CAPITAL HOUSING AUTHORITY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on the District of Columbia:

To the Congress of the United States:

In accordance with the provisions of Section 5(a) of Public Law 307, 73d Congress, approved June 12, 1934, I transmit herewith for the information of the Congress the report of the National Capital Housing Authority for the fiscal year ended June 30, 1961.

JOHN F. KENNEDY.

THE WHITE HOUSE, *August 7, 1962.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

MESSAGE FROM THE HOUSE

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

S. 3064. An act to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources; and

S. 3089. An act to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1308. An act to incorporate the Sea Cadet Corps of America, and for other purposes; and

S. 3174. An act to provide for the division of the tribal assets of the Ponca Tribe of Native Americans of Nebraska among the members of the tribe, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 7796. An act to amend certain lending limitations on real estate and construction loans applicable to national banks;

H.R. 8419. An act to provide for the presentation of medals to the officers and men of the Byrd Arctic Expedition of 1926;

H.R. 9280. An act to amend section 2 of the act of July 31, 1947 (61 Stat. 681), and for other purposes;

H.R. 9728. An act to amend the Cooperative Forest Management Act;

H.R. 10540. An act to exclude deposits of petrified wood from appropriation under the U.S. mining laws;

H.R. 11049. An act to amend the Mineral Leasing Act of February 25, 1920;

H.R. 12078. An act to provide for the settlement of claims of certain residents of the Trust Territory of the Pacific Islands;

H.R. 12355. An act to amend the law relating to the final disposition of the property of the Choctaw Tribe;

H.R. 12513. An act to provide for public notice of settlements in patent interferences, and for other purposes; and

H.R. 12688. An act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 474) extending the greetings and felicitations of the Congress to the Bethel Home Demonstration Club of Bethel Community, Sumter County, S.C., in which it requested the concurrence of the Senate.